MDS

MEDICAL DISPOSABLES & SUPPLIES LIMITED

Taking Care ...

NEXT LEVEL

LOADING...

2023 ANNUAL REPORT

MDS

EACH TIME YOU WIN, CONCENTRATE ON THE NEXT LEVEL.

– Anyaele Sam Chiyson

MISSION

To be the most customer-centric and profitable distributor in the Caribbean.

VISION

Beat the Best!

VALUES

Delighted Customers

Fulfilled Employees

Premium Service

Quality Assurance

Social Responsibility


MDS
MEDICAL DISPOSABLES
& SUPPLIES LIMITED

ABOUT THE COMPANY

MEDICAL DISPOSABLES & SUPPLIES LIMITED (MDS) connects manufacturers and customers in the medical, dental, pharmaceutical and fast-moving consumer goods industries by maximising the availability of our partner brands across varied channels. Our island-wide sales and service delivery covers a spectrum of customers that fall within our three Divisions: Medical, Pharmaceutical and Consumer.

Our Pharmaceutical Division distributes prescription drug items across the pharmacy network, while our Medical Division provides disposable items, medical sundries and hospital supplies to healthcare facilities, hospitals, doctor offices and other entities in the medical arena.

Our newest, the Consumer Division, services supermarkets, wholesales, convenience stores, novelty stores, mom and pop shops, hospitality service outlets, and personal care resellers with general consumer items that focus on beauty, household, baby, family, confectionery, condiments, and snacks.

Although primarily a business-to-business provider, casual in-office sales are also welcomed.

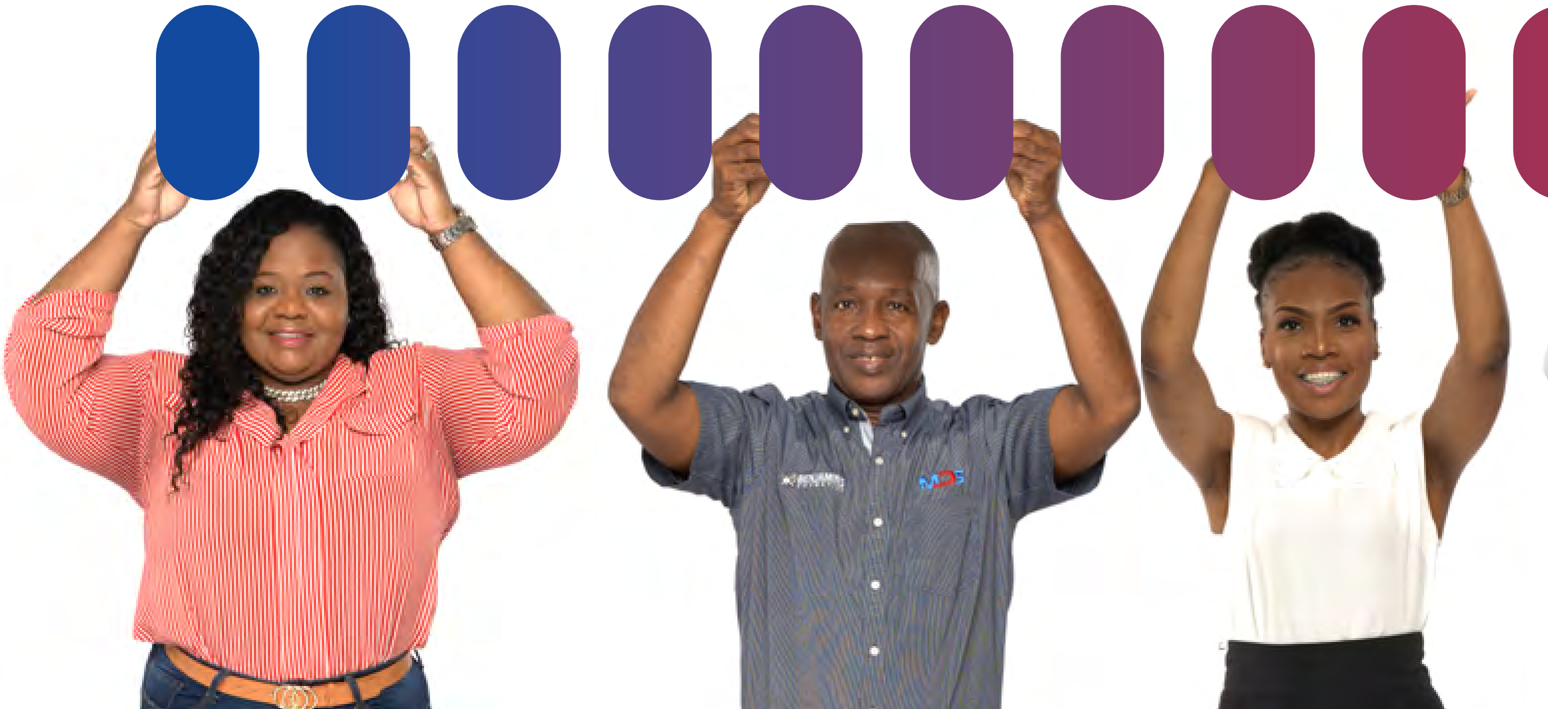
Our reach is wide, varied and growing with the highest possible levels of service, care and support. Our promise is that we will always endeavour to provide an unparalleled experience in our interactions and a world-class offering that will delight our partners and customers. We are proud to represent internationally recognised and stellar local brands for 23 years and counting and take immense pride in 'Taking Care' … of business, patients, customers, team members and of valued shareholders like you.

Sales and distribution are the lifeblood of any business and MDS is honoured to play such a vital role in the supply chain of the brands we serve.

"The Sankofa, a mythical bird from Ghanian folklore, is typically portrayed as twisting its head backward behind itself to secure a precious egg while its feet remain facing forward."

The mental imagery of this scene is a beautiful anecdotal representation of a paradoxical moment in life and in business – the need to position yourself to accelerate forward while skilfully looking behind just long enough to secure precious gems of the past that are necessary for grounding in the present and for future ascent. It is a symbol that reminds us that we should always evaluate, re-evaluate and salvage what we may have left behind. It is the belief that there is wisdom in learning from the past which ensures a strong future. It means revisiting what we were loaded with in the beginning that was part of the recipe for success, and deciding to reload those things of value that may have somehow been inadvertently offloaded along the way.

Like many other brands undergoing a stage in the business life cycle that is laced with rapid growth, there is an acknowledgement that the growth, while being a great asset, if not handled with extreme attention and care, can lead to important elements being left behind in the race for advancement. The repercussions can result in the business becoming overly complex, ladened with bureaucracy that slows



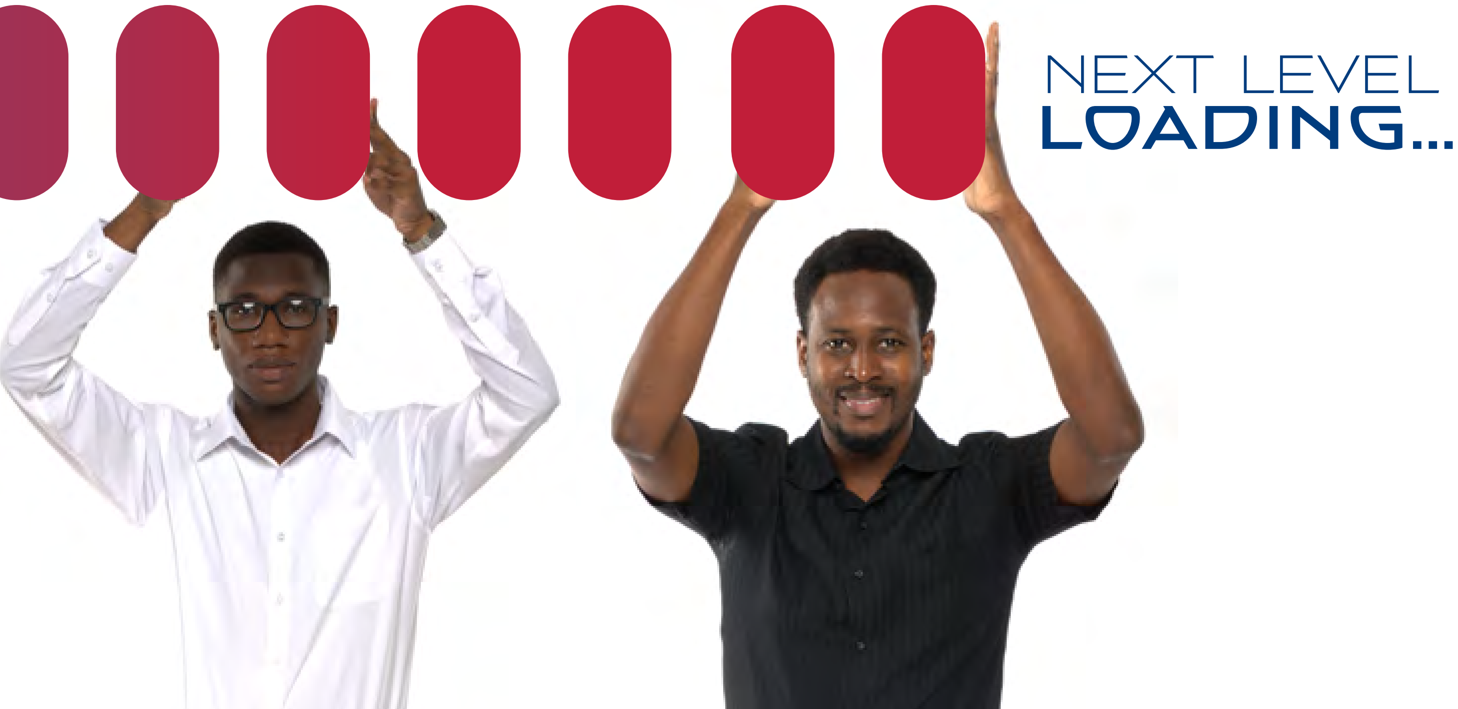
the Company's metabolism, widespread drowning in processes and losing touch with the people who matter most.

For MDS, the Sankofa means that while we become 'big enough' to enter the weight class of many of our competitors, we must be relentless in retaining those things that make us 'small enough' to have earned the respect, admiration and love of those we serve. It is a non-negotiable that we maintain our reputation for excellence, charming aggression and implement our attention to detail in leading our people, managing our processes, and promoting our products.

Undoubtedly, while the world shifts and becomes highly digitalised and modernised, the Company must move swiftly enough to keep pace rather than being organised for a world that is disappearing. However, not so much that we lose what makes us truly valuable - who we are, how we operate and how we grow.

This year, MDS needed to perform diligent examination of the past for the sake of the future. While preparing to take flight and launch forward, we turned back our heads long enough to rediscover MDS' soul and unique core, zeroing in on principles that have successfully guided the Company from its initial operations and throughout the most challenging years. Our process of 'Reloading' was a necessary requirement - for where we currently are but, more importantly, for where we are going.

Next level... loading.



CHAIRMAN'S STATEMENT

During the period under review, the Company continued to experience the adverse effects of the COVID-19 pandemic on its business operations, some of which arose from the following:

- Negative effect of global supply chain disruptions and the longer lead times which resulted
- Increase in freight rates
- Upward movement in international oil prices and the resulting "Cost Push" effect
- Continuous increases in interest rates, bank fees and other charges
- Increase in the rate of domestic inflation above projected levels

Against the background of the harsh external business environment, the financial year ended March 31, 2023 was a year of mixed results in so far as revenue and profits are concerned.

Revenue recorded for the period reached the highest level in the history of the Company, while profit before tax fell below normal expectations, resulting mainly from the negative impact of rising operating costs.

REVENUE

Revenue generated for the period under review was $3.769 billion compared to $3.416 billion, an increase of $353M or 10.3%.

Total revenue increased across all divisions of the Company, reflecting an increase in demand for pharmaceutical, medical and consumer products.

GROSS PROFIT

Gross Profit amounted to $1.013 billion compared to $936.4 million in the previous year, representing an increase of $77 million or 8.25%.

TOTAL OPERATING EXPENSES

Total Operating Expenses increased by $140M or 18% from $792M to $932M. This was due mainly to additional finance costs associated mainly with the high levels of inventory maintained in order to minimise out of stock positions relating to critical medical and pharmaceutical products.

NET PROFIT AFTER TAX

After taxation of $16.5M, Net Profit amounted to $80.2M for the current year compared to $105.4M in the previous year, a reduction of $25.2M or 24%.

EARNINGS PER SHARE

Earnings per share for the year ended March 31, 2023 was $0.27 compared to $0.37 for the year ended March 31, 2022.

During the period under review, MDS maintained its commitment to its shareholders by the distribution of dividends of $ 0.09 cents per share.

Going forward into the New Financial Year it is necessary to develop and apply strategic responses to address the issue of the fall in profit in the year just ended.

In this regard, it is of great importance for the Company to focus its attention on the widening of the product range, particularly in the Medical and Consumer Divisions, in an effort to raise the level of the overall Gross Profit percentage.

At the same time, it is imperative that the Company should intensify its cost reduction and cost management efforts.

We maintain a positive outlook for the year ahead, despite the current challenges which we face, but wish to once again recommit ourselves to maintaining a high standard of performance in order to increase shareholder value by providing an appropriate return on their invested capital.

As we complete another year of operation, I use this opportunity on behalf of the Board of Directors to express our gratitude to our valued customers and shareholders for their loyalty and continued support, and also to the MDS team for their continued hard work and dedication during the year.

Finally let me use this opportunity to thank the members of the Board of Directors for their leadership and guidance during the period just ended.

Winston Boothe

Chairman

We maintain a positive outlook for the year ahead, despite the current challenges which we face...

MEDICAL DISPOSABLES
& SUPPLIES LIMITED
Taking Care...

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF Medical Disposables & Supplies Limited (the "Company") will be held on Thursday, October 26, 2023 at 10:00 a.m. at the Company's offices, 83 Hagley Park Road, Kingston 10, to consider, and if thought fit, pass the following Resolutions:

ORDINARY BUSINESS:

1. RECEIPT OF AUDITED ACCOUNTS

To receive the Audited Accounts for the financial year of the Company ended March 31, 2023, together with the Reports of the Directors and Auditors thereon.

Ordinary Resolution No. 1

"That the Audited Accounts for the financial year of the Company ended March 31, 2023, together with the Reports of the Directors and Auditors thereon be and are hereby adopted".

2. RETIREMENT OF DIRECTORS BY ROTATION AND RE-APPOINTMENT

THAT the following Directors of the Board who, being the longest serving have retired by rotation prior to the reading of the resolution in accordance with the Articles of Incorporation of the Company and, being eligible, have consented to be re-appointed and to act on re-appointment:

Ordinary Resolution No. 2:

"That Mr. Winston Boothe be and is hereby re-elected a Director of the Company for the ensuing Year".

Ordinary Resolution No. 3

"That Mrs. Myrtis Boothe be and is hereby re-elected a Director of the Company for the ensuing Year".

3. DIRECTORS' REMUNERATION

To authorise the Board of Directors to fix the remuneration of Directors.

Ordinary Resolution No. 4

"That the amount shown in the Audited Accounts for the year ended March 31, 2021 as fees to the Directors for services as Directors, be and is hereby approved".

4. RE-APPOINTMENT AND REMUNERATION OF AUDITORS

To appoint the Auditors and authorise the Board of Directors to fix the remuneration of the Auditors.

Ordinary Resolution No. 5:

"That Mair Russell Grant Thornton was selected by way of tender and having consented to continue as the Auditors of the Company be and are hereby appointed Auditors of the Company to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

5. OTHER ROUTINE BUSINESS

To deal with any other business that is considered routine and appropriate for the Annual General Meeting.

Ordinary Resolution No. 6

"To transact any other ordinary business of the Company that can be transacted at an Annual General Meeting."

SPECIAL BUSINESS

1. AMENDMENT TO COMPANY'S ARTICLES OF INCORPORATION

It is therefore proposed that the Company amend its Articles of Incorporation to, among other things, permit and facilitate the Company holding general meetings of members electronically. To consider and, if thought fit, pass the following as a Special Resolution.

Special Resolution No. 1:

THAT the Articles of Incorporation be and are hereby amended as follows:

A. Inserting a definition for "Electronic Means" in Article 1 which shall provide as follows:

"Electronic Means" means any method of dispatch or communication of sounds, documents, maps, photography, graphs, plans or other data which involves the use of equipment or technology having electrical, digital, magnetic, wireless, optical, electromagnetic, photographic or similar capabilities including but not limited to facsimile machines, the Internet, webcasting, teleconferencing, videoconferencing, live stream or broadcast and mail sent via computers and scanning devices."

B. Amending Article 62 which shall provide as follows:

(1) The Company may, if so permitted by the provisions of the Act, convene and hold a general meeting of its members as a:

(a) hybrid meeting; or

(b) virtual meeting,

and a hybrid meeting or virtual meeting shall be identified as such in the notice convening such meeting.

For the purpose hereof:

a. a "hybrid meeting" means a meeting held at one or more physical venue or venues using any technology that gives members and directors, as a whole (including members and directors not physically in attendance at any of the venues) a reasonable opportunity to participate by electronic means; and

b. a "virtual meeting" means a meeting held at no physical venue and is conducted entirely by means of technology which

NOTICE OF ANNUAL GENERAL MEETING (CONT.)

gives members and directors, as a whole, a reasonable opportunity to participate by electronic means;

PROVIDED THAT an "electronic meeting" (as referred to in this Article) means either a hybrid meeting or a virtual meeting, as applicable.

