Medical Disposables & Supplies Limited

Financial Statements

March 31, 2021

Medical Disposables & Supplies Limited
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March 31, 2021

HLB MAIR RUSSELL
CHARTERED ACCOUNTANTS

Independent auditors' report

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, 2021, 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, 2021, 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

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. The matter was addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

(i) Business combination

Effective March 30, 2021 Cornwall Enterprises Limited (CEL), a subsidiary of Medical Disposables & Supplies Limited (MDS), acquired the assets and liabilities of Cornwall Medical and Dental Supplies Limited, whose main activities were selling and distribution of medical and dental supplies and also operated registered pharmacies. In accordance with IFRS 3, Business Combination, the transaction was deemed to be a business combination as the assets acquired and liabilities assumed constitute a business. Cornwall Enterprises Limited was identified as the acquirer as prescribed by IFRS 3 qualifying factors. At the acquisition date, the amounts of the identifiable assets acquired and liabilities assumed, are measured at fair value.

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Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

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

Key Audit Matters (cont'd)

(i) Business combination (cont'd)

Management obtained an independent valuation of the intangible assets in connection with certain assets acquired from Cornwall Medical and Dental Supplies Limited for financial reporting purpose.

Management judgement was applied as follows:

- In identifying and estimating the fair value of certain assets acquired as part of the transaction.
- In determining the likely economic lifespan of the assets acquired, based on consideration of similar assets.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

- Ensuring compliance with IFRS 3, we evaluated the techniques and methodologies used by the Company in arriving at the fair value of the assets acquired.
- Assessed the adequacy of the disclosures in the financial statements.
- We tested the Group ownership in shares in CEL.

Based on the procedures performed, we concluded that management's valuation is reasonable.

(ii) Allowance for expected credit losses

As at March 31, 2021 trade and other receivables after allowance for expected credit losses amounted to $457,387,463 or 19.97% of the total assets. We consider the measurement of expected credit losses a key audit matter as the determination is based on management's judgement and subject to significant uncertainty.

The principles for determining expected credit losses are described in the summary of significant accounting policies. The management of credit risk and the review for impairment are described in more detail in Note 27 to the financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

- Ensuring compliance with IFRS 9, we evaluated the techniques and methodologies used by the Company in order to assess expected credit losses.
- Evaluated the information of economic parameters included in the forward-looking information.
- Tested the accuracy of the ECL calculation.
- Tested subsequent collection from selected overdue customer assets.
- Assessed the adequacy of the disclosures in the financial statements.
- Assessed and validated the inputs used and assumptions applied in determining the loss rates which are integral to the provision matrix used in determining the expected credit losses for trade receivables.

Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

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

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.

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.

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)

- 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.

- 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

July 8, 2021

Medical Disposables & Supplies Limited
Consolidated Statement of Financial Position
March 31, 2021

	Note	2021 $	2020 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	819,679,345	611,071,709
Right of use asset	(4)	780,065	2,184,182
Intangible assets	(5)	33,423,182	1,157,886
		853,882,592	**614,413,777**
Current assets			
Inventories	(6)	853,802,501	571,600,120
Trade and other receivables	(7)	457,389,463	529,404,611
Prepayments		5,188,312	6,810,967
Taxation recoverable	(8)	2,350,718	2,340,447
Cash and short-term deposits	(9)	116,644,932	17,914,911
		1,435,375,926	**1,128,071,056**
Total assets		**2,289,258,518**	**1,742,484,833**
Equity and liabilities			
Equity			
Share capital	(10)	107,835,764	107,835,764
Revaluation reserve	(11)	108,518,073	117,135,199
Retained profits		678,401,286	608,787,503
Non-controlling interest		122,391,000	-
Total equity		**1,017,146,123**	**833,758,466**
Liabilities			
Non-current liabilities			
Due on business acquisition	(12)	31,098,000	-
Lease liabilities	(4)	-	493,778
Borrowings	(13)	157,464,241	91,863,805
Deferred tax liabilities	(14)	21,710,392	2,419,746
		210,272,633	**94,777,329**
Current liabilities			
Lease liabilities	(4)	660,520	1,611,499
Bank overdraft	(9 & 15)	144,996,589	141,800,495
Borrowings	(13)	351,190,677	299,876,127
Trade and other payables	(16)	431,575,470	365,353,854
Due on business acquisition	(12)	121,500,000	-
Income tax payable		11,916,506	5,307,063
		1,061,839,762	**813,949,038**
Total liabilities		**1,272,112,395**	**908,726,367**
Total equity and liabilities		**2,289,258,518**	**1,742,484,833**

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

Approved for issue by the Board of Directors on July 8, 2021 and signed on its behalf by:

Director — **Winston Boothe**

Director — **Kurt Boothe**

Medical Disposables & Supplies Limited
Consolidated Statement of Profit or Loss
Year ended March 31, 2021