(2) The notice of an electronic meeting shall not specify a venue and such a general meeting shall be recorded as being held in Jamaica.

(3) Where an electronic meeting is proposed to be held for the purpose of enabling members to participate in such general meeting, the Company shall procure that arrangements be made (as may be recommended by the Directors) as are:

a. necessary to ensure the identification of persons attending and participating in the general meeting and the security of any electronic communication;

b. proportionate to the achievement of the objective of a general meeting of members of the Company such that members have every opportunity as might reasonably be afforded by the Company, to participate in the electronic meeting; and

c. necessary to provide reasonable evidence (for the benefit of the Company) of the entitlement of any person who is not a member to participate in the electronic meeting.

(4) The right of a member to attend an electronic meeting may be exercised by the member's proxy and notwithstanding anything to the contrary contained in these Articles, a proxy form may be returned to the Company by facsimile transmission or other electronic means.

(5) Without prejudice to such other means of giving notice to members and Directors as may be permitted by these Articles, notice of a meeting given to a nominating member or a nominating director may be effected by:

a. sending such notice and any notice document to the facsimile transmission number or electronic mail address provided to the Company by the nominating member or nominating director;

b. sending to the nominating member or nominating director by any other electronic means nominated by the nominating member or nominating director; or

c. posting/uploading the notice and any notice documents into a dropbox or other file sharing system or electronic document depository or electronic means and providing the nominating member or nominating director with a passcode or other means to electronically access the notice or such notice document.

For the purpose of Articles 62(5) and (6):

a. “nominating member” means a member who has elected to receive notice and notice documents by electronic means or in electronic form and has provided the Company with a facsimile transmission number, electronic mail address or other electronic means of receiving notice and notice documents, and the term “nominating director” shall be construed in the same way; and

b. “notice document” includes any document which the Company is obliged or wishes to provide with any notice including any document required to be laid before the Company in a meeting, proxy form, explanatory statement, circular and draft motions, and annual reports etc.

(6) Notice or notice document given to a nominating member or nominating director by electronic means shall be taken to be given twenty-four (24) hours after the notice or notice document was electronically transmitted to the nominating member or nominating director or after the nominating member or nominating director is provided with the relevant password or electronic access to the Dropbox or other file sharing system or electronic document depository.

(7) A defect in any electronic notice or failure in case of the electronic delivery system shall not invalidate the notices unless the failure is such as to cause non-delivery or mis-delivery of more than five percent (5%) of the notices dispatched.

Dated this 28th day of July, 2023

BY ORDER OF THE BOARD

Nikeisha Boothe Hill

COMPANY SECRETARY

NOTE:

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed and if it is used it should be completed in accordance with the instructions on the form and returned so as to reach the Company’s Registrar at the address shown on the form not less than forty-eight (48) hours before the time fixed for the meeting.

SHAREHOLDERS' INFROMATION

TOP TEN SHAREHOLDERS

AT MARCH 31, 2023

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	10,280,334	3.91%
Mayberry Managed Clients Accounts	5,546,813	2.11%
Apex Pharmacy	3,496,926	1.90%
Nigel Coke	2,533,365	0.96%
VM Wealth Equity Fund	2,344,948	0.89%
QWI Investments Limited	2,000,000	0.76%

SHAREHOLDING OF DIRECTORS

AT MARCH 31, 2023

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

SHAREHOLDING OF SENIOR MANAGERS

AT MARCH 31, 2023

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

CEO'S MESSAGE

The challenges of the past year have influenced more resilience and induced a spirit of innovation and unity that defines MDS and shines brighter than ever. Our commitment to advancing healthcare, delivering pharmaceutical excellence, and enriching the lives and life-styles of Jamaicans has been unwavering, even in the face of adversity.

As we navigate the evolving landscape, we remain steadfast in our mission to make a positive impact on Jamaica. While we avidly seek to develop our portfolios, our dedication to quality, safety, and ethical business practices remains the corner-stone of our operations, ensuring that every product we represent, distribute and deliver, meets the highest standards of excellence.

Strategic initiatives

However, as those stormy waters continue to recede, a sea of challenges has been revealed in its wake and still linger on. The global shortages, shipping volatility, limited supplies and heightened prices of some products that plagued us during the unprecedented global event are still cur-rently affecting the Company by rendering particular items as uncompetitive in the marketplace. The high investment levels that had to be injected to remain buoyant helped to give rise to the declining profit margins experienced this year. As a result, while our Directors and Management Team have been eyeing more strategic initiatives and long-term planning, our energies have also been equally focused on developing strategies for stock depletion.

Notwithstanding the industry setbacks, MDS continues to develop and to overcome numerous growing pains that accompany the expanding size and scope of the business – resource limitations, new customer segments, management complexity, and shifting business goals, to name a few. However, with the closeness of our monitoring, our targeted drive towards effective systemisation and operationalisation and the deliberate talent replacement push, we are poised to reap growing gains.

Reflect and Review

This period has also been one that has given us a chance to reflect and review our competitive edge and the intangibles that have been a light onto our path since inception – our Company's core and culture which have always played huge roles in our success. A comprehensive review of our strategy and markets outlines opportunities to grow our core business as well as new prospects in the consumer space, which is quite encouraging.

I extend my heartfelt gratitude to each of you, our esteemed shareholders, for your unwavering support and trust. Your confidence in MDS empowers us to continue our pursuit of excellence and innovation. Together, we have laid a strong foundation upon which we will build an even more promising future. Thank you for being an integral part of the MDS family.

We are excited about the opportunities that lie before us. The landscape of the medical and pharmaceutical industry is rapidly evolving, and we are well-positioned to embrace these changes and emerge as leaders in this dynamic sector. As we move forward, we remain committed to delivering sustained value to our shareholders through prudent management and strategic expansion.

Our dedicated team, united by a shared vision, has been the driving force behind our success. Their hard work and unwavering commitment to our values have allowed us to achieve remarkable milestones.

I eagerly anticipate the opportunities and achievements that the coming year will bring, and I am excited to continue our journey together.

Kurt Boothe
Chief Executive Officer

THE BOARD OF DIRECTORS

EVERY NEXT LEVEL
OF YOUR LIFE WILL
DEMAND A DIFFERENT
VERSION OF YOURSELF.

– Anyaele Sam Chiyson

DIRECTORS' REPORT

The Directors of Medical Disposables & Supplies Limited are pleased to present their Report for the 12 months ending March 31, 2023.

FINANCIAL RESULTS

The Statement of Comprehensive Income shows pre-tax profits of $96.7M and post-tax profits of $80.2M. Further details of these results, as well as the prior 12-month performance are outlined in the Management Discussion and Analysis and Financial Statements which are included as part of this Annual Report.

DIRECTORS

The Directors of the Company as at March 31, 2023 are:

- Mr. Winston Boothe (Chairman)
- Dr. Vincent Lawrence (Non-Executive)
- Mrs. Sandra Glasgow (Non-Executive)
- Dr. Dahlia McDaniel Dickson (Non-Executive)
- Mrs. Myrtis Boothe (Managing Director)
- Mr. Kurt Boothe (Chief Executive Offcer)
- Mrs. Nikeisha Boothe Hill (Business Development & Corporate Affairs Manager)

The Directors to retire by rotation in accordance with the Articles of Incorporation are Mr. Winston Boothe and Mrs. Myrtis Boothe but, being eligible, all will offer themselves for re-election.

AUDITORS

The Auditors of the Company, HLB Mair Russell, of 3 Haughton Avenue, Kingston 10, have conveyed their willingness to continue in office as Auditors of the Company until the next Annual General Meeting.

We wish to thank all our customers, employees, agents and shareholders for their continued support and contribution to the Company's performance.

Dated this 27th day of July, 2023

BY ORDER OF THE BOARD

NBoothe

Nikeisha Boothe Hill

Company Secretary

Winston Boothe

Chairman

Independent Member of the Audit & Compliance Committee and the Compensation & Human Resources Committee

For nearly two decades, until September 2013, Mr. Winston Boothe served in the capacity of Senior Vice President of the Port Authority of Jamaica (PAJ) in the areas of Corporate Planning & Information Systems, Finance & Administration and Operations. In addition to his over 50 years of experience as a corporate executive, Mr. Boothe has served as director of the Petroleum Corporation of Jamaica, the Port Authority of Jamaica, Jamaica International Free Zone Development Limited, Master Blend Feeds and the Wortley Home for Girls. He has also held the post of Group VP of the Jamaica Broilers Group of Companies. Mr. Boothe is an honours graduate of the University of the West Indies with a Bachelor's Degree in Economics and Business Administration.

Dr. The Hon. Vincent Lawrence, O.J.

Non-Executive Independent Director

Chairman of the Compensation & Human Resources Committee and Independent Member of the Audit & Compliance Committee

During his over 50 years of experience as a civil and geotechnical engineer, Dr. Vincent Lawrence has been widely recognised as a skilled negotiator who has played a pivotal role in the engineering community and has exhibited a strong commitment to national service. Dr. Lawrence is currently the Executive Chairman of JenTech Consultants Limited and member of the Incorporated Lay Body & the Diocesan Financial Board of the Diocese of Jamaica and the Cayman Islands. Dr. Lawrence holds a Bachelor of Science Degree with honours from the University of the West Indies and earned his Doctorate through the Queen's University, Canada.

Mrs. Sandra Glasgow

Non-Executive Independent Director

Chairman of the Audit & Compliance Committee, Independent Member of the Compensation & Human Resources Committee and Mentor to the Board

Mrs. Glasgow, founder and Managing Director of BizTactics Limited, has played an integral role in supporting improvements in the Company's Corporate Governance frameworks and processes. A certified director, trainer in corporate governance board leadership and mentor, Mrs. Glasgow sits on the Boards of Directors of four JSE listed companies, private companies and not-for-profits. She is the past CEO of the Private Sector Organisation of Jamaica where she served for over five years. She spent two decades at the University of Technology where she founded the Technology Innovation Centre and capped her distinguished career as Senior VP of Corporate Services. Mrs. Glasgow is the recipient of a Bachelor of Science with majors in Zoology and Applied Science and an M.B.A. from the University of the West Indies.

Dr. Dahlia McDaniel Dickson

Non-Executive Independent Director

Independent Member of the Audit & Compliance Committee and the Compensation & Human Resources Committee

Dr. McDaniel Dickson adds an essential dimension to the MDS Board through her strong command of the pharmaceutical industry from both academia and business perspectives. As a registered pharmacist for over 30 years, her contagious fervour for the discipline helps to ensure output of the highest standard with an outlook supported by intelligent industry specific applications. She holds a Doctorate in Public Health from the University of London and owns a thriving pharmacy and a distribution business.

Mrs. Myrtis Boothe

Executive Director

With over 50 years of passionate and extensive medical experience, Mrs. Boothe has provided invaluable contributions to the Company through her immense product knowledge, first-hand understanding of the inner workings of health institutions, expansive industry network and keen dedication to providing service excellence in patient care. A Registered Nurse by profession with training from the University Hospital of the West Indies, Mrs. Boothe has practised at the National Chest Hospital as Ward Administrator, served as an In-service Education Officer and Nursing Tutor at the Ministry of Health and honed her business instincts through an 11- year management career at one of the country's leading distribution companies in the industry before forming the MDS operation (in 1998).

Mr. Kurt Boothe

Chief Executive Officer

Kurt Boothe, CEO, joined the Company in 2006 as General Manager after residing in Florida for over a decade. As part of the American Express Financial Advisors Team and as Portfolio Administrator with the Private Client Group of Franklin Templeton Investments Inc., Mr. Boothe developed his proficiency in finance, gained familiarity with global best practices and deepened his exposure to the application of modern solutions to business challenges. He also spent time in property valuation consulting services and independent real estate investments after receiving his MBA with concentration in Entrepreneurship and a Bachelor's Degree in Business Administration from the Wayne Huizenga School of Business at Nova Southeastern University in Fort Lauderdale, Florida. He is a past Non-Executive Director of the Petroleum Company of Jamaica and volunteers his time as a football manager and mentor to young boys at the secondary level.

Mrs. Nikeisha Boothe Hill

Business Development & Corporate Affairs Manager

Corporate Secretary

In 2012, Nikeisha Boothe joined the Company after performing roles as Marketing Executive at Dunlop Corbin Communications – a full-service marketing and advertising agency – and Brand Manager at Restaurant Associates Limited (franchise holders for Popeyes and Burger King in Jamaica). These have provided her with an in-depth knowledge of advertising, media, production, public relations, event planning, consumer behaviour, budget management and financial marketing. Mrs. Boothe Hill graduated with honours from the University of Miami where she earned a B.A. in International Marketing and Finance and holds an M.B.A. with concentration in Marketing from the Mona School of Business, University of the West Indies.

CREATING THE NEXT LEVEL OF RESULTS REQUIRES THE NEXT LEVEL OF THINKING.

– Rory Vaden

CORPORATE DATA

REGISTERED OFFICE

83 HAGLEY PARK ROAD
KINGSTON 10
JAMAICA, W.I.
(876) 546-7411 • (876) 906-9994-5
Email: info@mdsja.com
Website: www.mdsja.com

Directors

CHAIRMAN

Mr. Winston Boothe

EXECUTIVES

Mrs. Myrtis Boothe
Mr. Kurt Boothe
Mrs. Nikeisha Boothe Hill

NON-EXECUTIVES

Dr. Vincent Lawrence
Mrs. Sandra Glasgow
Dr. Dahlia McDaniel Dickson

SECRETARY

Mrs. Nikeisha Boothe Hill

Senior Officers

Mrs. Myrtis Boothe
Executive Director

Mr. Kurt Boothe
Chief Executive Officer

Mrs. Nikeisha Boothe Hill
Business Development & Corporate Affairs Manager

Mr. Raymond Ernandez
Chief Financial Officer

Mr. Gerard Whyte
Quality Assurance & Special Projects Manager

Mr. Lenworth Murray
Divisional Sales Manager

Mrs. Antoinette McDonald
Divisional Sales Manager

Mrs. Kandise Morgan-Small
Divisional Sales Manager

Mr. Bertino Gordon
Operations Manager

Mrs. Nadine Banton
Admin. & Human Resources Manager

Ms. Tarin Montaque
Purchasing & Logistics Manager

Attorneys-at-Law

PATTERSON MAIR HAMILTON

85 Hope Road
Kingston 5, Jamaica W.I.

BANKERS

NATIONAL COMMERCIAL BANK

90-94 Slipe Road
Kingston 5, Jamaica, W.I.

SAGICOR BANK JAMAICA LIMITED

17 Dominica Drive
Kingston 5, Jamaica, W.I.

BANK OF NOVA SCOTIA LIMITED

Scotia Centre Branch
Cnr, Duke & Port Royal Streets
Kingston, Jamaica, W.I.

Auditors

HLB MAIR RUSSELL

3 Haughton Avenue
Kingston 10, Jamaica, W.I.

Registrar & Transfer Agent

JAMAICA CENTRAL SECURITIES DEPOSITORY

40 Harbour Street
Kingston, Jamaica W.I.

MANAGEMENT TEAM

MANAGEMENT TEAM

Mr. Gerard Whyte

Quality & Special Projects Manager

Mr. Whyte's career in the pharmaceutical industry dates back to 1980 with a long thread of positions – Medical Representative, Supervisor and Caribbean District Manager. Prior to joining MDS in 2009, Mr. Whyte was a founding partner in a pharmaceutical distribution firm where he was Director of Sales and Marketing. After seven years as the Business Development Manager at MDS, Mr. Whyte embarked on a new role as the Quality and Special Projects Manager which finds him responsible for adherence to Pharmacy Council's requirements, compliance with principals' quality assurance standards, the Company's inspection readiness and product registration, permits and licenses.

Mrs. Nadine Banton

Human Resource & Administrative Manager

After occupying the role of Administrative & Human Resource Officer, Mrs. Nadine Banton was appointed to the position of Human Resource & Administrative Manager in October 2020. Mrs. Banton has a wealth of experience partnering with executive teams and general staff to build strategic, people-focused human resources policies. She holds a Bachelor of Science Degree in Business Administration, a Postgraduate Diploma in Human Relations Management and is a Society of Human Resources Management Senior Certified Professional.

Mr. Lenworth Murray

Divisional Sales Manager, Pharmaceutical Division

Mr. Murray joined the MDS team as Trade Manager in 2012, a position that has since been modified to Divisional Sales Manager (Pharmaceuticals), rendering him responsible for managing sales output, strengthening customer relationships in distribution channels, steering on-the-ground activities and promoting the MDS brand and products to target users. His more than 20 years of experience in the industry and over a decade in sales have equipped him with a strong understanding of the world of pharmaceuticals, invaluable sales skills and a robust network. He has enjoyed the challenges of varying roles throughout his career which dates back to 1991, including Sales Representative, Medical Representative, Pharma Sales Supervisor and North Caribbean Manager.

Mrs. Antoinette McDonald

Divisional Sales Manager, Pharmaceutical & Medical Divisions

Mrs. McDonald joined the MDS family as Sales Supervisor in 2016 with her role now expanded to that of Divisional Sales Manager with direct responsibility for the Dr. Reddy's Laboratories line of products as well as the Medical Division. Mrs. McDonald guides the Sales and Medical teams to optimise business outcomes, manages the development of brand building strategies and establishes product growth approaches. Prior to MDS, Mrs. McDonald enjoyed 17 years in the pharmaceutical arena in varying capacities, working for some of the most well-respected companies in the industry including Glaxosmithkline Caribbean Limited. Her broad wealth of experience, depth of knowledge and uncanny way of engaging with people have undoubtedly made a profound footprint.