	Note	2021 $	2020 $
Revenue		**2,422,806,606**	**2,481,141,479**
Cost of sales	(18)	(1,823,914,361)	(1,922,211,921)
Gross profit		**598,892,245**	**558,929,558**
Other income	(17)	5,215,620	5,645,110
Administrative expenses	(18)	(254,825,054)	(244,240,744)
Selling and promotional costs	(18)	(225,344,159)	(184,651,373)
Impairment of financial assets		(1,000,000)	(7,594,269)
Depreciation and amortisation	(18)	(28,493,524)	(29,343,036)
Operating profit		**94,445,128**	**98,745,246**
Finance income	(20)	484,818	2,848,993
Finance costs	(20)	(70,085,966)	(48,135,334)
Gain on disposal of property, plant and equipment		50,000	1,500,833
Loss on foreign exchange		(11,042,237)	(19,482,279)
Gain arising on business acquisition	(21)	62,085,000	-
Profit before tax		**75,936,743**	**35,477,459**
Income tax expense	(22)	(6,322,960)	(920,775)
Net profit for the year		**69,613,783**	**34,556,684**
Net profit for the year attributable to:			
Non-controlling interest		-	-
Owners of the parent		**69,613,783**	**34,556,684**
Earnings per share	(23)	**0.26**	**0.13**

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

Medical Disposables & Supplies Limited
Consolidated Statement of Other Comprehensive Income
Year ended March 31, 2021

	Note	2021 $	2020 $
Net profit for the year		**69,613,783**	**34,558,684**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land and buildings	(11)	**-**	68,937,009
Deferred tax		(8,617,126)	-
		(8,617,126)	**68,937,009**
Total comprehensive income for the year		**60,996,657**	**103,493,693**
Total comprehensive income for the year attributable to:			
Non-controlling interest		**-**	-
Owners of parent		**60,996,657**	**103,493,693**

Medical Disposables & Supplies Limited
Consolidated Statement of Changes in Equity
Year ended March 31, 2021

	Share Capital $	Revaluation Reserve $	Retained Profits $	Noncontrolling Interest $	Total $
Balance at March 31,2019	107,835,764	48,198,190	603,178,188	-	759,212,142
Dividends (Note 24)	-	-	(28,947,369)		(28,947,369)
Transaction with owners	**-**	**-**	**(28,947,369)**	**-**	**(28,947,369)**
Profit for the year being total comprehensive income for the year	-	-	34,556,684	-	34,556,684
Other comprehensive income	-	68,937,009	-	-	68,937,009
Total comprehensive income	**-**	**68,937,009**	**34,556,684**	**-**	**103,493,693**
Balance at March 31, 2020	**107,835,764**	**117,135,199**	**608,787,503**	**-**	**833,758,466**
Noncontrolling interest	-	-	-	122,391,000	122,391,000
Profit for the year	-	-	69,613,783	-	69,613,783
Other comprehensive income	-	(8,617,126)	-	-	(8,617,126)
Total comprehensive income	**-**	**(8,617,126)**	**69,613,783**	**-**	**60,996,657**
Balance at March 31, 2021	**107,835,764**	**108,518,073**	**678,401,286**	**122,391,000**	**1,017,146,123**

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

Medical Disposables & Supplies Limited
Consolidated Statement of Cash Flows
Year ended March 31, 2021

	Note	2021 $	2020 $
Cash flows from operating activities:			
Profit before tax		75,936,743	35,477,459
Adjustments for:			
Depreciation and amortisation		28,493,524	29,343,036
Interest expense	(20)	70,085,966	47,965,363
Interest income	(20)	(484,818)	(2,848,993)
Gain on disposal of property, plant, and equipment		(50,000)	(1,500,833)
Gain on business acquisition		(62,085,000)	-
		111,896,415	**108,436,032**
(Increase)/decrease in inventories		(157,721,381)	76,355,212
Decrease/(increase) in trade and other receivables		143,876,148	(139,198,025)
Decrease in prepayments		1,622,657	3,810,042
Decrease in trade and other payables		(39,276,384)	(89,347,401)
Cash generated from/(used in) operations		**60,397,455**	**(39,944,140)**
Interest paid		(70,085,966)	(47,699,839)
Income taxes paid		-	(3,717,815)
Net cash used in operating activities		**(9,688,511)**	**(91,361,794)**
Cash flows from investing activities:			
Interest received (net of withholding tax)		474,550	2,845,674
Purchase of property, plant and equipment	(3)	(10,772,341)	(19,098,798)
Proceeds from disposal of property, plant and equipment		50,000	8,700,000
Purchase of intangible asset	(5)	-	(127,837)
Net cash used in investing activities		**(10,247,791)**	**(7,680,961)**
Cash flows from financing activities:			
Proceeds from borrowings		508,654,918	259,750,000
Repayment of borrowings		(391,739,932)	(282,254,254)
Repayment of other loan		-	(10,000,000)
Lease repayment		(1,444,757)	(1,466,518)
Dividends paid		-	(28,947,369)
Net cash provided by/(used in) financing activities		**115,470,229**	**(62,918,141)**
Net increase/(decrease) in cash and cash equivalents		95,533,927	(161,960,896)
Cash and cash equivalents at beginning of year		(123,885,584)	38,075,312
Cash and cash equivalents at end of year	(9)	**(28,351,657)**	**(123,885,584)**

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

Medical Disposables & Supplies Limited
Statement of Financial Position (The Company)
Year ended March 31, 2021

	Note	2021 $	2020 $
Assets			
Non-current assets			
Property, plant and equipment	(3)	595,368,345	611,071,709
Right of use asset	(4)	780,065	2,184,182
Intangible assets	(5)	544,182	1,157,886
Investment in subsidiaries		121,500,000	-
		718,192,592	**614,413,777**
Current assets			
Inventories	(6)	729,321,501	571,600,120
Trade and other receivables	(7)	385,528,463	529,404,611
Prepayments		5,188,312	6,810,967
Taxation recoverable	(8)	2,350,718	2,340,447
Cash and short-term deposits	(9)	116,644,932	17,914,911
		1,239,033,926	**1,128,071,056**
Total assets		**1,957,226,518**	**1,742,484,833**
Equity and liabilities			
Equity			
Share capital	(10)	107,835,764	107,835,764
Revaluation reserve	(11)	108,518,073	117,135,199
Retained profits		616,316,286	608,787,503
Total equity		**832,670,123**	**833,758,466**
Liabilities			
Non-current liabilities			
Lease liabilities	(4)	-	493,778
Borrowings	(13)	157,464,241	91,863,805
Deferred tax liabilities	(14)	10,750,392	2,419,746
		168,214,633	**94,777,329**
Current liabilities			
Lease liabilities	(4)	660,520	1,611,499
Bank overdraft	(9 & 15)	144,996,589	141,800,495
Borrowings	(13)	351,190,677	299,876,127
Trade and other payables	(16)	326,077,470	365,353,854
Due on business acquisition		121,500,000	-
Income tax payable		11,916,506	5,307,063
		956,341,762	**813,949,038**
Total liabilities		**1,124,556,395**	**908,726,367**
Total equity and liabilities		**1,957,226,518**	**1,742,484,833**

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

Approved for issue by the Board of Directors on July 8, 2021 and signed on its behalf by:

________________ Director ________________ Director

Winston Boothe **Kurt Boothe**

Medical Disposables & Supplies Limited
Statement of Profit or Loss (The Company)
Year ended March 31, 2021

	Note	2021 $	2020 $
Revenue		**2,422,806,606**	**2,481,141,479**
Cost of sales	(18)	(1,823,914,361)	(1,922,211,921)
Gross profit		**598,892,245**	**558,929,558**
Other income	(17)	5,215,620	5,645,110
Administrative expenses	(18)	(254,825,054)	(244,240,744)
Selling and promotional costs	(18)	(225,344,159)	(184,651,373)
Impairment of financial assets		(1,000,000)	(7,594,269)
Depreciation and amortisation	(18)	(28,493,524)	(29,343,036)
Operating profit		**94,445,128**	**98,745,246**
Finance income	(20)	484,818	2,848,993
Finance costs	(20)	(70,085,966)	(48,135,334)
Gain on disposal of property, plant and equipment		50,000	1,500,833
Loss on foreign exchange		(11,042,237)	(19,482,279)
Profit before tax		**13,851,743**	**35,477,459**
Income tax expense	(22)	(6,322,960)	(920,775)
Net profit for the year		**7,528,783**	**34,556,684**

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

Medical Disposables & Supplies Limited
Statement of Other Comprehensive Income (The Company)
Year ended March 31, 2021

	Note	2021 $	2020 $
Net profit for the year		**7,528,783**	**34,558,684**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gains on revaluation of land and buildings	(11)	-	68,937,009
Deferred tax	(11)	(8,617,126)	-
Other comprehensive (loss)/income for the year, net of tax		**(8,617,126)**	**68,937,009**
Total comprehensive (loss)/income for the year		**(1,088,343)**	**103,493,693**

Medical Disposables & Supplies Limited
Statement of Changes in Equity (The Company)
Year ended March 31, 2021

	Share Capital $	Revaluation Reserve $	Retained Profits $	Total $
Balance at March 31,2019	107,835,764	48,198,190	603,178,188	759,212,142
Dividends (Note 24)	-	-	(28,947,369)	(28,947,369)
Transaction with owners	**-**	**-**	**(28,947,369)**	**(28,947,369)**
Profit for the year	-	-	34,556,684	34,556,684
Other comprehensive income	-	68,937,009	-	68,937,009
Total comprehensive income for the year	**-**	**68,937,009**	**34,556,684**	**103,493,693**
Balance at March 31, 2020	**107,835,764**	**117,135,199**	**608,787,503**	**833,758,466**
Profit for the year	-	-	7,528,783	7,528,783
Other comprehensive income	-	(8,617,126)	-	(8,617,126)
Total comprehensive income for the year	**-**	**(8,617,126)**	**7,528,783**	**(1,088,343)**
Balance at March 31, 2021	**107,835,764**	**108,518,073**	**616,316,286**	**832,670,123**

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

Medical Disposables & Supplies Limited
Statement of Cash Flows (The Company)
Year ended March 31, 2021