MANAGEMENT TEAM

Mrs. Kandise Morgan-Small

Divisional Sales Manager, Consumer Division

Mrs. Morgan-Small is a career marketer with almost 20 years of professional experience spanning across several industries to include fast-moving consumer goods (FMCG), ICT, alcoholic beverages and energy. Prior to joining MDS in 2022, she created campaigns for iconic brands on the local and international stage. She holds a MBA from the Mona School of Business at the University of the West Indies and a Bachelor of Business Administration from the University of Technology - both with a Marketing major. She also has a Diploma in Accounting and certification from the Emeritus Institute of Management and Columbia Business School in Digital Marketing.

Mr. Bertino Gordon

Operations Manager

Mr. Bertino Gordon rejoined the Company in March 2020 as Operations Manager after a brief hiatus. Mr. Gordon has oversight responsibilities for inventory, warehousing, delivery fleet and all operational functions related to Company facilities. Mr. Gordon is an experienced supply chain manager with a demonstrated history of working in the logistics and supply chain industry. Mr. Gordon has a Master of Business Administration (M.B.A.) from the Mona School of Business and Management, University of the West Indies.

MANAGEMENT TEAM

Ms. Tarin Montaque

Purchasing And Logistics Manager

Ms. Tarin Montaque who previously performed the role of Purchasing and Logistics Officer was promoted to the Company's Purchasing and Logistics Manager in October 2020. She is responsible for the sourcing and procurement of products, logistics of receiving and shipping and the monitoring of inventory levels. Ms. Montaque holds a Bachelor of Science Degree in Business Administration with a major in Finance from Northern Caribbean University and also earned a Master of Science Degree in Logistics Engineering from the Caribbean Maritime University. Ms. Montaque has served in the areas of distribution, logistics and inventory management for the past 20 years.

Mr. Raymond Ernandez

Chief Financial Officer

Mr. Ernandez shoulders the responsibility of all the Company's financial functions including accounting, audit and corporate finance. His career spans more than 26 years of varied experiences across industries. He is an experienced Group Financial Controller with a track record of success in the Finance, Insurance, Shipping and Logistics and Retail sectors. He is a Fellow of the Institute of Chartered Accountants of Jamaica and holds a Master of Science Degree in Accounting from the University of the West Indies.

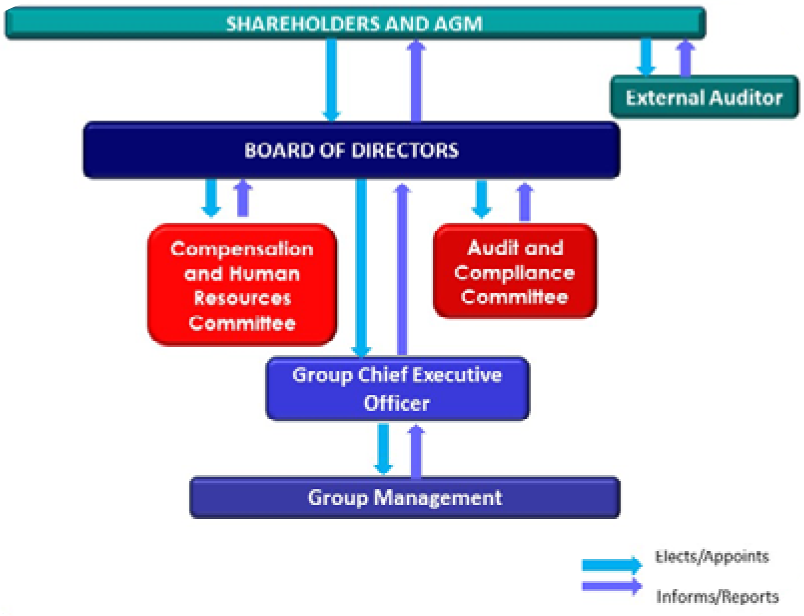
CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Medical Disposables and Supplies ("the Company") is committed to ensuring that the Company and its subsidiary, Cornwall Enterprises Limited ("the Group") maintains corporate governance practices that are in keeping with best practice and adhere to the highest standards of ethics.

Role of the Board

The business and affairs of the Group are managed under the direction of the Board of Directors. The Board is elected by shareholders to:

- provide leadership to the Group;
- build sustainable value for shareholders;
- establish the Group's vision, values and strategic objectives;
- develop the key strategies that will enable the Group to achieve its objectives;
- manage financial and non-financial risks;
- determine the overall policy framework within which the business and the Group operate; and
- monitor management's performance and remuneration.



The Board has adopted a Board Charter that outlines the Board's specific roles and responsibilities and the framework within which it will operate. As the graphic (at left) illustrates, the Board is appointed by the Shareholders at the Annual General Meeting. The Board has established two committees – the Audit and Compliance Committee and the Compensation and Human Resources Committee – to assist it in carrying out its functions. The Board delegates management of the day-to-day affairs and responsibilities of the Group to the management team under the leadership of the Group Chief Executive Officer (Group CEO), to deliver on the strategic direction and goals determined by the Board. The Group CEO delegates certain responsibilities to his direct reports within set limits and the Board regularly monitors and reviews the performance of senior management.

Board Membership, Size, and Composition

The size of the Board is determined by the Company's Articles of Incorporation and the Board's Charter.

As at 31 March 2023 the Board comprised seven directors:

Mr. Winston Boothe	Non-Executive Director and Chairman
The Hon. Vincent Lawrence, OJ	Independent, Non-Executive Director
Dr. Dahlia McDaniel Dickson	Independent, Non-Executive Director
Mrs. Sandra Glasgow	Independent, Non-Executive Director and Mentor
Mr. Kurt Boothe	Executive Director and Chief Executive Officer
Mrs. Myrtis Boothe	Executive Director
Mrs. Nikeisha Boothe Hill	Executive Director and Group Secretary

The composition of the Board has remained unchanged since the listing of the Company on the Junior Market of the Jamaica Stock Exchange in December 2013.

Director Skills and Competencies

The Board considers each director's experience against identified industry specific and broader governance-related skills. Industry-specific skills identified as being particularly relevant include:

- pharmaceutical industry experience;
- pharmaceutical regulatory and ethics experience;
- commercial operations experience;
- pharmaceutical sales and marketing experience, and
- corporate governance and public company experience

The Board also considers as important, competencies and experience in the management of risk and compliance, executive leadership, strategy, legal and regulatory, entrepreneurship, governance and people management and affirms that directors serving on the Board possess these skills and experiences to varying degrees.

A biography of each director, their qualifications and relevant experience can be found on page 21 of this Annual Report.

Independence of Directors

Of the seven directors, three have been deemed independent by the Board. The factors taken into account when assessing the independence of its directors are set out in the Board Charter and include factors such as the director's professional and personal relationships with the Group and the director's length of tenure. Generally, a director is considered to be independent if he or she:

- Is not, and has not been employed by the Group at any time during the past two years;
- Is not, and has not been affiliated with any significant customer of or supplier to the Group or its related parties at any time during the past two years;
- Is not a member of the immediate family of any individual who is, or has been at any time during the past two years, employed by the Group or its related parties as an executive officer;
- Is not, nor has been at any time during the past two years, affiliated with or employed by a present or former auditor of the Group; and
- Is not a controlling shareholder of the Group or such person's adult brother, adult sister, parent, child, aunt, uncle, or a spouse, widow, in-law of any of the foregoing.

The Board will review any determination it makes on a director's independence on becoming aware of any new information that may affect that director's independence. For this purpose, directors are required to ensure they immediately advise the Board of any new or changed relationships that may affect their independence or result in a conflict of interest.

Meetings of the Board

The Board met for six regularly scheduled meetings during the financial year ending 31 March 2023. There were also separate meetings of Board Committees during the year.

Board members	# meetings held	# meetings attended	% attendance
Mr. Winston Boothe - *Chairman*	6	6	100%
Dr. the Hon. Vincent Lawrence OJ	6	6	100%
Mrs. Sandra Glasgow	6	6	100%
Dr. Dahlia McDaniel Dickson	6	6	100%
Mrs. Myrtis Boothe	6	6	100%
Mr. Kurt Boothe	6	6	100%
Mrs. Nikeisha Boothe Hill	6	6	100%

Over the year under review, as the Board identified priority areas and risks to the business, including high inflation and rising interest rates, global supply and logistics challenges, out-of-stock issues residing with suppliers of sensitive, high-value categories of vaccines and oncology, which led to significant adverse effects on the Group's sales, the Board responded with a number of strategies focused on long-term prospects for growth. In addition to these areas of critical strategic importance, the Board addressed the following matters:

Governance

- Provided oversight over management's activities.
- Undertook a self-evaluation of the Board's effectiveness.

Subsidiary Operations

- Received reports on the operational performance of our subsidiary, Cornwall Enterprises Limited.
- Monitored the integration of systems, including the accounting system and IT infrastructure, to optimise the performance of our new subsidiary.

Strategy

- Received reports on the implementation of the Strategic Plan and Budget for the Group.

Business Decisions

- Reviewed reports from the Group CEO and recommendations therein.
- Approved new distribution arrangements.
- Approved new product lines.
- Approved proposals for insurance coverage for all risks and business interruption.
- Approved new financing arrangements with commercial bankers.
- Approved the write-off of bad debts and obsolete inventory.
- Monitored the recovery of customs charges.
- Monitored tax refunds offset against tax liabilities.

Human Resources

- Discussed and approved proposals from the Compensation and Human Resources Committee and management's recommendations for a revised organisation structure, and a revised department structure;
- Discussed and approved a new job description and revised performance objectives for the Group Chief Financial Officer; and
- Approved performance incentives for staff.

Financial Performance and External Audit

- Approved the Annual Report to shareholders, the quarterly financial statements and releases to the JSE and the annual audited consolidated financial statements and ensured that these all presented a 'true and fair' view of the Group's position and performance and in accordance with International Financial Reporting Standards (IFRS) and other relevant standards.
- Approved the re-appointment of the external auditor.

Compliance

- Ensured that the Group operates within applicable laws and regulations.

Risks

- Ensured that management identified the principal risks faced by the Group and that appropriate systems were in place to manage these risks.

Internal Controls

- Assessed the adequacy of the systems of risk management, internal control, control environment and regulatory compliance.

Corporate Social Responsibility (CSR)

- Monitored the Group's CSR activities.

Group Secretary

The Group Secretary, Mrs. Nikeisha Boothe Hill, is responsible for supporting the effectiveness of the Board by coordinating the completion and dispatch of the Board agendas and papers; ensuring that the Group meets its regulatory and other requirements and that the Group adheres to its approved policies and procedures. The Group Secretary is accountable to the Board, via the Chairman, on all governance matters.

Board Effectiveness

Governance best practices require that Board members annually evaluate their effectiveness. Just as the Board expects continuous management performance improvement, it should also hold itself to the standard of continuous improvement and maximum effectiveness. In order to improve, there must be both a baseline and some knowledge of current Board weaknesses and strengths.

A survey was therefore designed by the Company's Mentor to help the Board identify its current strengths as well as areas for improvement. The self-evaluation was also designed to help the Board identify SMART goals for the ensuing period that could further enhance its effectiveness. The evaluation tool was structured in five main sections as follows:

1. Overall Board Effectiveness
2. Board Size and Composition
3. Board Meetings
4. Board Relationships
5. Open-ended questions

The online survey was completed by six of the seven directors.

During the year, the Board received from the Company's Mentor, a report detailing the results of the (anonymous) survey conducted at the end of the previous financial year. The report confirmed directors' strong satisfaction with the performance of the Board but highlighted a few areas where the Board's performance could be enhanced, including a) more time spent on strategy development and monitoring, b) establishing appropriate and clear trigger levels for board or committee involvement in major business policies and decisions and c) greater level of engagement in assessing the performance of capital expenditure and M&A investments against plans. Board members also agreed that the Company needed to make more investments in continuous training and development for directors.

These matters will form the basis for a performance improvement plan to be implemented in the financial year 2023/2024.

Committees of the Board

The Board has established and delegated specific duties to two committees: the Audit and Compliance Committee and the Compensation and Human Resources Committee. Each Committee has written terms of reference which have been approved by the Board and both Committees met during the year.

Audit and Compliance Committee

The Committee has been established to oversee the accounting and financial reporting processes of the Group, the audit of its financial statements and the effectiveness of the Group's risk management and internal control framework.

The Committee, chaired by Independent Director Sandra Glasgow, met eight (8) times during the year. There was full attendance by all committee members at each meeting.

Committee members	# meetings held	# meetings attended	% attendance
Mrs. Sandra Glasgow, Independent Director and Chairperson	8	8	100%
Dr. the Hon. Vincent Lawrence OJ, Independent Director	8	8	100%
Dr. Dahlia McDaniel Dickson, Independent Director	8	8	100%
Mr. Winston Boothe	8	8	100%

The Group Chief Financial Officer, Mr. Raymond Ernandez and the Group CEO, Mr. Kurt Boothe, attended all meetings at the invitation of the Committee. Representatives of the external auditor were in attendance at one meeting of the Committee.

During the year, the Committee discharged the responsibilities outlined below and reported to the Board of Directors on its activities after each meeting.

Financial Reporting and Disclosure

The Committee assisted the Board in discharging its ultimate responsibility for the preparation of financial statements and for the monitoring of systems of internal control. The Board strives to present a balanced assessment of the Group's financial position and prospects and it strives to present all financial and other information in a way that is understood by shareholders and stakeholders. During the year, the Committee reviewed the quarterly financial statements and quarterly regulatory releases as well as the Group's annual audited financial statements, the disclosure in the Management Discussion and Analysis (MD&A) and the Annual Report published by the Group, to ensure the completeness and accuracy of the information and recommended these to the Board for approval.

Risk Management, Compliance and Internal Control

The Board accepts that taking and managing risk is central to building strong shareholder value and the Board is responsible for the Group's risk management strategy. Management is responsible for implementing the Board's strategy and for developing control systems that can identify and mitigate risks across the Group's operations.

The Company employs executives with the requisite experience and qualifications to enable the Board to manage the risks to the Group. The Board has requested that the Audit and Compliance Committee oversee the Group's risk management processes and procedures. The risks faced by the Group are diverse and vary significantly in terms of the likelihood of events occurring and the consequence of such events. During the year the Committee, on behalf of the Board:

- Discussed significant risks and exposures, and the steps taken to monitor and minimise such risks and exposures.
- Reviewed and discussed the effectiveness of the system for monitoring the Group's compliance with laws and regulations.

Financial Reporting and Disclosure, Internal control and the Role of the External Auditor

The Board has established formal and transparent arrangements for financial reporting, and external auditing. During the year, the Committee, on behalf of the Board, discharged the following responsibilities:

- Reviewed and recommended to the Board, the approval of the external auditors' scope of and approach to the annual audit.
- Discussed the significant matters arising from the annual audit relating to the Group's financial statements.
- Discussed and approved changes to the Group's accounting controls, procedures and practices proposed by the external auditor.
- Formally evaluated the performance of the external auditor, discussed the results with the external audit team and made recommendations to the Board on the re-appointment of the external auditor.

Performance of the External Auditor

The external audit was undertaken by HLB Mair Russell, the Group's external, independent auditor since 2018, following a competitive tender process. Mr Sixto P. Coy was appointed as the engagement partner in 2019.

In carrying out its responsibilities, the Audit and Compliance Committee met with the external auditor without executive directors or management present. At the end of the year, the Committee also formally evaluated the work of the external auditor and expressed satisfaction with the audit services provided. As part of this evaluation, the Committee examined the following specific areas:

1. **Auditor's independence, objectivity and professional skepticism**

   The external auditor informed the Committee regarding matters that might be thought to bear on the firm's independence and the Committee was satisfied that auditor independence had not been compromised during the course of the year.

2. **Quality of the engagement team provided by the external auditor**

   The Committee remains satisfied with the quality of the engagement partner, Mr. Sixto Coy, and the audit team and that the necessary knowledge and skills were dedicated to the audit.

3. **Communication and interaction with the external auditor**

   The Committee agreed that HLB Mair Russell demonstrated clearsighted judgement in the matters on which it provided an opinion and was open to an appropriate level of challenge and debate with management and Committee members.

4. **Quality of service provided by the external auditor**

   The Committee considered that the auditor undertook an effective and in-depth assessment and verification exercise in respect of the Group's financial statements and associated disclosures for the year ended 31 March 2023 and that the level of expertise that HLB Mair Russell brought to bear was high.

Accordingly, the Committee recommended to the Board the retention of the services of HLB Mair Russell.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee assists the Board by ensuring that the Group adopts, maintains and applies appropriate compensation policies that are aligned with the achievement of performance goals, that motivate and reward management appropriately, and that attract and retain talent with the leadership abilities and experience necessary to develop and execute business strategies, achieve outstanding results, and build long-term shareholder value.

The Committee, chaired by Independent Director Dr. the Hon. Vin Lawrence O.J., met five (5) times during the year. All committee members were present at all meetings. Additionally, the Group CEO, Mr. Kurt Boothe, Executive Director, Mrs. Myrtis Boothe and the Group Chief Financial Officer, Mr. Raymond Ernandez, attended all meetings at the invitation of the Committee.