	Note	2021 $	2020 $
Cash flows from operating activities:			
Profit before tax		**13,851,743**	**35,477,459**
Adjustments for:			
Depreciation and amortisation		28,493,524	29,343,036
Interest expense	(20)	70,085,966	47,965,363
Interest income	(20)	(484,818)	(2,848,993)
Gain on disposal of property, plant, and equipment		(50,000)	(1,500,833)
		111,896,415	**108,436,032**
(Increase)/decrease in inventories		(157,721,381)	76,355,212
Decrease/(increase) in trade and other receivables		143,876,148	(139,198,025)
Decrease in prepayments		1,622,657	3,810,042
Decrease in trade and other payables		(39,276,384)	(89,347,401)
Cash generated from/(used in) operations		**60,397,455**	**(39,944,140)**
Interest paid		(70,085,966)	(47,699,839)
Income taxes paid		-	(3,717,815)
Net cash used in operating activities		**(9,688,511)**	**(91,361,794)**
Cash flows from investing activities:			
Interest received (net of withholding tax)		474,550	2,845,674
Purchase of property, plant and equipment	(3)	(10,772,341)	(19,098,798)
Proceeds from disposal of property, plant and equipment		50,000	8,700,000
Purchase of intangible asset	(5)	-	(127,837)
Net cash used in investing activities		**(10,247,791)**	**(7,680,961)**
Cash flows from financing activities:			
Proceeds from borrowings		508,654,918	259,750,000
Repayment of borrowings		(391,739,932)	(282,254,254)
Repayment of other loan		-	(10,000,000)
Lease repayment		(1,444,757)	(1,466,518)
Dividends paid		-	(28,947,369)
Net cash provided by/(used in) financing activities		**115,470,229**	**(62,918,141)**
Net increase/(decrease) in cash and cash equivalents		95,533,927	(161,960,896)
Cash and cash equivalents at beginning of year		(123,885,584)	38,075,312
Cash and cash equivalents at end of year	(9)	**(28,351,657)**	**(123,885,584)**

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

The operation of the subsidiary has not commenced.

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' and IAS 8 'Accounting policies, changes in accounting estimates and errors' (effective for annual periods beginning on or after 1 January 2020). These amendments clarify the definition of materiality and the meaning of primary users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The Group has applied the guidance on materiality when preparing its financial statements.

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)

- IFRS 3 'Business combinations' (effective for annual periods beginning on or after January 1, 2020). This amendment revises the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term outputs is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. There was no impact from the adoption of this amendment.

- Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after January 1, 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect, however no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. There was no impact from the adoption of this amendment.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group and Company

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the Group's accounting periods beginning on or after January 1, 2020, or later periods, but were not effective at the statement of financial position date. The Group has assessed the relevance of all such new standards, interpretations, and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

- IFRS 16, 'Leases' – Covid-19 related rent concessions (effective for annual periods beginning on or after June 1, 2020). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16, 'Leases' which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. The Group is currently assessing the impact of this amendment.

- Amendments to IAS 1, 'Presentation of financial statements' (effective for annual periods beginning on or after January 1, 2022). These amendments 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. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The Group is currently assessing the impact of this amendment.

2. Summary of significant accounting policies

a Basis of preparation (cont'd)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group and Company (cont'd)

- Amendment to IAS 16, 'Property, plant and equipment' (effective for annual periods beginning on or after January 1, 2022). This amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognise such sales proceeds and related cost in profit or loss. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The Group is currently assessing the impact of this amendment.

- Amendments to IFRS 3, 'Business combinations' (effective for annual periods beginning on or after January 1, 2022). Minor amendments were made to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The Group will apply this amendment to future transactions.

- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' (effective for annual periods beginning on or after January 1, 2022). This amendment specifies which costs a company includes when assessing whether a contract will be loss making. It clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The Group is currently assessing the impact of this amendment.

- Annual improvements to IFRSs 2018 – 2020 cycles (effective for annual periods beginning on or after January 1, 2022). These amendments include minor changes to the following standards:

  - IFRS 9, 'Financial instruments'
  - IFRS 16, 'Leases'
  - IFRS 1, 'First-time adoption of International Financial Reporting Standards
  - IAS 41, 'Agriculture'

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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

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 Company'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.

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

b Basis of consolidation (cont'd)

(iii) Associates

The investments in associated companies, which are not majority-owned or controlled but where significant influence exists, are included in these consolidated financial statements under the equity method of accounting. Investments in associated companies are originally recorded at cost and include intangible assets identified on acquisition.

The Group recognises in income its share of associate companies' post acquisition income and its share of the amortisation and impairment of intangible assets which were identified on acquisition. Unrealised gains or losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. The Group recognises in other comprehensive income, its share of post-acquisition other comprehensive income.

(iv) Discontinued operations

When the Group disposes of interest in an entity or a significant portion of the Company, the disclosure will reflect a single amount in the statement of comprehensive income comprising the total of:

(i) the post-tax profit or loss of discontinued operations and
(ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal Group(s) constituting the discontinued operation.

The statement of comprehensive income shows a section identified as relating to discontinued operations; that is, separately from continuing operations.

(v) Joint operation

The Group recognises its investment in joint operation by accounting for its relevant share of the assets, liabilities, revenues and expenses of joint operations and its share of any jointly incurred assets, liabilities, revenues, and expenses.

c Segment reporting

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

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

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.

(iii) 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%

(iv) 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.

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 miscellaneous income. Income is recognised on the basis of agreements in place or when it has been transferred to the third parties.

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

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 Company.

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 or Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, neither the Group nor Company had any 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 and Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

Financial assets that are held within a different business model other than 'hold to collect' or hold to collect and sell are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

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

k Financial instruments (cont'd)

The category also contains equity investments. The Group and Company 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 and Company 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 Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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 and Company makes use of a simplified approach in accounting for impairment of other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group and Company 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 and Company's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Group and Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

l Borrowings

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 and Company's 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 Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The 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 Company expects to pay as a result of the unused entitlement.

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

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

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

(i) 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.

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, 2021 can be analysed as follows:

	Land and Buildings $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount					
Balance at April 1, 2020	540,000,000	93,909,492	12,698,221	43,227,834	689,835,547
Additions	7,552,791	1,727,422	1,492,128	-	10,772,341
Acquired on Business Acquisition	195,909,000	26,972,000	1,430,000	-	224,311,000
Disposals	-	-	-	(277,728)	(277,728)
Balance at March 31, 2021	**743,461,791**	**122,608,914**	**15,620,349**	**42,950,106**	**924,641,160**
Depreciation					
Balance at April 1, 2020	(1,692,029)	(42,732,014)	(8,530,224)	(25,809,573)	(78,763,840)
Charge for the year	(10,156,596)	(9,733,166)	(1,887,982)	(4,697,959)	(26,475,703)
Disposals	-	-	-	277,728	277,728
Balance at March 31, 2021	**(11,848,625)**	**(52,465,180)**	**(10,418,206)**	**(30,229,804)**	**(104,961,815)**
Carrying amount at March 31, 2021	**731,613,166**	**70,143,734**	**5,202,143**	**12,720,302**	**819,679,345**

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 $329,637,647 (2020 - $331,088,175).

iii Land and buildings have been pledged as security for loans received from a financial institution (Note 13).

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

	Land and Buildings $	Construction In Progress $	Leasehold Improvement $	Furniture Fixtures and Equipment $	Computers $	Motor Vehicles $	Total $
Gross carrying amount							
Balance at April 1, 2019	486,785,829	9,711,641	2,826,409	93,175,150	10,370,281	37,941,320	640,810,630
Additions	-	-	-	734,342	2,327,940	16,036,514	19,098,798
Transfers	12,538,050	(9,711,641)	(2,826,409)	-	-	-	-
Disposals	-	-	-	-	-	(10,750,000)	(10,750,000)
Revaluation increase	40,676,121	-	-	-	-	-	40,676,121
Balance at March 31, 2020	**540,000,000**	**-**	**-**	**93,909,492**	**12,698,221**	**43,227,834**	**689,835,549**
Depreciation							
Balance at April 1, 2019	(18,138,611)	-	(1,029,473)	(33,204,007)	(6,956,696)	(23,758,093)	(83,086,880)
Charge for the year	(10,643,514)	-	(141,320)	(9,528,007)	(1,573,528)	(5,602,313)	(27,488,682)
Transfers	(1,170,793)	-	1,170,793	-	-	-	-
Disposals	-	-	-	-	-	3,550,833	3,550,833
Eliminated on revaluation	28,260,889	-	-	-	-	-	28,260,889
Balance at March 31, 2020	**(1,692,029)**	**-**	**-**	**(42,732,014)**	**(8,530,224)**	**(25,809,573)**	**(78,763,840)**
Carrying amount at March 31, 2020	**538,307,971**	**-**	**-**	**51,177,478**	**4,167,997**	**17,418,261**	**611,071,709**

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

	2021 $	2020 $
Balance at April 1, 2020	2,184,182	3,276,273
Amortisation charged for the year	(1,404,117)	(1,092,091)
Balance at March 31, 2021	**780,065**	**2,184,182**

(b) Lease liabilities

	2021 $	2020 $
Maturity analysis – contractual		
Current	660,520	1,611,499
Non-current	-	493,778
	660,520	**2,105,277**

	2021 $	2020 $
Balance at April 1,	2,105,277	1,760,445
Lease payment	(1,289,674)	539,417
Interest expense	(155,083)	(194,585)
Balance at March 31,	**660,520**	**2,105,277**

(c) Amounts recognised in profit or loss

	2021 $	2020 $
Amortisation charged on right-of-use asset	1,404,117	1,092,091
Interest expense on lease liabilities	155,083	295,524
	1,559,200	**1,387,615**

(d) Amounts recognised in the statement of cash flow

	2021 $	2020 $
Total cash outflow for lease	**1,444,757**	**1,466,518**

5. Intangible assets (The Group)

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, 2020	-	8,277,694	8,277,694
Acquired on business acquisition	32,879,000	-	32,879,000
Balance at March 31, 2021	**32,879,000**	**8,277,694**	**41,156,694**
Amortisation			
Balance at April 1, 2020	-	(7,119,808)	(7,119,808)
Charge for the year	-	(613,704)	(613,704)
Balance at March 31, 2021	**-**	**(7,733,512)**	**(7,733,512)**
Carrying amount at March 31, 2021	**32,879,000**	**544,182**	**33,423,182**

	Acquired Software $	Total $
Gross carrying amount		
Balance at April 1, 2019	8,149,857	8,149,857
Addition	127,837	127,837
Balance at March 31, 2020	**8,277,694**	**8,277,694**
Amortisation		
Balance at April 1, 2019	(6,357,544)	(6,357,544)
Charge for the year	(762,264)	(762,264)
Balance at March 31, 2020	**(7,119,808)**	**(7,119,808)**
Carrying amount at March 31, 2020	**1,157,886**	**1,157,886**