Committee members	# meetings held	# meetings attended	% attendance
Dr. the Hon. Vincent Lawrence OJ, Independent Director and Chairman	5	5	100%
Mrs. Sandra Glasgow, Independent Director	5	5	100%
Dr. Dahlia McDaniel Dickson, Independent Director	5	5	100%
Mr. Winston Boothe	5	5	100%

The Committee discussed the following matters and, as appropriate, recommended certain of these matters to the Board for approval:

- The Committee reviewed and approved the performance appraisal instruments that form part of the new Performance Management System.
- Following on the implementation of the new PMS, the Committee reviewed management's proposal for a methodology for calculating the end of year performance incentive.
- The Committee reviewed interim and final submissions of a Job Evaluation Exercise and proposals for new and revised salary scales.
- The Committee reviewed and approved an updated Organisation Chart and manpower statistics for the Group.
- The Committee reviewed and approved new Job Descriptions for the Group Chief Executive Officer and the Manager for Business Development & Corporate affairs.
- The Committee reviewed Key Performance Indicators (KPIs) for all managers.

The Committee reported to the Board of Directors on its activities after its meeting.

Directors' Remuneration

The Group's remuneration policy for directors, last reviewed in 2017, is built on a transparent and clearly defined framework for calculating the fees paid to directors for their services. The current fees are as follows:

Board of Directors

- Chairman: $40,000 per meeting; all other eligible directors receive 75% of this amount, or $30,000 per meeting.

Audit and Compliance Committee

- Chairman: $35,000 per meeting; all other eligible directors receive 75% of this amount, or $26,250 per meeting.

Compensation and Human Resources Committee

- Chairman: $35,000 per meeting; all other eligible directors receive 75% of this amount, or $26,250 per meeting.

The Mentor, who is a Board Member, performs special assignments for the Group under contract to her Company, BizTactics Limited, in addition to her directorship. Information on total remuneration of Executive and Non-Executive Directors paid during the financial year is presented in Note 20 of the financial statements.

Code of Conduct and Ethics

The Group's Code of Conduct and Ethics covers a broad range of matters and describes those practices necessary to maintain confidence in the Group's integrity, including, but not limited to procedures in relation to:

- compliance with the law;
- business and financial records;
- occupational health and safety;
- confidentiality and use of information;
- conflict of interest;
- whistleblowing;
- dealings with third parties;
- data protection and privacy; and
- bribery and corruption.

The Code applies to Directors, executives and other employees, and directs individuals to report any contraventions of the Code to their supervisors, the Company's human resources department, or by making an anonymous report through the Company's whistleblower email address. The Company also expects contractors, vendors and any other parties representing the Group to comply with the Code.

The Audit and Compliance Committee is informed of any material breaches of the Code of Conduct.

Communication with Shareholders

Securities Trading by Directors and Employees

The Company's Securities Trading Policy summarises the law relating to insider trading and sets out the policy of the Company that applies to Directors, officers and employees dealing in securities of the Company. A copy of the Securities Trading Policy can be accessed on the corporate governance section of the Company's website.

Continuous Disclosure

The Company has developed a Disclosure Policy which aims to ensure that information disclosed to shareholders and the public is timely, accurate, comprehensive, authoritative and relevant to all aspects of its operations while at the same time consistent with all legal requirements. Adherence to the policy is intended to provide an effective and efficient framework to facilitate the timely dissemination of material information to the investing public in the spirit of full disclosure and in compliance with the disclosure regulations of the JSE on which the Company's shares are listed, and the Financial Services Commission. The policy has been developed in accordance with applicable provisions of the laws of Jamaica and the Company's Articles of Incorporation.

The designated authorised persons to make public statements on behalf of the Group are its Group CEO and the Chairman of the Board.

Annual General Meeting

The Company recognises the importance of shareholder participation in its annual general meetings and encourages that participation. Following the impact of COVID-19 on in-person meetings, the Group held an in-person AGM at its corporate offices on Hagley Park Road on October 13, 2022. All resolutions proposed on the Agenda were approved by shareholders and following the formal business, there was a lively question and answer session.


MD&A
MDS
Wilson

MANAGEMENT DISCUSSION & ANALYSIS

This has been another year marked by continued unprecedented global changes and challenges. In 2020 through to 2022, the global pandemic forced us to act rapidly, to view things from new perspectives, adapt to new circumstances and to respond in ways we may not have otherwise done. In some instances, the initial impact of Covid-19 remains a memory. However, in other areas such as logistics, pricing and inventory management, the effects linger on.

This is evidenced by higher inventory levels that were procured at Covid-spiked prices which are now being offered in a post-Covid marketplace. The impact has weighed heavily on carrying costs of stock and increased working capital requirements also influencing finance costs. Management has braced for the implementation of expense controls and stock reduction plans to return to normal profit levels.

REVENUE

For the year ended March 31, 2023, Total Revenue for the Group increased by $353.4M or 10.34% to $3.7B when compared to last year. The increase can be attributed to the growth experienced in all areas with the exception of the Medical Division, which was most vulnerable to the logistics shocks from Covid-19.

GROSS PROFIT

Gross Profit for the twelve-month period reflected a $77.2M or 8.25% increase over the previous year to $1.01B as a result of the increase in sales.

Operating Profit declined by $26M or 11.78% when compared to year ended March 31, 2022, moving downwards to $195M. This was chiefly attributed to increases in Administrative Expenses as well as in Selling and Promotional Expenses, increasing by $60.5M or 15.29% and $52.8M or 19.26%, respectively. As the Company continues to grow and compete with larger industry players, investment in human capital and talent retention has continued to be an expense containment challenge. Similarly, the expansion of product offerings and the launch into new areas to continue the year-over-year positive revenue trends, have increased selling and promotional needs. As the Company builds out the distribution network, there is expected economies of scale to reduce the impact of expenses relative to revenue, thus producing a wider profit spread.

NON-OPERATIONAL EXPENSES

A total of $104M was spent on Finance Costs which increased by $32.5M or 45.3% over prior year. This increase is directly associated with the increases in working capital as a result of the need to house greater levels of inventory based on post-Covid circumstances. More efficient logistics and stock keeping measures will be targeted to minimise this line item.

MANAGEMENT DISCUSSION & ANALYSIS

NET PROFIT AFTER TAX

The increased costs over the past year have resulted in a decline in Net Profit of $80.19M which represents a decline of $25.2M or 23.9% when compared to the previous year.

ASSETS & LIABILITIES

Total Assets grew by $356.8M or 13.5% when compared to the previous year ended March 31, 2022. This increase in Total Assets was mainly due to the growth in inventories by $354.8M. Increased Borrowings reflected working capital lines of credit, mostly associated with inventory movement.

The continued improvement in credit and collections efficiency resulted in a decrease in the number of days sales outstanding (DSO) from 47 days to 44 days. This result is indicative of management credit policies and engagement that has improved the receivables position for a positive liquidity direction.

Total Shareholders' Equity of $1.2B represented an increase of $56.5M which resulted from restated financials.

@BeautyBrandsByMDS

@HomeByMDS

@SnackShackByMDS

FIVE-YEAR FINANCIAL REVIEW

PROFIT AND LOSS SUMMARY

	2019	2020	2021	2022	2023
Sales	2,222	2,481	2,423	3,416	3,770
Gross Profit	549	559	599	936	1,014
Operating Profit	187	99	94	222	196
EBITDA	190	113	175	258	242
Profit after tax	113	35	70	105	80

PROFITABILITY RATIOS

	2019	2020	2021	2022	2023
Revenue Growth	8.63%	11.67%	-2.35%	41.01%	10.34%
Gross Margin	24.69%	22.53%	24.72%	27.41%	26.89%
EBITDA Margin	8.56%	4.55%	7.20%	7.54%	6.42%
Operating Margin	8.40%	3.98%	3.90%	6.49%	5.19%
Profit Margin/ Net Margin	5.08%	1.39%	2.87%	3.09%	2.13%
Operating Efficiency Ratio	16.53%	18.77%	21.04%	21.19%	21.97%

HUMAN RESOURCES: TALENT LOADING

OUR QUEST IS TO EMPOWER AND CREATE A SUPERCHARGED WORKFORCE WITH A PURPOSEFUL TALENT EXPERIENCE.

HUMAN RESOURCES: TALENT LOADING

Talent acquisition and retention have become more challenging in the post-Covid era, especially as we get more intentional about our search for talent with the right blend of job appropriate skills, soft skills and the right fit for our MDS culture. The focus on people continues to be of significant priority. Acquiring human capital and retaining talent who are integral to delivering desired measurable impact on business performance, has required us to view more fully the total value creation that is provided rather than isolating the sometimes harsh reality of the associated spend and has also pushed us to focus more heavily on the end-to-end talent experience more than ever before; one that engages and encourages team members to reach their full potential.

The mission of the Human Resources Department is to:

Motivate our current employees

Develop and train our existing employees

Select and retain the best fit for our Company

In keeping with this mission and in our quest to empower and create a supercharged workforce with a purposeful talent experience, we have highlighted the importance of the work done by members of the team through one-on-one pulse-check discussions and through more tangible means such as awards and recognition that are delivered through the heightened experience of having company-wide spectatorship.

EMPLOYEE RECOGNITION

To punctuate our customary recognitions, for the very first time, we met with Heads of Departments and Team Leads to determine deserving candidates for stand-out sales performances and, in other departments, for behavioural exhibition that was above and beyond expectations for the financial year ended March 31, 2023. Of note were the Sales Awards issued to Mrs. Evette Ellis and Mrs. Melesa Stubbs - Pharmaceutical Sales Representative of the year and Dr. Reddy's Sales Representative of the year, respectively.

LONG-SERVICE RECOGNITION

The first ever Long-Service recognition was given to a key member of the MDS team who has been with the Company since it was in its third year of existence. The recipient would have been privy to the period in time when multi-tasking among roles and departments would be putting it mildly. Ms. Lecia DeLisser, Senior Sales Representative, received recognition for her 20 years with MDS and was lauded for her loyalty, her personal commitment and growth throughout the decades.

TRAINING & DEVELOPMENT

Our Human Resource Department oversees various best practices training, one of which is the ALCOA – Data Integrity Principles. With the expectations of our

Company levied by regulators for strict control of all data and the demonstration of high levels of data integrity, this activity has become a continuous process to satisfy the requirements of our principals.

We have also used Sales Meetings as platforms for added learning opportunities – job specific knowledge base, personal enhancement, and general life skills. This has included financial experts, insurance professionals and security force personnel who have reminded and informed our ‘road warriors’ on eye-opening street tips.

As part of the development process, internal personnel were elevated in the areas of Customer Care and Sales and other shifts made in the areas of Purchasing, Logistics and Administration.

SPIRIT COMMITTEE

We remain committed to caring for our people - our work family - by ensuring that our environment is one that allows for fun while achieving our overall goals. ‘Together we work, together we play’ is an informal mantra of the HR Department. This belief has given rise to our Spirit Committee which has the objective of building strong relationships across Divisions, job levels and gender as well as permeating our Company’s mission and values for the enhancement of the overall work experience.

We continue to make steps towards the development of company culture that enables employees to thrive while returning much of our focus to the spirit of the past; that intangible, almost indescribable essence that has always been raved about after encountering the MDS family. We continue to actively revive our mode of being and doing – the MDS Way.

As the Company becomes larger, it becomes more difficult to maintain close touch and to have the intimate familiarity with teammates. But, between the thoughtfully crafted games, challenges, and get-togethers which were well-received, as evidenced by majority participation, we have been on a path of closing the gaps.

We know that intention alone does not move the needle. Rather, it is impact over intention that will position us at our goal of being the employee of choice. As we reload our valuable qualities of years gone by and intentionally marry it with forward-thinking, the ensuing year will find us operating at the next level of talent leadership.

We remain committed to caring for our people - our work family - by ensuring that our environment is one that allows for fun while achieving our overall goals.

20 Years of Reloading with MDS: Long-Service Employee Lecia DeLisser

I started at MDS on March 25, 2003. I had migrated from a smaller distribution company with a line of plant-based supplements which MDS had decided to distribute. I started in the warehouse where picking, packing and dispatching of goods were my main responsibilities although tidying-up and other janitorial duties were shared among the five of us who were in-house members of staff at the time. After a couple months I was promoted to customer service and invoicing. In November of the same year a sales position became vacant. With much appreciated support from Mrs. Boothe, the position became mine and I officially became a sales representative for the little distribution company in the Domes. By then my duties entailed visiting pharmacies, doctor's offices, clinics, hospitals, mom & pops and anywhere I could get an order, going back to office to pick and invoice my orders, pack them into any vacant space in my 1996 Mitsubishi Lancer and off to delivery. The family-like environment and open-door policy at MDS made it easy to perform at my best capacity. The tenacity of Mrs. Boothe was contagious and nothing was unattainable for us at MDS. Before long our portfolio and my territory grew; MDS was becoming a force to reckon with.

My most memorable moment at MDS was attending a supplier's year end yacht party at which sales staff and employers mixed

and mingled and had a whale of a time dancing and eating.

During my tenure I was able to further my studies. I presently hold a BSc. in Applied Psychology, an MSc. in Trauma and Integrative Counseling and working towards licensure as a Counseling Psychologist. My biggest accomplishment at MDS is being recognised as the longest serving employee and without a tarnish to my records. Also of note is my position as Senior Rep and Team Leader of the DRL Sales Team. My wish for MDS and the Boothe family is continued growth and attaining the highest position in the pharmaceutical distribution landscape in Jamaica and even the Caribbean.

CORPORATE SOCIAL RESPONSIBILITY

PUSHING OUR OUTREACH

By virtue of being in the health care industry, it is of no surprise that we care deeply about the notion of health. Not only is it a part of our core business, but it is expressed in our tagline, "Taking Care...".

Through the daily grind of business, we exhibit our commitment to physical wellness, but we are also passionate about the general pulse of our nation and the mental condition, physical state and overall wellness of both the current and future generations.

With this in mind, we have generally earmarked three areas of priority through which we seek to make an impact and hopefully enrich lives, strengthen communities, provide hope and unlock potential: youth, sports, and education.

This year, we pushed ourselves to expand our outreach. While we continued to support various health-related activities, sporting events, and knowledge-based activities, we sought additional means of making a direct and practical difference and to be a part of the solution to critical everyday issues.

The result? Through Food for the Poor, one of Jamaica's leading philanthropic institutions, and the 'BossMom Builds' Mother's Day initiative, we hammered and nailed the dreams and desires of three mothers-in-need and their families who were identified through the organisation's nearly 40-year housing procurement project. What was built was more than just a sheltered space to protect from the elements. For the recipients, it meant security, stability, and some degree of stress relief.

CORPORATE SOCIAL RESPONSIBILITY

The houses were equipped with indoor sanitation, solar-powered lighting, a gas stove, water tank, kitchen sink and cupboard, and guttering for water harvesting. There was also a loft space for expanding sleeping capacity and a mini solar panel to provide basic lighting. In addition to the physical structure, through contributions and donations from companies such as MDS, a furnished, stocked and move-in ready, turn-key home with small appliances, groceries, amenities, and other accessories were included.

In addition to having somewhere to call home, we believed there was another step we could make as 'mothers-in business to

help mothers in need' – the theme of the 'BossMom Builds' mission; a way to help with building a better life for their families. To further empower the breadwinner in each home, improve the earning capacity of each mother and to help with having them live up to their potential and feel more confident about the future of their families, MDS provided each mother with a business starter kit of fast-moving consumable products from our Consumer Division portfolio to ignite their entrepreneurial ventures and contribute to their financial independence.

We are heartened that we could be able to gift a few Jamaicans with the ability to look beyond the horizon and into the distant future; to truly build a better life for themselves and their families.

This project meant a lot to the MDS family, as was evident on the site when the founder, Mrs. Myrtis Boothe, was caught staring in pensive thought at the structure in progress. When asked why she appeared so lost in thought, she expressed that "If I had this when I was growing up, it would have meant the world". We did this because we know that health is more than physical.

"If I had this when I was growing up, it would have meant the world". We did this because we know that health is more than physical.


OPPORTUNITY
LOADING...
Dominic Evans
Sadie Johnson

MPOWERED


Shareen Welds
Simone A Cooper
Mearle Delores Barrett
HARTLEY CAWLEY

MPOWERED

'Mpowered' is our annual Continuing Education seminar offered to members of the pharmaceutical industry at the beginning of each calendar year to provide them with the opportunity to fulfill required credits towards the renewal of their professional license. A well-balanced fusion of educational components, motivational moments and entertainment segments, this experience presents our participants with an 'Mpowering' opportunity for personal and professional introspection, development and growth.

2020 marked our event debut. In 2021, we found ourselves learning the art of 'Change and Transformation' through disruption. 2022 was our 'Legacy' year which focused on the mark we are all making and what we will leave behind. And, in 2023, year four, the spotlight was placed on the new normal of resilience and adaptation where planning and innovation are the order of the day. Hence, the theme: "Plan to Innovate". With this instalment, our execution adopted a different format, resulting in two events - a mid-week online webi-

nar hosted by the effervescent Rochelle Cameron who guided the conversations on "Innovations in E-Prescribing". This was the precursor to the main day (Sunday, January 29, 2023) which was hybrid in nature. The physical gathering of guests at the AC Marriott Hotel in Kingston, together with the online audience were treated to the magnetic and inimitable host, Dr. Terri Karelle Reid, under the theme 'Conversations in Innovation'.

Our two-day event was supported by presentations from our carefully selected thought leaders from different avenues in health and wellness industries. Mr. Patrick Lafayette, Dr. Kamali Carroll, Dr. Tonoya Toyloy-Borrows, Mrs. Shameka Jackson-Wright and Dr. Gina Prescott. In a show of unity and in the spirit of collaboration, the unexpected pairing of Mr. Glen Christian and Mrs. Myrtis Boothe spoke to the participants about their life experiences, the importance of reinventing themselves to remain relevant and the role of innovation in their journeys. Dr. Christopher Tufton graced our stage just hours after receiving injuries in a bicycle accident. He conversed with Terri-Karelle on innovations in the island's health and wellness sector. To close the day's proceedings, Jermaine Edwards pulled the curtains down, honouring the Father of Innovation with his numerous hits including the resurgence of the song of the moment, "Beautiful Day".

As a leading distributor of pharmaceutical and medical products, we remain dedicated to supporting this deserving community as we honour the industry, its traditions and the essential service provided to our nation by its members.

Mr. Glen Christian and Mrs. Myrtis Boothe spoke to the participants about their life experiences, the importance of reinventing themselves to remain relevant and the role of innovation in their journeys – a journey that evolved from being an employer-employee relationship to one of friendly rivalries in the industry

MPOWERED


Dr.Reddy's
Becozin
Dr.Reddy's


Daniesha Clarke
Nicole G. Johnson

AUDITED FINANCIAL STATEMENTS

Independent auditors' report

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements

We have audited the consolidated and stand-alone financial statements of Medical Disposables & Supplies Limited ("the Company") and its subsidiaries (together the Group) which comprise the consolidated and stand-alone statement of financial position as at March 31, 2023, the consolidated and stand-alone statement of profit or loss and other comprehensive income, consolidated and stand-alone statement of changes in equity and consolidated and stand-alone statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and stand-alone financial statements give a true and fair view of the consolidated and stand-alone financial position of the Group and the Company as at March 31, 2023, and of the consolidated and stand-alone financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and 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 Group and 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.

Key Audit Matters

We have determined there are no key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Stand-alone 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 consolidated and stand-alone financial statements, management is responsible for assessing the Group's and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and Company's financial reporting process.

hlbjm.com
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HLB Mair Russell is an independent member of HLB the global advisory and accounting network

Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

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

Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone 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 Group's and 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 Group's or 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 consolidated and stand-alone 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 Group or Company to cease to continue as a going concern.

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

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

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

Auditor's Responsibilities for the Audit of the Consolidated and Stand-alone Financial Statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated and stand-alone financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Engagement Partner on the audit resulting in this independent auditor's report is Sixto P. Coy.

HLB Mair Russell
Chartered Accountants

Kingston, Jamaica

May 26, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2023

	Note	2023 $	Restated 2022 $	Restated 2021 $
Assets				
Non-current assets				
Property, plant and equipment	(3)	782,591,603	784,345,334	819,679,345
Right of use asset	(4)	4,663,379	6,140,411	780,065
Intangible assets	(5)	31,758,157	36,541,572	33,423,182
		819,013,139	**827,027,317**	**853,882,592**
Current assets				
Inventories	(6)	1,491,110,412	1,136,293,546	853,802,501
Trade and other receivables	(7)	527,635,566	533,271,081	457,389,463
Prepayments		13,302,713	10,743,890	5,188,312
Due from related party	(8)	41,090,831	23,800,688	-
Taxation recoverable	(9)	754,217	737,554	2,350,718
Cash and short-term deposits	(10)	141,513,590	145,701,094	116,644,932
		2,215,407,329	**1,850,547,853**	**1,435,375,926**
Total assets		**3,034,420,468**	**2,677,575,170**	**2,289,258,518**
Equity and liabilities				
Equity				
Share capital	(11)	107,835,764	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073	108,518,073
Retained profits		844,864,942	796,413,997	717,869,736
Non-controlling interest		138,921,718	130,858,434	122,391,000
Total equity		**1,200,140,497**	**1,143,626,268**	**1,056,614,573**
Liabilities				
Non-current liabilities				
Due on business acquisition	(13)	21,098,000	31,098,000	31,098,000
Lease liability	(4)	3,527,315	4,917,676	-
Borrowings	(14)	365,406,863	243,488,782	157,464,241
Deferred tax liability	(15)	44,886,065	42,403,680	21,710,392
		434,918,243	**321,908,138**	**210,272,633**
Current liabilities				
Lease liability	(4)	1,412,872	1,372,173	660,520
Bank overdraft	(10 & 16)	195,204,686	159,209,087	144,996,589
Borrowings	(14)	430,915,710	571,439,927	351,190,677
Trade and other payables	(17)	748,731,913	460,019,009	392,107,020
Due on business acquisition		-	-	121,500,000
Income tax payable		23,096,547	20,000,568	11,916,506
		1,399,361,728	**1,212,040,764**	**1,022,371,312**
Total liabilities		**1,834,279,971**	**1,533,948,902**	**1,232,643,945**
Total equity and liabilities		**3,034,420,468**	**2,677,575,170**	**2,289,258,518**

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

Approved for issue by the Board of Directors on May 26, 2023 and signed on its behalf by:

_________________ Director
Winston Boothe

_________________ Director
Kurt Boothe

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended March 31, 2023

	Note	2023 $	2022 $
Revenue		**3,769,710,645**	**3,416,303,288**
Cost of sales	(19)	(2,755,988,748)	(2,479,839,025)
Gross profit		**1,013,721,897**	**936,464,263**
Other income	(18)	10,096,785	9,266,092
Administrative expenses	(19)	(456,386,711)	(395,864,896)
Selling and promotional costs	(19)	(327,111,807)	(274,278,543)
Impairment of financial assets		(3,657,179)	(14,392,991)
Depreciation and amortisation	(19)	(40,943,064)	(39,394,892)
Operating profit		**195,719,921**	**221,799,033**
Finance income	(21)	2,473,980	11,102,605
Finance costs	(21)	(104,173,425)	(71,654,631)
(Loss)/gain on disposal of property, plant and equipment		(171,046)	3,179,640
Gain/(loss) on foreign exchange		2,869,457	(17,968,707)
Profit before tax		**96,718,887**	**146,457,940**
Income tax expense	(22)	(16,520,447)	(41,025,192)
Net profit for the year		**80,198,440**	**105,432,748**
Net profit for the year attributable to:			
Owners of Medical Disposables & Supplies Limited		72,135,156	96,965,314
Non-Controlling interest		8,063,284	8,467,434
		80,198,440	**105,432,748**
Earnings per share attributable to owners of the company during the year:	(23)		
Basic and diluted		**0.27**	**0.37**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2023

	Share Capital $	Revaluation Reserve $	Retained Profits $	Noncontrolling Interest $	Total $
Balance at March 31, 2021- As previously reported	107,835,764	108,518,073	678,401,286	122,391,000	1,017,146,123
Prior year adjustment - Additional gain on business acquisition (Note 2u)	-	-	39,468,450	-	39,468,450
Balance at March 31,2021 restarted	**107,835,764**	**108,518,764**	**717,869,736**	**122,391,000**	**1,056,614,573**
Dividend (Note 24)	-	-	(18,421,053)	-	(18,421,053)
Profit for the year	-	-	96,965,314	8,467,434	105,432,748
Total comprehensive income	-	-	96,965,314	8,467,434	105,432,748
Balance at March 31, 2022 – restated	**107,835,764**	**108,518,073**	**796,413,997**	**130,858,434**	**1,143,626,268**
Dividends (Note 24)	-	-	(23,684,211)	-	(23,684,211)
Profit for the year	-	-	72,135,156	8,063,284	80,198,440
Total comprehensive income	**-**	**-**	**48,450,945**	**8,063,284**	**56,514,229**
Balance at March 31, 2023	**107,835,764**	**108,518,073**	**844,864,942**	**138,921,718**	**1,200,140,497**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, 2023

	Note	2023 $	2022 $
Cash flows from operating activities:			
Profit before tax		96,718,887	146,457,940
Adjustments for:			
Depreciation and amortisation		40,943,064	39,394,892
Interest expense	(21)	104,173,425	71,654,631
Interest income	(21)	(2,473,980)	(11,102,605)
Loss/(gain) on disposal of property, plant, and equipment		171,046	(3,179,640)
		239,532,442	**243,225,218**
Increase in inventories		(354,816,866)	(282,491,044)
Decrease/(increase) in trade and other receivables		5,635,515	(75,881,617)
Increase in prepayments		(2,558,823)	(5,555,578)
Increase in trade and other payables		288,712,904	67,911,988
Increase in due from related party		(17,290,143)	(23,800,688)
Cash used in from operations		**159,215,029**	**(76,591,721)**
Interest paid		(104,190,088)	(71,654,631)
Income taxes paid		(10,942,082)	(11,382,341)
Net cash used in operating activities		**44,082,859**	**(159,628,693)**
Cash flows from investing activities:			
Interest received (net of withholding tax)		2,473,980	12,152,470
Purchase of property, plant and equipment	(3)	(33,099,932)	(1,972,272)
Proceeds from disposal of property, plant and equipment		-	6,830,000
Purchase of intangible asset	(5)	-	(7,132,613)
Net cash (used) in/provided by investing activities		**(30,625,952)**	**9,877,585**
Cash flows from financing activities:			
Proceeds from borrowings		693,500,000	671,500,000
Repayment of borrowings		(712,106,137)	(365,226,209)
Lease repayment	(4)	(1,349,662)	(1,757,966)
Dividends paid	(24)	(23,684,211)	(18,421,053)
Paid on business acquisition		(10,000,000)	(121,500,000)
Net cash (used in)/provided by financing activities		**(53,640,010)**	**164,594,772**
Net increase in cash and cash equivalents		**(40,183,103)**	**14,843,664**
Cash and cash equivalents at beginning of year		**(13,507,993)**	**(28,351,657)**
Cash and cash equivalents at end of year	(10)	**(53,691,096)**	**(13,507,993)**

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

STATEMENT OF FINANCIAL POSITION (THE COMPANY)

Year ended March 31, 2023

	Note	2023 $	2022 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	571,402,806	568,535,295
Right of use asset	(4)	4,663,379	6,140,411
Intangible assets	(5)	5,377,157	6,911,572
Investment in subsidiaries		121,500,000	121,500,000
		702,943,342	**703,087,278**
Current assets			
Inventories	(6)	1,209,811,159	914,156,800
Trade and other receivables	(7)	449,709,305	469,220,034
Prepayments		13,108,650	10,743,890
Taxation recoverable	(9)	748,615	735,696
Due from related party	(8)	-	77,361,221
Cash and short-term deposits	(10)	124,182,447	105,188,435
		1,797,560,176	**1,577,406,076**
Total assets		**2,500,503,518**	**2,280,493,354**
Equity and liabilities			
Equity			
Share capital	(11)	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073
Retained profits		718,515,416	682,159,396
Total equity		**934,869,253**	**898,513,233**
Liabilities			
Non-current liabilities			
Lease liability	(4)	3,527,315	4,917,676
Borrowings	(14)	315,406,863	243,488,782
Deferred tax liability	(15)	7,721,301	10,750,392
		326,655,479	**259,156,850**
Current liabilities			
Lease liability	(4)	1,412,872	1,372,173
Bank overdraft	(10 & 16)	134,366,446	156,088,774
Borrowings	(14)	430,915,710	571,439,927
Trade and other payables	(17)	660,904,646	380,881,543
Due on related party	(13)	414,185	-
Income tax payable		10,964,927	13,040,854
		1,238,978,786	**1,122,823,271**
Total liabilities		**1,565,634,265**	**1,381,980,121**
Total equity and liabilities		**2,500,503,518**	**2,280,493,354**

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

Approved for issue by the Board of Directors on May 26, 2023 and signed on its behalf by:

Director   Director

Winston Boothe   **Kurt Boothe**

STATEMENT OF PROFIT OF LOSS (THE COMPANY)

Year ended March 31, 2023

	Note	2023 $	2022 $
Revenue		**3,209,889,482**	**2,825,999,494**
Cost of sales	(19)	(2,411,028,599)	(2,086,080,238)
Gross profit		**798,860,883**	**739,919,256**
Other income	(18)	5,488,530	5,486,130
Administrative expenses	(19)	(314,554,116)	(288,880,592)
Selling and promotional costs	(19)	(304,358,549)	(256,192,216)
Impairment of financial assets		(1,046,664)	(1,000,000)
Depreciation and amortisation	(19)	(28,367,791)	(26,676,720)
Operating profit		**156,022,293**	**172,655,859**
Finance income	(21)	2,457,586	11,056,883
Finance costs	(21)	(96,074,742)	(71,137,965)
(Loss)/gain on disposal of property, plant and equipment		(171,046)	2,899,640
Gain/(loss) on foreign exchange		2,099,903	(17,838,064)
Profit before tax		**64,333,994**	**97,636,353**
Income tax expense	(22)	(4,293,763)	(13,372,190)
Net profit for the year		**60,040,231**	**84,264,163**

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

STATEMENT OF CHANGES IN EQUITY (THE COMPANY)

Year ended March 31, 2023

	Share Capital $	Revaluation Reserve $	Retained Profits $	Total $
Balance at March 31, 2021	107,835,764	108,518,073	616,316,286	832,670,123
Dividend (Note 24)	-	-	(18,421,053)	(18,421,053)
Profit for the year	-	-	84,264,163	84,264,163
Total comprehensive income for the year	**-**	**-**	84,264,163	84,264,162
Balance at March 31, 2022	107,835,764	108,518,073	682,159,396	898,513,233
Dividend (Note 24)	-	-	(23,684,211)	(23,684,211)
Profit for the year	-	-	60,040,231	60,040,231
Total comprehensive income for the year	**-**	**108,518,073**	**60,040,231**	**60,040,231**
Balance at March 31, 2023	**107,835,764**	**108,518,073**	**718,515,416**	**934,869,253**

STATEMENT OF CASH FLOWS (THE COMPANY)

Year ended March 31, 2023

	Note	2023 $	2022 $
Cash flows from operating activities:			
Profit before tax		**64,333,994**	**97,636,353**
Adjustments for:			
Depreciation and amortisation	(19)	28,367,791	26,676,720
Interest expense	(21)	96,074,742	71,137,965
Interest income	(21)	(2,457,586)	(11,056,883)
Loss/((gain) on disposal of property, plant, and equipment		171,046	(2,899,640)
		186,489,987	**181,494,515**
Increase in inventories		(295,654,359)	(184,835,299)
Decrease/(increase) in trade and other receivables		19,510,729	(83,691,571)
Increase in prepayments		(2,364,760)	(5,555,578)
Increase in trade and other payables		280,023,103	54,804,073
Decrease/(increase) in due from related party		77,361,221	(77,361,221)
Increase in due to related party		414,185	-
Cash generated from/(used in) operations		**265,780,106**	**(115,145,081)**
Interest paid		(96,074,742)	(71,137,965)
Income taxes paid		(9,398,781)	(10,330,616)
Net cash used in operating activities		**160,306,583**	**(196,613,662)**
Cash flows from investing activities:			
Interest received (net of withholding tax)		2,444,669	11,056,883
Purchase of property, plant and equipment	(3)	(28,394,902)	(1,004,062)
Proceeds from disposal of property, plant and equipment		-	6,550,000
Purchase of intangible asset	(5)	-	(7,132,613)
Net cash (used in)/provided by investing activities		**(25,950,233)**	**9,470,208**
Cash flows from financing activities:			
Proceeds from borrowings		618,500,000	671,500,000
Repayment of borrowings		(687,106,137)	(365,226,209)
Lease repayment	(4)	(1,349,662)	(1,757,966)
Dividends paid	(24)	(23,684,211)	(18,421,053)
Paid on business acquisition		-	(121,500,000)
Net cash (used in)/provided by financing activities		**(93,640,010)**	**164,594,772**
Net increase/(decrease) in cash and cash equivalents		40,716,340	(22,548,682)
Cash and cash equivalents at beginning of year		(50,900,339)	(28,351,657)
Cash and cash equivalents at end of year	(10)	**(10,183,999)**	**(50,900,339)**

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

1. Identification and principal activities

Medical Disposables & Supplies Limited (the Company) is a limited liability company and was incorporated under the Laws of Jamaica on November 27, 1998. The Company is domiciled in Jamaica with registered offices located at 83 Hagley Park Road, Kingston 10, Jamaica. The main activity during the year was the sale of pharmaceutical, medical and other supplies.

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

Subsidiary

The subsidiary incorporated in Jamaica, with operating activities as follows:

Company	Shareholdings	Main activities
Cornwall Enterprises Limited	60%	Retail and wholesale of Pharmaceutical, medical and other supplies

2. Summary of significant accounting policies

a Basis of preparation

These consolidated and stand-alone financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of certain fixed and financial assets, investment properties and financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2t.

Standards, interpretations and amendments to published standards effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following:

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.

2. Summary of significant accounting policies

a Basis of preparation (cont'd)

Standards, interpretations and amendments to published standards effective in the current year (cont'd)

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'.

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the company

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 Group.

Management anticipates that all relevant pronouncements will be adopted in the Group'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 Group'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.

2. Summary of significant accounting policies

b Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group has control over an entity when the Group is exposed to the variable returns from its ownership interest in the entity and when the Group can effect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group, and subsidiaries are de-consolidated from the date on which control ceases.

All material intra-Group balances, transactions and gains are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group uses the acquisition method of accounting when control over entities and insurance businesses is obtained by the Group. The cost of an acquisition is measured as the fair value of the identifiable assets given, the equity instruments issued and the liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. Acquisition-related costs are expensed as incurred.

The excess of the cost of the acquisition, the non-controlling interest recognised and the fair value of any previously held equity interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. If there is no excess and there is a shortfall, the Group reassesses the net identifiable assets acquired. If after reassessment, a shortfall remains, the acquisition is deemed to be a bargain purchase and the shortfall is recognised in income as a gain on acquisition. Any non-controlling interest balances represent the equity in a subsidiary not attributable to the Group's interests.

On an acquisition-by-acquisition basis, the Group recognises at the date of acquisition the components of any minority interest in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. The latter option is only available if the minority interest component is entitled to a proportionate share of net identifiable assets of the acquiree in the event of liquidation.