6. Inventories

	The Group		The Company	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Pharmaceuticals	485,233,723	356,061,992	360,752,723	356,061,992
Medical and other supplies	259,920,705	190,229,988	259,920,705	190,229,988
Goods in transit	116,766,352	40,287,318	116,966,352	40,287,318
	862,120,780	586,579,298	737,639,780	586,579,298
Less provision	(8,318,279)	(14,979,178)	(8,318,279)	(14,979,178)
Total	**853,802,501**	**571,600,120**	**729,321,501**	**571,600,120**

The cost of inventories recognised as an expense during the year was $1,823,914,361 (2020 -$1,922,211,921). This includes $22,412,217 (2020 – 22,637,218) in respect of expired items and write-downs to net realisable value.

7. Trade and other receivables

	The Group		The Company	
	2021 $	2020 $	2021 $	2020 $
Trade	404,892,838	460,294,667	333,031,838	460,294,667
Less: Allowance for expected credit loss	(7,211,917)	(9,765,606)	(7,211,917)	(9,765,606)
	397,680,921	450,529,061	325,819,921	450,529,061
Other	59,708,542	78,875,550	59,708,542	78,875,550
Total	**457,389,463**	**529,404,611**	**385,528,463**	**529,404,611**

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

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

	The Group		The Company	
	2021 $	2020 $	2021 $	2020 $
Not more than 3 months	337,729,404	301,453,237	289,945,888	301,453,237
More than 3 months but not more than 6 months	38,340,976	116,457,384	29,123,299	116,457,384
More than 6 months but not more than 1 year	21,611,541	22,733,839	6,750,734	22,733,839
More than 1 year	-	9,884,601	-	9,884,601
Total	**397,681,921**	**450,529,061**	**325,819,921**	**450,529,061**

8. Taxation recoverable (The Group and Company)

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

9. Cash and short-term deposit (The Group and Company)

	Interest Rate % p.a.	2021 $	2020 $
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		176,563	101,000
- J$ Current account		21,420,731	12,978,655
- US$ Savings account (US$655,078) (2020 – US$ 31,884))	0.01 – 0.05	94,907,745	4,661,161
Sterling savings account (£95) (2020 - £321))	0.05	18,933	53,135
Cash at bank and in hand		**116,523,972**	**17,793,951**
Short-term deposits	2.0 - 2.85	120,960	120,960
Total cash and short-term deposits		**116,644,932**	**17,914,911**
Less: Bank overdraft (Note 15)		(144,996,589)	(141,800,495)
Total cash and cash equivalents		**(28,351,657)**	**(123,885,584)**

10. Share capital (The Group and Company)

	2021 $	2020 $
Authorised:		
408,000,000 ordinary shares		
Issued shares at no par value		
263,157,895 ordinary shares	107,835,764	107,835,764

11. Revaluation reserve (The Group and Company)

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

	2021 $	2020 $
Balance at April 1	117,135,199	48,198,190
Deferred tax related to revaluation	(8,617,126)	-
Surplus arising on revaluation of land and buildings	-	68,937,009
Balance at end of the year	**108,518,073**	**117,135,199**

12. Due on business acquisition (Group and Company)

	2021 $
Current	121,500,000
Non-current	31,098,000
	152,598,000

13. Borrowings (The Group and Company)

	2021 $	2020 $
(a) Bank of Nova Scotia (BNS):		
Non-revolving loans	-	131,989,932
Revolving loan	-	259,750,000
(b) National Commercial Bank (NCB):		
Revolving loan	350,000,000	-
Amortising loan facility	141,500,000	-
(c) Sagicor Bank of Jamaica		
Demand loan	17,154,918	-
	508,654,918	**391,739,932**
Current portion	(351,190,677)	(299,876,127)
Non-current	**157,464,241**	**91,863,805**

(a) Bank of Nova Scotia (BNS)
Non-revolving loans

- A loan of $200 million was received January 2, 2015 towards the purchase of commercial real estate. The loan was for a period of sixty (60) months with twelve (12) months moratorium on principal payments. Interest was fixed at a rate of 7% per annum.

- Loans of $25,000,000 and $36,870,000 were received July 2016. They were repayable by fifty-nine (59) monthly payments of $208,330 and $307,250 respectively plus a final payment of $12,708,530 and $18,742,250, respectively. Interests on the loans were 4.764% and 7% per annum respectively.

Revolving loans

The revolving loan facility with Bank of Nova Scotia (BNS), bears interest rates between 6.5% and 7% per annum.

The loans and overdraft were secured by:

Demand debenture over fixed assets of the Group, collaterally stamped and supported by:

- First and second Legal Mortgages stamped an aggregate collateral to Debenture over commercial properties of units #25, 26 and 27, located at 85 Hagley Park Road, Kingston 10, registered at Volume 1327 Folios 620 and 621 and Volume 1312 and Folio 165 in the name of Medical Disposables and Supplies Limited and having an appraised value of $80,000,000.