Non-controlling interest balances are subsequently re-measured by the minority's proportionate share of changes in equity after the date of acquisition. Investments in subsidiaries are stated in the Company's financial statements at cost less impairment.

(ii) Change in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity, Gains or losses on disposals to non-controlling interests are also recorded in equity.

Summary of significant accounting policies (cont'd)

c Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Chief Operating Decision Makers to make decisions about resources to be allocated to the segment and assess its performance. The Group has three operating segments, pharmaceuticals, medical and consumables.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

d Property, plant and equipment

(i) Property, plant and equipment are carried at cost or fair value less accumulated depreciation and impairment losses.

Land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any. Fair values are based on appraisals prepared by external professional valuators once every (3) years, or more frequently, if market factors indicate a material change in fair value. Any surplus arising on revaluation of land and buildings is recognised in other comprehensive income and credited to revaluation reserve in equity. To the extent that any decrease or impairment loss had previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the increase recognised in other comprehensive income.

Downward revaluations of land and buildings are recognised upon revaluation or impairment testing, with the decrease being charged to other comprehensive income to the extent of any surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

(ii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight-line basis at such rates as will write off the cost of various assets over the period of their expected useful lives.

The following useful lives are applied:

Furniture, fixtures and equipment	10% – 20%
Computers	20%
Motor vehicles	20%
Buildings	2.5%

(iii) Repairs and renewal

The costs of repairs and renewals which do not enhance the value of existing assets are written off to profit or loss as they are incurred.

e Inventories

Inventories are stated at the lower of cost, determined on the average cost basis, and net realisable value. Cost represents invoiced cost-plus direct inventory related expenses; net realisable value is based upon estimated selling price less cost to sell.

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

f Revenue recognition

Revenue arises from the sale of goods. It is measured at the fair value of consideration received or receivable, excluding General Consumption Tax, trade discounts or rebates.

g Finance and other income

Finance and other income comprise interest earned on short-term investments and rental income. Income is recognised on the basis of agreements in place or when it has been transferred to the third parties.

h Foreign currency translation

Functional and presentation currency

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

Foreign currency translations and balances:

(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.

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

(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

i Cash and cash equivalents

The above comprise cash on hand and demand deposits together with other short-term highly liquid investments maturing within ninety (90) days from the date of acquisition that are readily convertible in known amounts of cash and bank overdraft.

j Income tax

Income tax on the results for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using the tax rate enacted at statement of financial position date, and any adjustments to 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 basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for 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 difference can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

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

k Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group 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 Group had no financial assets categorised as 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.

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 Group 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.

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

k Financial instruments (cont'd)

Financial assets at fair value through profit or loss (FVTPL) (cont'd)

The category also contains equity investments. The Group accounts for these equity investments at FVTPL and did not make the irrevocable election to account for these equity investments at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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

The Group account 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 losses 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 Group first identifying a credit loss event. Instead, the Group 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.

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.

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

k Financial instruments (cont'd)

Other receivables and contract assets

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

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, lease liability, bank overdraft, trade and other payables.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

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

m Impairment

The Group property, plant and equipment are subject to impairment testing.

For the purpose 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 assets or cash-generating units 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.

n Intangible assets

Certain relations and trade names acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

All finite-lived intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 2(m). The following useful lives are applied:

- Acquired software: 5 years
- Customer relations: 7 years

Trade name is carried at cost less amortised impairment losses.

Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

o Equity, reserves and dividend payments

Share capital is determined using the par value of shares that have been issued and any premiums received on the initial issuing of shares. Any transaction costs associated with the issuing of shares are deducted from premiums received.

Revaluation reserve comprises the accumulated surplus arising on the revaluation of property, plant and equipment.

Retained profits include all current and prior period results as disclosed in the statement of comprehensive income.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved by the shareholders prior to the reporting date.

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

p Leases

At lease commencement date, the Group 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 Group, 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 Group depreciates 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 Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group 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 Group'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.

q Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

r Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income on an accrual basis using the effective interest method.

s Short-term employee benefits

Short-term employee benefits including holiday entitlement are current liabilities included in accruals, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

t Use of estimates and judgments

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

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 Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

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

t Use of estimates and judgments (cont'd)

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) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

(ii) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management basis its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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

u Restatement of comparative information

Certain prior year figures have been restated as a result of increased gain on business acquisition in year ended March 31, 2021.

	As previously reported year ended March 31, 2022 $	Effect of restatement $	Restated year ended March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	784,345,334	-	784,345,334
Right of use asset	6,140,411	-	6,140,411
Intangible assets	36,541,572	-	36,541,572
	827,027,317	**-**	**827,027,317**
Current assets			
Inventories	1,136,293,546	-	1,136,293,546
Trade and other receivables	533,271,081	-	533,271,081
Prepayments	10,743,890	-	10,743,890
Due from related party	23,800,688	-	23,800,688
Taxation recoverable	737,554	-	737,554
Cash and short-term deposits	145,701,094	-	145,701,094
	1,850,547,853	**-**	**1,850,547,853**
Total assets	**2,677,575,170**	**-**	**2,677,575,170**
Equity and liabilities			
Equity			
Share capital	107,835,764	-	107,835,764
Revaluation reserve	108,518,073	-	108,518,073
Retained profits	756,945,547	39,468,540	796,413,997
Non-controlling interest	130,858,434	-	130,858,434
Total equity	**1,104,157,818**	**39,468,540**	**1,143,626,268**
Liabilities			
Non-current liabilities			
Due on business acquisition	31,098,000	-	31,098,000
Lease liability	4,917,676	-	4,917,676
Borrowings	243,488,782	-	243,488,782
Deferred tax liability	42,403,680	-	42,403,680
	321,908,138	**-**	**321,908,138**
Current liabilities			
Lease liability	1,372,173	-	1,372,173
Bank overdraft	159,209,087	-	159,209,087
Borrowings	571,439,927	-	571,439,927
Trade and other payables	499,487,459	(39,468,450)	460,019,009
Income tax payable	20,000,568	-	20,000,568
	1,251,509,214	**-**	**1,212,040,764**
Total liabilities	**1,573,417,352**	**(39,468,450)**	**1,533,948,902**
Total equity and liabilities	**2,677,575,170**	**-**	**2,677,575,170**

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

u Restatement of comparative information (cont'd)

	As previously reported year ended March 31, 2021 $	Effect of restatement $	Restated year ended March 31, 2021 $
Assets			
Non-current assets			
Property, plant and equipment	819,679,345	-	819,679,345
Right of use asset	780,065	-	780,065
Intangible assets	33,423,182	-	33,423,182
	853,882,592	**-**	**853,882,592**
Current assets			
Inventories	853,802,501	-	853,802,501
Trade and other receivables	457,389,463	-	457,389,463
Prepayments	5,188,312	-	5,188,312
Due from related party	-	-	-
Taxation recoverable	2,350,718	-	2,350,718
Cash and short-term deposits	116,644,932	-	116,644,932
	1,435,375,926	**-**	**1,435,375,926**
Total assets	**2,389,258,518**	**-**	**2,389,258,518**
Equity and liabilities			
Equity			
Share capital	107,835,764	-	107,835,764
Revaluation reserve	108,518,073	-	108,518,073
Retained profits	678,401,286	39,468,540	717,869,736
Non-controlling interest	122,391,000	-	122,391,000
Total equity	**1,017,146,123**	**39,468,540**	**1,056,614,573**
Liabilities			
Non-current liabilities			
Due on business acquisition	31,098,000	-	31,098,000
Lease liability	-	-	-
Borrowings	157,464,241	-	157,464,241
Deferred tax liability	21,710,392	-	21,710,392
	210,272,633	**-**	**210,272,633**
Current liabilities			
Lease liability	660,520	-	660,520
Bank overdraft	144,996,589	-	144,996,589
Borrowings	351,190,677	-	351,190,677
Trade and other payables	431,575,470	(39,468,450)	392,107,020
Due on business acquisition	121,500,000		121,500,000
Income tax payable	11,916,506	-	11,916,506
	1,061,839,762	**-**	**1,022,371,312**
Total liabilities	**1,272,112,395**	**(39,468,450)**	**1,232,643,945**
Total equity and liabilities	**2,389,258,518**	**-**	**2,389,258,518**

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2023

3. Property, plant and equipment comprise: (The Group)

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2023 can be analysed as follows:

	Land and Buildings $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount					
Balance at April 1, 2022	743,461,791	96,073,554	42,302,543	36,619,364	918,457,252
Additions	-	6,846,849	3,027,914	23,225,169	33,099,932
Disposals	-	(171,046)	-	-	(171,046)
Balance at March 31, 2023	**743,461,791**	**102,749,357**	**45,330,457**	**59,844,533**	**951,386,138**
Depreciation					
Balance at April 1, 2022	(26,654,698)	(60,862,415)	(15,803,050)	(30,791,755)	(133,968,918)
Charge for the year	(14,837,696)	(8,429,194)	(5,399,815)	(6,015,912)	(34,682,617)
Balance at March 31, 2023	**(41,492,394)**	**(69,291,609)**	**(21,202,865)**	**(36,807,667)**	**(168,794,535)**
Carrying amount at March 31, 2023	**701,969,397**	**33,457,748**	**24,127,592**	**23,036,866**	**782,591,603**

i Land and buildings were revalued by independent valuators, David Thwaites and Associates, Chartered Valuation Surveyors, on February 25, 2020, February 27, 2020 and February 29, 2020. The resulting increase in valuation has been debited to revaluation reserve in equity.

ii Under the cost model, the carrying amount of revalued land and buildings at reporting date would be $503,994,417 (2020 - $514,280,017).

iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

3. Property, plant and equipment comprise: (The Group) (cont'd)

	Land and Buildings $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount					
Balance at April 1, 2021	743,461,791	122,608,914	15,620,350	42,950,106	924,641,161
Additions	-	1,050,613	921,659	-	1,972,272
Disposals	-	(20,601)	-	(8,135,580)	(8,156,181)
Balance at March 31, 2022	**743,461,791**	**123,638,926**	**16,542,009**	**34,814,526**	**918,457,252**
Depreciation					
Balance at April 1, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Charge for the year	(14,806,073)	(12,452,924)	(2,076,657)	(4,320,270)	(33,655,924)
Disposals	-	3,948	-	4,501,873	4,505,821
Balance at March 31, 2021	**(26,654,698)**	**(64,944,156)**	**(12,494,863)**	**(30,048,201)**	**(134,111,918)**
Carrying amount at March 31, 2022	**716,870,093**	**58,724,770**	**4,047,146**	**4,766,325**	**784,345,334**

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2023

3. Property, plant and equipment comprise: (The Company)

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2023 can be analysed as follows:

	Land and Buildings $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount					
Balance at April 1, 2022	547,552,791	95,636,914	14,737,170	42,950,106	700,330,160
Additions	-	4,217,131	1,211,191	22,966,580	28,394,902
Disposals	-	(171,046)	-	-	(171,046)
Balance at March 31, 2023	**547,552,791**	**100,119,639**	**15,948,361**	**57,781,106**	**721,401,897**
Depreciation					
Balance at April 1, 2022	(21,980,821)	(60,862,415)	(11,751,309)	(30,048,201)	(124,642,746)
Charge for the year	(10,132,196)	(8,374,821)	(1,343,896)	(5,473,808)	(25,356,345)
Balance at March 31, 2023	**(32,144,641)**	**(69,237,236)**	**(13,095,205)**	**(35,522,009)**	**(149,999,091)**
Carrying amount at March 31, 2023	**515,408,150**	**30,882,403**	**2,853,156**	**22,259,097**	**571,402,806**

i Land and buildings were revalued by independent valuators, David Thwaites and Associates, Chartered Valuation Surveyors, on February 25, 2020, February 27, 2020 and February 29, 2020. The resulting increase in valuation has been debited to revaluation reserve in equity.

ii Under the cost model, the carrying amount of revalued land and buildings at reporting date would be $323,044,894 (2022 - $329,637,647).

iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

3. Property, plant and equipment comprise (The Company) (cont'd):

	Land and Buildings $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount					
Balance at April 1, 2021	547,552,791	95,636,914	14,190,349	42,950,106	700,330,160
Additions	-	457,241	546,821	-	1,004,062
Disposals	-	(20,601)	-	(8,135,580)	(8,156,181)
Balance at March 31, 2022	**547,552,791**	**96,073,554**	**14,737,170**	**34,814,526**	**693,178,041**
Depreciation					
Balance at April 1, 2021	(11,848,625)	(52,465,180)	(10,418,206)	(30,229,804)	(104,961,815)
Charge for the year	(10,132,196)	(8,401,183)	(1,333,103)	(4,320,270)	(24,186,752)
Disposals	-	3,948	-	4,501,873	4,505,821
Balance at March 31, 2022	**(21,980,821)**	**(60,862,415)**	**(11,751,309)**	**(30,048,201)**	**(124,642,746)**
Carrying amount at March 31, 2022	**525,571,970**	**35,211,140**	**2,985,861**	**4,766,324**	**568,535,295**

4. Leases (The Group and Company)

The Group leased premises at 85 Hagley Park Road, for a period of 28 months with an option to renew.

Information about the lease for which the Group is a lessee is presented below:

(a) **Right of use asset**

2023

	Leasehold properties $
Gross carrying amount	
Balance at April 1, 2022	7,085,091
Balance at March 31, 2023	**7,085,091**
Depreciation	
Balance at April 1, 2022	(944,680)
Charge for the year	(1,477,032)
Balance at March 31, 2023	**(2,421,712)**
Carrying amount at March 31, 2023	**4,663,379**

2022

	Leasehold properties $
Gross carrying amount	
Balance at April 1, 2021	-
Addition	7,085,091
Balance at March 31, 2022	**7,085,091**
Depreciation	
Charge for the year	(944,680)
Carrying amount at March 31, 2022	**6,140,411**

(b) **Lease liability**

(The Group and Company)

	2023 $
Maturity analysis- contractual	
Current	1,412,872
Non-current	3,527,315
	4,940,187

	2022 $
Maturity analysis- contractual	
Current	1,372,173
Non-current	4,917,676
	6,289,849

4. Leases (The Group and Company) (cont'd)

(b) Lease liability (cont'd)

	2023 $	2022 $
Balance at April 1,	6,289,849	6,289,849
Addition	-	7,085,091
Lease payment	(1,349,662)	(1,349,662)
Balance at March 31,	**4,940,187**	**6,289,849**

2023

	Within 1 year $	1 - 2 years $	2 - 3 years $	Over 5 years $	Total $
Lease payments	1,742,470	1,702,954	1,702,098	448,058	5,595,580
Finance charges	(329,598)	(219,016)	(100,376)	(6,403)	(655,393)
Net present values	**1,412,972**	**1,482,938**	**1,601,722**	**441,655**	**4,940,187**

2022

	Within 1 year $	1 - 2 years $	2 - 3 years $	3 - 4 years $	Over 5 years $	Total $
Lease payments	1,802,679	1,742,470	1,702,954	1,702,098	425,547	7,374,748
Finance charges	(430,506)	(329,598)	(219,016)	(100,376)	(5,403)	(1,084,899)
Net present values	**1,372,173**	**1,412,872**	**1,482,938**	**1,601,722**	**420,144**	**6,289,849**

(c) Amounts recognised in profit or loss

	2023 $	2022 $
Amortisation charged on right-of-use asset	1,477,032	1,724,744
Interest expense on lease liabilities	1,055,093	225,309
	2,532,125	**1,950,053**

(d) Amounts recognised in the statement of cash flow

	2023 $	2022 $
Depreciation	1,477,032	1,724,744
Interest expense on lease	1,055,093	225,309
Repayment of lease	(1,349,662)	(1,757,966)

5. Intangible assets (The Group) (cont'd)

Details of intangible assets and their carrying amounts are as follows:

	Customer relations and trade name $	Acquired Software $	Total $
Gross carrying amount			
Balance at April 1, 2022	32,879,000	15,410,307	48,289,307
Balance at March 31, 2023	**32,879,000**	**15,410,307**	**48,289,307**
Amortisation			
Balance at April 1, 2022	(3,249,000)	(8,498,735)	(11,747,735)
Charge for the year	(3,249,000)	(1,534,415)	(4,783,415)
Balance at March 31, 2023	**(6,498,000)**	**(10,033,150)**	**(16,531,150)**
Carrying amount at March 31, 2023	**26,381,000**	**5,377,157**	**31,758,157**

	Customer relations and trade name $	Acquired Software $	Total $
Gross carrying amount			
Balance at April 1, 2021	32,879,000	8,277,694	41,156,694
Additions	-	7,132,613	7,132,613
Balance at March 31, 2022	**32,879,000**	**15,410,307**	**48,289,607**
Amortisation			
Balance at April 1, 2021	-	(7,733,512)	(7,733,512)
Charge for the year	(3,249,000)	(765,223)	(4,014,223)
Balance at March 31, 2022	**(3,249,000)**	**(8,498,735)**	**(11,747,735)**
Carrying amount at March 31, 2022	**29,630,000**	**6,911,572**	**36,541,572**

Intangible assets (The Company)

Details of intangible assets and their carrying amounts are as follows:

	Acquired Software $	Total
Gross carrying amount		
Balance at April 1, 2022	15,410,307	15,410,307
Balance at March 31, 2023	**15,410,307**	**15,410,307**
Amortisation		
Balance at April 1, 2022	(8,498,735)	(8,498,735)
Charge for the year	(1,534,415)	(1,534,415)
Balance at March 31, 2023	**10,033,150**	**10,033,150**
Carrying amount at March 31, 2023	**5,377,157**	**5,377,157**

5. Intangible assets (The Company)

	Acquired Software $	Total $
Gross carrying amount		
Balance at April 1, 2021	8,277,694	8,277,694
Addition	7,132,613	7,132,613
Balance at March 31, 2022	**15,410,307**	**15,410,307**
Amortisation		
Balance at April 1, 2021	(7,733,512)	(7,733,512)
Charge for the year	(765,223)	(765,223)
Balance at March 31, 2022	**(8,498,735)**	**(8,498,735)**
Carrying amount at March 31, 2022	**6,911,572**	**6,911,572**

6. Inventories

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Pharmaceuticals	701,484,758	607,365,798	632,317,669	555,560,478
Medical and other supplies	668,403,622	462,174,186	471,455,853	291,842,761
Goods in transit	121,222,032	66,753,562	106,037,637	66,753,561
Total	**1,491,110,412**	**1,136,293,546**	**1,209,811,159**	**914,156,800**

The cost of inventories recognised as an expense during the year was $2,755,988,748 (2022 - $2,479,839,025). This includes $13,280,880 (2022 – $22,412,217) in respect of expired items and write-downs to net realisable value.

7. Trade and other receivables

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Trade	465,319,411	437,496,716	384,998,656	366,626,737
Less: Allowance for expected credit loss	(25,262,087)	(21,604,908)	(9,258,581)	(8,211,917)
	440,057,324	415,891,808	375,740,075	358,414,820
Other	87,578,242	117,379,273	73,969,230	110,805,214
Total	**527,635,566**	**533,271,081**	**449,709,305**	**469,220,034**

The average credit period on sale of goods is 30 – 60 days. The Group provides for approximately 100% of trade receivables over 365 days.

7. Trade and other receivables (cont'd)

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

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Not more than 3 months	388,777,206	340,351,079	349,421,334	317,241,326
More than 3 months but not more than 6 months	33,386,971	42,721,054	22,154,351	38,065,514
More than 6 months but not more than 1 year	17,893,147	16,206,716	4,164,390	3,107,980
More than 1 year	-	16,612,959	-	-
Total	**440,057,324**	**415,891,808**	**375,740,075**	**358,414,820**

8. Related party balances and transactions (The Group)

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

	2023 $	2022 $
Included in trade and other payables	53,845,723	22,961,763
Disclosed as due from related party	41,090,831	23,800,688

ii Transactions with key management personnel

Transactions with key management includes renumeration for executive members of the board.

	2023 $	2022 $
Short-term employee benefits – Salaries including bonuses	51,710,109	43,673,572
Total	**51,710,109**	**43,673,572**

iii The statement of profit or loss and other comprehensive income includes transactions with Charlie Pharmacy, and Benchmark Trading Co. Ltd, controlled by directors.

	2023 $	2022 $
Sales	4,611,636	14,207,408
Purchases	267,436,838	108,160,543
Directors' fees	2,968,188	5,230,904

8. Related party balances and transactions (The Company) (cont'd)

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

	2023 $	2022 $
Disclosed as due from related party	414,185	77,361,221
Included in trade and other receivables	21,408,082	16,656,843
Included in trade and other payables	53,845,723	22,961,763

ii Transactions with key management personnel

Transactions with key management includes renumeration for executive members of the board.

	2023 $	2022 $
Short-term employee benefits – Salaries including bonuses	27,097,743	25,073,572
Total	**27,097,743**	**25,073,572**

iii The statement of profit or loss and other comprehensive income includes transactions with Charlie Pharmacy, Benchmark Trading Co. Ltd, controlled by directors, and Cornwall Enterprise Limited, a related company.

	2023 $	2022 $
Sales	30,400,926	47,322,402
Purchases	267,435,838	108,160,543
Directors' fees	2,968,188	3,498,750

9. Taxation recoverable (The Group and Company)

This represents withholding tax recoverable that is still being pursued by management.

10. Cash and short-term deposit (The Group)

	Interest Rate % p.a.	2023 $	2022 $
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		1,480,313	6,239,511
J$ Current account		62,443,823	58,160,860
US$ Savings account (US$529,416) (2022 – US$ 665,078)	0.01 – 0.05	77,394,274	81,164,788
Sterling savings account (£76) (2022 - £95))	0.05	65,596	14,975
Cash at bank and in hand		**141,384,010**	**145,580,134**
Short-term deposits	2.0 - 2.85	129,580	120,960
Total cash and short-term deposits		**141,513,590**	**145,701,094**
Less: Bank overdraft (Note 16)		(195,204,686)	(159,209,087)
Total cash and cash equivalents		**(53,691,096)**	**(13,507,993)**

10. Cash and short-term deposit (The Company) (cont'd)

	Interest Rate % p.a.	2023 $	2022 $
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		74,036	143,304
J$ Current account		49,086,756	24,873,813
US$ Savings account (US$522,049) (2022 – US$ 655,078))	0.01 – 0.05	74,826,479	80,035,383
Sterling savings account (£76) (2022 - £95))	0.05	65,596	14,975
Cash at bank and in hand		**124,052,867**	**105,067,475**
Short-term deposits	2.0 - 2.85	129,580	120,960
Total cash and short-term deposits		**124,182,447**	**105,188,435**
Less: Bank overdraft (Note 16)		(134,366,446)	(156,088,774)
Total cash and cash equivalents		**(10,183,999)**	**(50,900,339)**

11. Share capital (The Group and Company)

	2023 $	2022 $
Authorised:		
408,000,000 ordinary shares		
Issued shares at no par value		
263,157,895 ordinary shares	107,835,764	107,835,764

12. Revaluation reserve (The Group and Company)

This represents revaluation surplus arising on the revaluation of property, plant and equipment.

	2023 $	2022 $
Balance at April 1	108,518,073	117,135,199
Deferred tax related to revaluation	-	(8,617,126)
Balance at end of the year	**108,518,073**	**108,518,073**

13. Due on business acquisition (The Group)

	2023 $	2022 $
April 1	31,098,000	31,098,000
Earn out paid during the year	(10,000,000)	-
	21,098,000	**31,098,000**

14. Borrowings (The Group and Company)

	2023 $	2022 $
(a) National Commercial Bank (NCB):		
Revolving loan	380,000,000	550,000,000
Amortising loan facility	401,603,976	248,964,469
(b) Sagicor Bank of Jamaica		
Demand loan	14,718,597	15,964,240
	796,322,573	**814,928,709**
Current portion	(430,915,710)	(571,439,927)
Non-current	**365,406,863**	**243,488,782**

(a) National Commercial Bank (NCB)

- Loan of $141,500,000, was received July 29, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of $1,606,704. Interest on the loan is 6.50%.

- A revolving loan of $400,000,000 available via multiple short term drawdowns with maximum tenure of six (6) months. Interest on the loan facility is 9.5%

- Loan of $121,500,000, was received April 05, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of $1,379,607 with a principal moratorium of 6 months. Interest rate fixed is 6.5% for the first 96 months and is variable thereafter.

- Loan of $200,000,000, was received June 27, 2022. The loan is repayable by thirty-six (36) monthly instalments of $6,500,488. Interest rate fixed is 10.5%.

- Loan of $18,500,000 was received June 30, 2022. The loan is repayable by ninety-six (96) monthly instalments of $252,223.77. Interest rate fixed is 7%.

- Loan of $75,000,000 was secured October 27, 2022. The loan is a revolving facility that is repayable in six (6) months at an annual interest rate of 5.93%.

The loans and overdraft are secured by:

Debenture for J$1.093B over MDS Group's fixed and floating assets collaterally stamped and supported by:

- First Legal Mortgage over commercial property located at Units 25, 26 & 27 The Domes, 85 Hagley Park Road, Kingston 10 in the name of Medical Disposal & Supplies Limited registered at Vol 132 folios 620 & 621 and Vol 1312 folio 165; CMV J$89M, FSV $J75.5M; STC J$57.85M – valuation dated February 27, 2020, done by David Thwaites and Associates Limited.

14. Borrowings (The Group and Company) (cont'd)

- First Legal Mortgage over commercial property located at 83 Hagley Park Road, Kingston 10 in the name of Medical Disposable & Supplies Limited registered at Vol 1066 folio 337 and Vol 1501 folio 504; CMV J$420M, FSV J$336M; STC J$273M – valuation dated June 23, 2020 done by David Thwaites and Associates Limited.

- Lien over credited balances on Debt Service Reserve Account No. 29423399 in name of Medical Disposables Supplies Limited to be built up at a rate of J$1, 100, 000 over twelve (12) months until an amount of J$16,784,538 is achieved. Current balance J$19,216,136.99 as at 24.03.2023.

- Bill of sale over 2023 Land Rover Discovery HSE Motor Vehicle costing US$142,400 (J$22,143,200); Registered and Stamped to cover J$18,500,000. Comprehensively insured with BIN.

- Debenture for J$200,000,000 over MDS Group's fixed and floating assets.

- Assignment of All Risk Peril Insurance policy over assets of the Company.

(b) Sagicor Bank Jamaica Limited

A demand loan of $17,250,000 was received December 24, 2020. The loan is repayable by one hundred and twenty (120) monthly instalments of $207,925. Interest on loan is 7.85%.

The loan is secured by:

- First Demand Mortgage over commercial property located at 4 Carpenter Road, Kingston 11 registered at Volume 1194 Folio 596 in the name of Medical Disposables and Supplies Limited STC: JMD$17,250,000.

15. Deferred tax liabilities (The Group and Company)

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

	2023 $	2022 $
Property, plant, and equipment	**44,886,065**	**42,403,680**

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

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Balance at beginning of year	42,403,680	21,710,392	10,750,392	10,750,392
Charges to tax expense (Note 23)	2,482,385	20,693,288	(3,029,090)	-
Deferred tax liability	**44,886,066**	**42,403,680**	**7,721,302**	**10,750,392**

16. Bank overdraft (The Group)

(i) The Group and Company have an overdraft facility of $130,000,000 with Sagicor Bank Limited at a rate of 8.5% per annum. The facility is unsecured.

(ii) The Group and Company have an overdraft facility of $200,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.

(iii) The Group has an overdraft facility of $75,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.

17. Trade and other payables

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Trade	630,289,495	367,678,908	558,646,613	394,257,304
Accruals	28,481,184	25,730,892	27,329,184	257,730,892
Other	89,961,234	66,609,217	74,928,849	60,893,347
Total	**748,731,913**	**460,019,009**	**660,904,646**	**380,881,543**

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

18. Other income

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Warehousing service fee	5,488,530	5,485,129	5,488,530	5,486,130
Rental	4,608,255	3,779,963	-	-
Total	**10,096,785**	**9,266,092**	**5,488,530**	**5,486,130**

The Company has a Warehousing Service Agreement with a supplier to provide warehousing and other ancillary services and Cornwall Enterprise Limited has a rented office space to a tenant at Fairview, Montego Bay, St James.

19. Expenses by nature (The Group)

Total direct, administrative and other operating expenses:

	2023 $	2022 $
Cost of inventories recognised as expense	**2,755,988,748**	**2,479,839,025**
Administrative and other expenses		
Directors' remuneration	51,710,109	43,673,572
Directors' fees	2,968,188	5,230,904
Salaries, wages and related expenses (Note 20)	183,718,810	177,732,629
Medical and other staff benefits (Note 20)	32,551,053	11,987,990
Insurance	18,853,060	15,803,083
Legal and professional fees	5,899,914	9,501,978
Motor vehicle expenses	14,335,299	9,951,668
Auditors' remuneration	5,032,648	6,087,500
Utilities	39,213,944	33,030,621
Printing and stationery	7,766,000	5,917,088
Donations	18,220,237	9,682,039
Security	12,447,318	8,362,778
Bank charges	12,032,430	14,148,922
Other administrative expenses	51,637,701	44,315,124
	456,386,711	**395,864,896**
Selling and promotional costs		
Salaries, wages and related expenses (Note 20)	104,397,417	80,099,489
Travel and accommodation	2,699,614	2,081,126
Postage and courier service	61,476,503	57,317,485
Rent	17,303,112	13,347,512
Advertising and promotion	58,175,810	43,122,864
Commission	83,059,349	78,310,067
	327,111,805	**274,278,543**
Depreciation and amortisation		
Depreciation	34,682,617	33,655,924
Amortisation - intangible asset	4,783,415	4,014,223
- right of use asset	1,477,032	1,724,745
	40,943,064	**39,394,892**

19. Expenses by nature (The Company)

Total direct, administrative and other operating expenses:

	2023 $	2022 $
Cost of inventories recognised as expense	**2,411,028,599**	**2,086,080,238**
Administrative and other expenses		
Directors' remuneration	27,097,743	25,073,572
Directors' fees	2,968,188	3,498,750
Salaries, wages and related expenses (Note 20)	109,459,665	127,057,938
Medical and other staff benefits (Note 20)	30,253,251	11,939,606
Insurance	16,208,220	15,224,818
Legal and professional fees	5,899,914	5,642,906
Motor vehicle expenses	8,478,000	6,563,694
Auditors' remuneration	2,780,648	3,351,500
Utilities	28,424,897	24,939,741
Printing and stationery	5,430,447	3,959,138
Donations	15,105,838	9,351,362
Security	9,353,085	7,773,620
Bank charges	11,247,775	10,897,655
Other administrative expenses	41,846,445	33,606,292
	314,554,116	**288,880,592**
Selling and promotional costs		
Salaries, wages and related expenses (Note 20)	104,397,417	80,099,489
Travel and accommodation	2,699,614	2,081,127
Postage and courier service	61,044,725	56,377,350
Advertising and promotion	54,356,621	40,102,664
Commission	81,860,171	77,531,586
	304,358,548	**256,192,216**
Depreciation and amortisation		
Depreciation	25,356,344	24,186,752
Amortisation - intangible asset	1,534,415	765,223
- right of use asset	1,477,032	1,724,745
	28,367,791	**26,676,720**

20. Employee benefits (The Group)

	2023 $	2022 $
Salaries, wages and related expenses		
- Administrative and other expenses	183,718,810	177,732,629
- Selling and promotional costs	104,397,417	80,099,489
Medical and other staff benefits	32,551,053	11,987,990
Total	**320,667,280**	**269,820,108**

The average number of employees at year-end was one-hundred and twenty one (121), (2022 – one hundred and eighteen (118).

20. Employee benefits (cont'd) (The Company)

	2023 $	2022 $
Salaries, wages and related expenses		
- Administrative and other expenses	109,459,665	127,057,938
- Selling and promotional costs	104,397,417	80,099,489
Medical and other staff benefits	30,253,251	11,939,606
Total	**244,110,333**	**219,097,033**

The average number of employees at year-end was eighty-seven (87), (2022 –seventy-six (76)).

21. Finance income and finance cost (The Group)

Finance income comprises:

	2023 $	2022 $
Interest income on financial assets measured at amortised cost	2,473,980	11,102,605
Total	**2,473,980**	**11,102,605**

Finance cost comprises:

	2023 $	2022 $
Interest expense for borrowings measured at amortised cost	95,019,649	71,429,322
Interest expense on lease liabilities	1,055,093	225,309
Interest expense	7,128,370	-
Total	**104,173,425**	**71,654,631**

Finance income and finance cost (The Company)

Finance income comprises:

	2023 $	2022 $
Interest income on financial assets measured at amortised cost	2,457,586	11,056,883
Total	**2,457,586**	**11,056,883**

Finance cost comprises:

	2023 $	2022 $
Interest expense for borrowings measured at amortised cost	95,019,649	71,912,656
Interest expense on lease liabilities	1,055,093	225,309
Total	**96,074,742**	**71,137,965**

22. Income tax (The Group)

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. As a result, the Group is entitled to a remission of taxes for an allowable period not exceeding ten (10) years from the date of the listing on the JSE Junior Market provided the shares remain listed for at least fifteen (15) years. The remissions of taxes are applicable as follows:

Years 1 to 5	100%
Years 6 to 10	50%

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

i Income tax adjusted for tax purposes and computed at the tax rate of 12.5% comprise:

	2023 $	2022 $
Current tax expense	14,038,061	20,331,904
Deferred tax charges/(credit) (Note 15)	2,482,386	20,693,288
Total	**16,520,447**	**41,025,192**

ii Reconciliation of theoretical tax charge to effective tax charge:

	2023 $	2022 $
Profit before tax	**96,718,887**	**146,457,940**
Tax at the applicable rate of 25%	23,161,259	36,614,485
Tax effect of expenses not deductible for tax purposes	15,897,254	12,640,486
Tax effect of income not subject to tax	-	(4,957,085)
Tax effect of allowable capital allowances and other charges	(11,070,604)	10,252,186
Remission of tax	(11,467,462)	(13,524,880)
Income tax expense for the year	**16,520,447**	**41,025,192**

Income tax (The Company)

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. As a result, the Company is entitled to a remission of taxes for an allowable period not exceeding ten (10) years from the date of the listing on the JSE Junior Market provided the shares remain listed for at least fifteen (15) years. The remissions of taxes are applicable as follows:

Years 1 to 5	100%
Years 6 to 10	50%

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

i Income tax adjusted for tax purposes and computed at the tax rate of 12.5% comprise:

	2023 $	2022 $
Current tax expense	7,322,853	13,372,190
Deferred tax credit (Note 14)	(3,029,090)	-
Total	**4,293,763**	**13,372,190**

22. Income tax (The Company) (Cont'd)

ii Reconciliation of theoretical tax charge to effective tax charge:

	2023 $	2022 $
Profit before tax	**64,333,994**	**97,636,352**
Tax at the applicable rate of 25%	16,083,499	24,409,088
Tax effect of expenses not deductible for tax purposes	4,714,696	9,255,248
Tax effect of income not subject to tax	-	(1,810,181)
Tax effect of allowable capital allowances and other charges	(6,583,322)	(4,957,085)
Remission of tax	(9,921,110)	(13,524,880)
Income tax expense for the year	**4,293,763**	**13,372,190**

23. Earnings per share (The Group)

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

	2023 $	2022 $
Net profit attributable to owners	72,135,156	96,965,314
Weighted average number of shares outstanding	263,157,895	263,157,895
Basic earnings per share	**0.27**	**0.37**

24. Dividends (The Group)

The Group declared a dividend for the year ended March 31, 2022. A dividend of $0.09 per share was paid on January 30, 2023.