- First to third Legal Mortgage over commercial property located at 83 Hagley Park Road, Kingston 10 registered at Volume 1066 Folio 337 and 338 appraised May 24, 2017.

Assignment of All Risk Peril Insurance policy over the assets of the Group.

These loans were repaid during the year.

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

(b) National Commercial Bank (NCB)

- A loan of $141,500,000, was received July 29, 2020. The loan is repayable by one hundred and twenty (120) monthly instalments of $1,606,704. Interest on the loan is 5.95% respectively.

- A revolving loan facility $400,000,000 was received during the year with interest of 6.115% per annum. The loan matures within six (6) months of the loan drawn down date.

  The loans and overdraft are secured by:

  Debenture over fixed and floating assets of the Group, collaterally stamped and supported by:

- First Legal Mortgage over commercial property registered by Volume 1,327 folios 620 & 621 and Volume 1312 folio 165 located at Units 25, 26 & 27 The Domes, 85 Hagley Park Road, Kingston 10 in the parish of St. Andrew in the name of Medical Disposables and Supplies Limited with a current market value of $420,000,000.

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

(c) Sagicor Bank Jamaica Limited

A demand loan of $17,500,000 was received on December 23, 2020. The loan is repayable by one hundred and twenty (120) monthly instalments of $207, 925. Interest on the 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.

14. Deferred tax liabilities (The Group and Company)

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

	2021 $	2020 $
Property, plant, and equipment	**21,710,392**	**2,419,746**

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:

	2021 $	2020 $	2021 $	2020 $
Balance at beginning of year	2,419,746	6,836,034	2,419,746	6,836,034
Recognised in business acquisition	10,960,000			
Credit to tax expense (Note 22)	(286,480)	(4,416,288)	(286,480)	(4,416,288)
Deferred tax liabilities related to revaluation (Note 11)	8,617,126	-	8,617,126	-
Deferred tax liability	**21,710,392**	**2,419,746**	**10,750,392**	**2,419,746**

15. Bank overdraft (The Group and Company)

(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.

16. Trade and other payables

	The Group		The Company	
	2021 $	2020 $	2021 $	2020 $
Trade	341,257,188	290,198,574	235,759,188	290,198,574
Accruals	35,259,553	19,056,468	25,305,553	19,056,468
Other	55,058,729	56,098,812	55,058,729	56,098,812
Total	**431,575,470**	**365,353,854**	**316,123,470**	**365,353,854**

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

17. Other income (The Group and Company)

	2021 $	2020 $
Warehousing service fee	5,215,620	5,645,110

The Company has a Warehousing Service Agreement with a supplier to provide warehousing and other ancillary services.

18. Expenses by nature (The Group and Company)

Total direct, administrative and other operating expenses:

	2021 $	2020 $
Cost of inventories recognised as expense	1,823,914,361	1,922,211,921
Administrative and other expenses		
Directors' remuneration	23,441,595	25,568,595
Directors' fees	2,407,500	1,945,000
Salaries, wages and related expenses (Note 19)	86,771,001	76,345,738
Medical and other staff benefits (Note 19)	10,384,202	12,296,133
Insurance	14,378,611	16,447,601
Legal and professional fees	25,734,932	16,370,678
Motor vehicle expenses	4,557,641	6,531,275
Auditors' remuneration	2,500,000	2,836,775
Utilities	25,355,255	17,608,609
Printing and stationery	7,197,523	7,249,391
Donations	8,443,332	5,395,337
Security	6,908,352	8,216,619
Bank charges	9,874,850	10,379,619
Other administrative expenses	26,870,260	37,049,374
	254,825,054	**244,240,744**
Selling and promotional costs		
Salaries, wages and related expenses (Note 19)	87,403,182	76,697,372
Travel and accommodation	1,199,420	3,195,503
Postage and courier service	43,156,124	30,922,287
Advertising and promotion	28,321,033	16,810,406
Commission	65,264,400	57,025,805
	225,344,159	**184,651,373**
Depreciation and amortisation		
Depreciation	26,475,703	27,488,682
Amortisation - intangible asset	613,704	762,263
- right of use asset	1,404,117	1,092,091
	28,493,524	**29,343,036**

19. Employee benefits (The Group and Company)

	2021 $	2020 $
Salaries, wages and related expenses		
- Administrative and other expenses	86,771,001	76,345,738
- Selling and promotional costs	87,403,182	76,697,372
Medical and other staff benefits	10,384,202	12,296,133
Total	**184,558,385**	**165,339,243**

The average number of employees at year-end was seventy-six (76), (2020 –seventy-one (71).

20. Finance income and finance cost (The Group and Company)

Finance income comprises:

	2021 $	2020 $
Interest income on financial assets measured at amortised cost	484,818	2,848,993
Total	**484,818**	**2,848,993**

Finance cost comprises:

	2021 $	2020 $
Interest expense for borrowings measured at amortised cost	69,930,883	47,839,810
Interest expense on lease liabilities	155,083	295,524
Total	**70,085,966**	**48,135,334**

21. Gain arising on business combination

Effective March 30, 2021 Cornwall Enterprises Limited (CEL), a subsidiary of Medical Disposables & Supplies Limited (MDS) acquired the assets and liabilities of Cornwall Medical and Dental Supplies Limited whose main activities were selling and distribution of medical and dental supplies and also operated registered pharmacies. In accordance with IFRS 3, Business Combination, the transaction was deemed to be a business combination as the assets acquired and liabilities assumed constitute a business. Cornwall Enterprises Limited was identified as the acquirer as prescribed by IFRS 3 qualifying factors. The acquisition date amounts of the identifiable assets acquired and liabilities assumed, measured at fair value was $348,034,000. The purchase consideration was $274, 989,000.