25. Segment reporting (The Group)

Segment information by divisions are as follows:

2023

	Pharmaceutical $	Medical $	Consumables $	Total $
Revenue	2,665,309,756	709,064,760	395,336,130	3,769,710,645
Less: Cost of sales	(1,970,322,090)	(472,609,167)	(313,057,491)	(2,755,983,748)
Gross profit	**694,987,666**	**236,455,593**	**82,283,639**	**1,013,721,898**

2022

	Pharmaceutical $	Medical $	Consumables $	Total $
Revenue	2,363,721,524	464,913,921	587,667,840	3,416,303,288
Less: Cost of sales	(1,724,027,724)	(318,823,402)	(436,987,698)	(2,479,839,024)
Gross profit	**639,684,600**	**146,090,519**	**150,680,142**	**936,464,263**

25. Segment reporting (The Company)

Segment information by divisions are as follows:

2023

	Pharmaceutical $	Medical $	Consumables $	Total $
Revenue	2,442,706,892	396,700,026	370,482,562	3,209,889,482
Less: Cost of sales	(1,827,443,563)	(290,716,734)	(292,863,302)	(2,411,028,599)
Gross profit	**615,263,329**	**105,983,292**	**77,614,262**	**798,860,883**

2022

	Pharmaceutical $	Medical $	Consumables $	Total $
Revenue	2,164,231,145	450,706,404	211,061,945	2,825,999,494
Less: Cost of sales	(1,596,763,659)	(318,823,402)	(170,493,177)	(2,086,080,238)
Gross profit	**567,467,486**	**131,883,002**	**40,568,768**	**739,919,256**

26. Risk management policies

The Group's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group 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. The Group 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.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are described below. The amounts shown are those reported to key management translated into J$ at the closing rate.

i Currency risk

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 Group is exposed to currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican Dollar. Foreign currency bank accounts denominated in United States Dollars (US$) is maintained to minimise this risk.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are described below. The amounts shown are those reported to key management translated into J$ at the closing rate.

26. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

Concentrations of currency risk

	2023 US$	2022 US$
Financial assets		
- Cash and cash equivalents	514,326	529,416
	514,326	529,416
Financial liabilities		
- Trade payables	(2,577,472)	(483,768)
	(2,577,472)	(483,768)
Total net assets/liabilities	**(2,063,146)**	**45,648**

The above assets/(liabilities) are receivable/payable in United States dollars (US$) and Jamaican Dollars (J$). The exchange rate applicable at the end of the reporting period was J$150.44 to US$1 (2022 – J$153.31 to US$1).

Foreign currency sensitivity

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

The sensitivity analysis is based on the Group's United States Dollar financial instruments at the date of the statement of financial position.

Effect on results of the 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	(12,415,187)
2022	8	(559,863)

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

	Rate %	Strengthens $
2023	1	(3,103,797)
2022	2	139,966

26. 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 Group's cash and cash equivalents are subject to interest rate risk. However, the Group 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 Group invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. Short-term deposits are invested for three (3) months or less at fixed interest rates and are not affected by fluctuations in market interest rates up to the dates of maturity. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market rates.

Interest rate sensitivity

Interest rates on the Group's loans are fixed up to the date of maturity expiring at varying dates beginning April 05, 2021. As such there would be no impact on the results of the Group'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 Group's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

b Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

Credit risk management

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with reputable financial institutions.

The Group continuously monitors the credit quality of its customers. The Group's policy is to deal with only credit worthy counterparties. The credit terms range between 15 and 30 days. The credit terms for customers are subject to an internal approval process which considers the credit rating scorecard. The on going credit risk is managed through regular review of aging analysis together with credit limit per customer.

Trade receivables consists of a large number of customers. The Group does not require collateral or other credit enhancements in respect of its trade and other receivables.

26. Risk management policies (cont'd)

b Credit risk (cont'd)

Credit risk management (cont'd)

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

	The Group		The Company	
	2023 $	2022	2023 $	2022 $
Trade and other receivables	527,635,566	533,271,081	449,709,305	469,220,034
Cash and cash equivalents	141,513,590	145,701,094	124,182,447	105,188,435
Total	**669,149,156**	**678,972,175**	**573,891,752**	**574,408,469**

Trade receivables

The Group applies the IFRS 9 simplified model of recognising lifetime estimated 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 sales over the last 24 months 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 Group 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 Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

26. Risk management policies (cont'd)

b Credit risk (cont'd)

On the above basis, the expected credit loss for the trade receivables as at March 31, 2023 and 2022 were determined as follows:

March 31, 2023 (The Group)

	Trade receivables days past due						
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	Total $
Expected credit loss rate	1.05%	5.6%	25.78%	82.38%	52.5%	100%	
Gross carrying amount	35,249,959	338,298,175	26,316,112	54,837,659	6,511,055	4,106,451	465,319,411
Lifetime expected credit loss	**284,032**	**2,827,341**	**1,162,199**	**14,535,199**	**2,346,665**	**4,106,451**	**25,262,087**

March 31, 2022 (The Group)

	Trade receivables days past due						
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	Total $
Expected credit loss rate	1%	1.50%	4%	28.75%	3%	100%	
Gross carrying amount	294,869,106	54,311,486	33,101,404	49,959,994	3,204,256	2,050,470	437,496,716
Lifetime expected credit loss	**2,956,084**	**814,672**	**1,324,056**	**14,363,498**	**96,128**	**2,050,470**	**21,604,908**

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2023

26. Risk management policies (cont'd)

b Credit risk (cont'd)

March 31, 2023 (The Company)

	Trade receivables days past due						
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	Total $
Expected credit loss rate	-	0.9%	10.1%	45.8%	52.5%	100%	
Gross carrying amount	8,069,828	330,682,153	20,147,250	15,481,920	6,511,055	4,106,451	384,998,656
Lifetime expected credit loss	**-**	**2,469,397**	**195,230**	**140,838**	**2,346,665**	**4,106,451**	**9,258,581**

March 31, 2022 (The Company)

	Trade receivables days past due						
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	Total $
Expected credit loss rate	0.5%	1%	2%	12.5%	3%	100%	
Gross carrying amount	292,685,570	27,155,743	16,550,702	24,979,997	3,204,256	2,050,470	366,626,737
Lifetime expected credit loss	**1,463,428**	**271,557**	**331,014**	**3,134,171**	**96,276**	**2,050,470**	**8,211,917**

26. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd) (The Group)

The closing balance of the trade and other receivables as at March 31, 2023 reconciles with the trade receivables loss allowance opening balance as follows:

	2023 $	2022 $
Opening loss allowance at April 1	21,604,908	7,211,917
Loss allowance recognised during the year	3,657,179	14,392,991
	25,262,087	**21,604,908**

Trade receivables (The Company)

The closing balance of the trade and other receivables as at March 31,2023 reconciles with the trade receivables loss allowance opening balance as follows:

	2023 $	2022 $
Opening loss allowance at April 1,	8,211,917	7,211,917
Loss allowance recognised during the year	1,046,664	1,000,000
	9,258,581	**8,211,917**

c Liquidity risk

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

The Group 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 Group maintains cash and short-term deposits for up to three months or less to meet its liquidity requirements.

As at March 31, 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

The Group
2023

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liability	1,412,872	3,527,315
Borrowings	365,406,863	430,915,710
Bank overdraft	195,204,686	-
Trade and other payables	788,200,363	-
Total	**1,350,224,784**	**434,444,025**

26. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The Group (cont'd)

2022

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liability	1,372,173	-
Borrowings	571,439,927	4,917,676
Bank overdraft	159,209,087	243,488,782
Trade and other payables	499,487,459	-
Total	**1,231,508,646**	**248,406,458**

The Company

2023

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liability	1,412,872	3,527,315
Borrowings	315,406,863	430,915,710
Bank overdraft	134,366,446	-
Trade and other payables	660,904,646	-
Total	**1,112,090,827**	**434,443,025**

2022

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liability	1,372,173	4,917,676
Borrowings	571,439,927	243,488,782
Bank overdraft	156,088,774	-
Trade and other payables	376,061,219	-
Total	**1,109,782,417**	**243,406,458**

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.

27. Fair value measurement

i The Group's financial assets and liabilities are measured at amortised costs, and the fair values for these are disclosed at Note 28(ii).

ii Fair value of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at March 31, 2023.

March 31, 2023	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Property, plant and equipment				
Land and buildings	-	-	701,969,397	701,969,397
Total	**-**	**-**	**701,969,397**	**701,969,397**

March 31, 2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Property, plant and equipment				
Land and buildings	-	-	716,870,931	716,870,931
Total	**-**	**-**	**716,870,931**	**716,870,931**

Land and buildings (Level 3).

Fair value of the Group's land and buildings was estimated based on an appraisal by a professionally qualified valuator. The significant inputs and assumptions were developed in close consultation with management.

The appraisal was carried out using a market approach that reflects observed prices for market transactions and incorporates adjustments for factors specific to the Group's property, including size, location, encumbrances, and current use of the property.

Land and buildings at 83 and 85 Hagley Park Road, Kingston 10 were revalued on February 25, 2020, February 27, 2020 , and February 29, 2020 respectively.

Land and buildings at Anchovy St James were revalued March 29, 2022, Fairview Montego Bay St James were revalued on March 29, 2022, and March 31, 2022, respectively.

Reconciliation of opening and closing balances of the Group's land and buildings:

	2023 $
Balance at April 1, 2022	743,461,791
Depreciation	(41,492,394)
Balance at March 31, 2023	**701,969,397**

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2023

27. Fair value measurement (The Company) (Cont'd)

Reconciliation of opening and closing balances of the Company's land and buildings:

	2023 $	2022 $
Balance at April 1	547,552,791	547,552,791
Depreciation	(10,163,820)	(10,132,196)
Balance at March 31	**537,388,971**	**537,420,595**

28. Summary of financial assets and liabilities by category

The carrying amount of the Group's financial assets and liabilities recognised at the statement of financial position date may be categorised as follows:

	2023 $	2022 $
Financial assets measured at amortised cost		
Trade and other receivables	527,635,566	533,271,081
Due from related party	41,505,016	23,800,688
Cash and short-term deposits	141,513,590	145,701,094
Total	**710,654,172**	**702,772,863**
Financial liabilities measured at amortised cost		
Non-current liabilities		
Due on business acquisition	21,098,000	31,098,000
Lease liability	3,527,315	4,917,676
Borrowings	430,915710	243,488,782
Current liabilities		
Lease liability	1,412,872	1,372,173
Bank overdraft	195,204,686	159,209,087
Borrowings	365,406,863	571,439,927
Due on business acquisition	414,185	-
Trade and other payables	748,731,913	460,019,009
Total	**1,766,711,544**	**1,471,544,654**

28. Summary of financial assets and liabilities by category (cont'd)

The carrying amount of the Company's financial assets and liabilities recognised at the statement of financial position date may be categorised as follows:

	2023 $	2022 $
Financial assets measured at amortised cost		
Trade and other receivables	449,709,305	473,026,624
Cash and short-term deposits	124,182,447	105,188,435
Total	**573,891,752**	**578,215,059**
Financial liabilities measured at amortised cost		
Non-current liabilities		
Borrowings	315,406,863	243,488,782
Current liabilities		
Bank overdraft	134,366,446	156,088,774
Borrowings	430,915,710	571,439,927
Trade and other payables	660,904,653	376,061,219
Total	**1,541,593,672**	**1,347,078,702**

29. Capital management, policies and procedures

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

There was no change to the Group's approach to capital management polices during the year.

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SHEA SUGAR SCRUB
Tropical Mango
TREE HUT
SHEA MOISTURIZING
BODY LOTION
Tropical Mango
TREE HUT
SHEA MOISTURIZING
BODY WASH
Tropical Mango
TREE HUT
24-HOUR INTENSE HYDRATING
SHEA BODY BUTTER
Tropical Mango

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& SUPPLIES LIMITED
Taking Care...

FORM OF PROXY

$100 POSTAGE STAMP

I/We ______________________________ [insert name]

of ______________________________ [address]

being a shareholder(s) of the above-named Company, hereby appoint:

______________________________ [proxy name]

of ______________________________ [address]

or failing him, ______________________________ [alternate proxy]

of ______________________________ [address]

as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at 10:00 a.m. on the 26th day of October 2023 at the Medical Disposables & Supplies Limited office, 83 Hagley Park Road, Kingston 10 and at any adjournment thereof.

This Form is to be used as instructed. Unless otherwise instructed, the Proxy Form will be used as he / she thinks fit.

Please tick appropriate box.

Ordinary Resolutions	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		

Special Resolutions	FOR	AGAINST
Special Resolution 1		

Signed this_______ day of ______________________ 2023

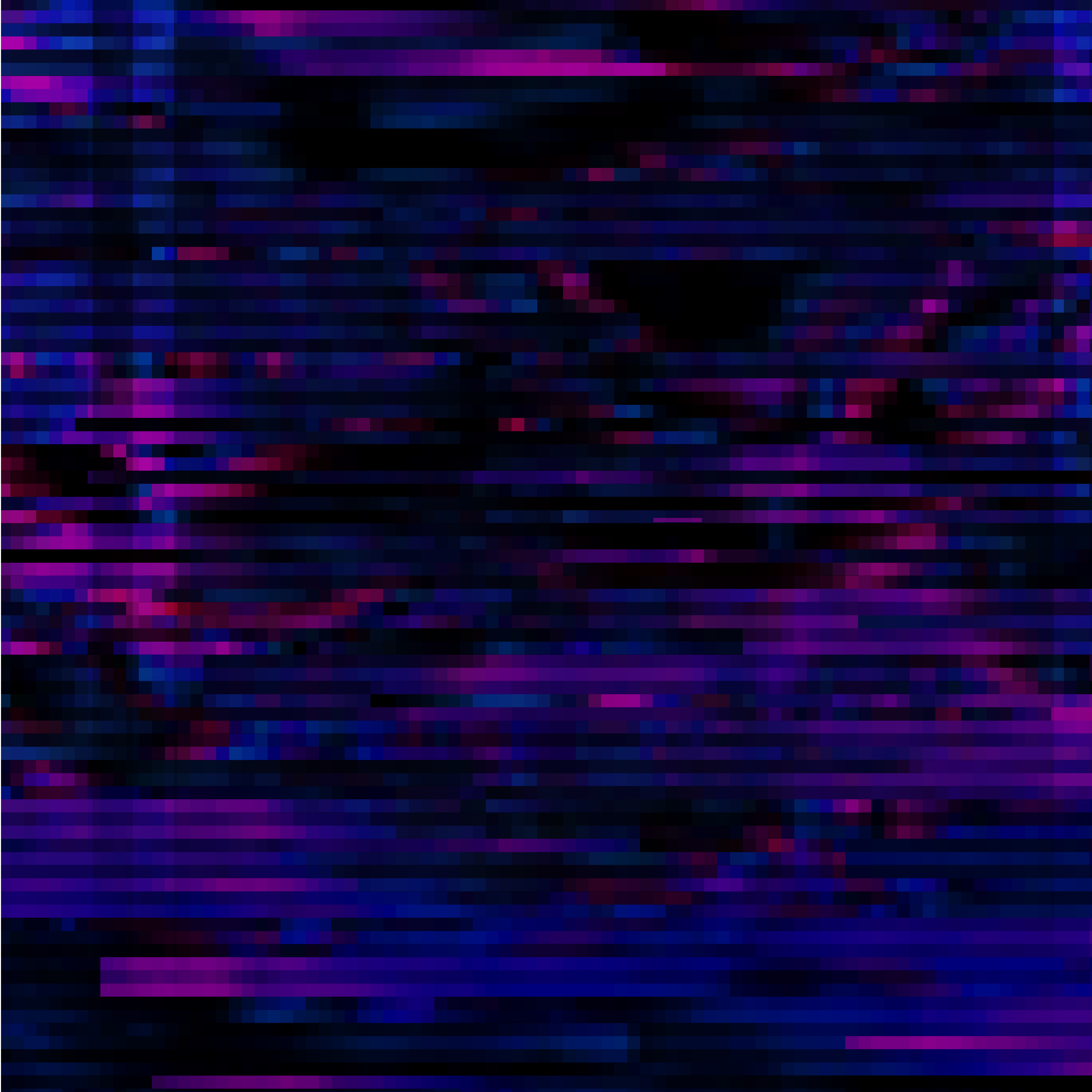
Print Name: ______________________________

Signature: ______________________________

NOTES:

1. *When completed, this Form of Proxy must be received by the Registrar of the Company, Jamaica Central Securities Depository, 40 Harbour Street, Kingston, Jamaica, W.I. not less than forty-eight (48) hours before the time for holding the meeting.*
   - *The Proxy Form should bear stamp duty of $100.00 which may be adhesive and duly cancelled by the persons signing the proxy form.*
   - *If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing.*

NOTES



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Taking Care ...