This resulted in a bargain purchase of $62,085,000. The resulting gain was recognised in profit or loss on acquisition date.

Details of the identifiable assets acquired, and liabilities assumed purchased consideration as follows:

Fair value of identifiable assets acquired and liabilities.

	$
Property, plant and equipment	224,311,000
Intangible assets	32,879,000
Inventories	124,481,000
Trade and other receivable	71,861,000
Trade and other payables	(105,498,000)
Fair value of identifiable assets acquired and liabilities assumed (before deferred tax)	348,034,000
Purchase consideration	(274,989,000)
	73,045,000
Deferred tax liability arising from business acquisition	(10,960,000)
	62,085,000

In accordance with IAS 12 income taxes, the resulting deferred tax liability decreased the amount of bargain purchase gain recognised.

22. Income tax (The Group and Company)

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 seventh 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:

	2021 $	2020 $
Current tax expense	(6,036,480)	5,337,063
Deferred tax credit (Note 14)	(286,480)	(4,416,288)
Total	**(6,322,960)**	**920,775**

ii Reconciliation of theoretical tax charge to effective tax charge:

	2021 $	2020 $
Profit before tax	**13,851,743**	**35,477,459**
Tax at the applicable rate of 25%	3,462,936	8,869,365
Tax effect of expenses not deductible for tax purposes	7,371,267	9,013,335
Tax effect of income not subject to tax	(15,892,689)	(375,208)
Tax effect of allowable capital allowances and other charges	(7,300,954)	(11,279,654)
Remission of tax	6,036,480	(5,307,063)
Income tax expense for the year	**(6,322,960)**	**920,775**

23. Earnings per share

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

	2021 $	2020 $
Net profit attributable to owners	69,613,783	34,556,684
Weighted average number of shares outstanding	263,157,895	263,157,895
Basic earnings per share	**0.26**	**0.13**

24. Dividends

The Group did not declare a dividend for the year ended March 31, 2021. A dividend of $0.11 per share was declared in the prior year.

25. Segment reporting (The Group and Company)

Segment information by divisions are as follows:

	Pharmaceutical $	Medical $	Consumer $	Total $
Revenue	1,810,602,230	436,190,443	176,013,933	2,422,806,606
Less: Cost of sales	(1,332,397,706)	(339,278,888)	(152,237,767)	(1,823,914,361)
Gross profit	**478,204,524**	**96,911,555**	**23,776,166**	**598,892,245**

26. Related party balances and transactions (The Group and Company)

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

	2021 $	**2020 $**
Included in trade and other receivables	17,086,037	1,554,639
Included in trade and other payables	32,266,334	10,133,677

ii Transactions with key management personnel

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

	2021 $	**2020 $**
Short-term employee benefits –		
Salaries including bonuses	23,441,595	24,568,595
Total	**23,441,995**	**24,568,595**

iii The statement of profit or loss and other comprehensive income includes transactions with companies controlled by Directors, and other key management personnel.

	2021 $	**2020 $**
Sales	42,059,131	13,164,263
Purchases	119,888,994	54,037,998
Directors' fees	2,407,500	1,945,000

27. 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.

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.

Concentrations of currency risk

	2021 US$	2020 US$
Financial assets		
- Cash and cash equivalents	665,078	31,884
	665,078	**31,884**
Financial liabilities		
- Trade payables	(1,107,481)	(855,450)
	(1,107,481)	(855,450)
Total net assets/liabilities	**442,403**	**(823,566)**

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 is J$144.88 to US$1 (2021 – J$133.93 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.

27. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk (cont'd)

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 6% (2020 – 6%) 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 $
2021	6	(1,787,941)
2020	6	(4,412,006)

If the JA Dollar strengthens against the US Dollar by 2% (2020 – 2%) this would have the following impact:

	Rate %	Strengthens $
2021	2	893,970
2020	2	2,206,003

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 short-term deposits and loans are fixed up to the date of maturity and interest rates for a period of twenty-four (24) months expiring at varying dates beginning April 30, 2018. As such there would be no impact on the results of the Group's operations as a result of fluctuations in interest rates.

26. Risk management policies (cont'd)

a Market risk (cont'd)

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.

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	
	2021 $	2020	2021 $	2020 $
Trade and other receivables	457,389,463	529,404,611	385,528,463	529,404,611
Cash and cash equivalents	116,644,932	17,914,911	116,644,932	17,914,911
Total	**574,034,395**	**547,319,522**	**502,173,395**	**547,319,522**

27. Risk management policies (cont'd)

b Credit risk (cont'd)

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.

27. 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, 2021 and 2020 were determined as follows:

March 31, 2021

The Group and 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	**0.19%**	**0.02%**	**0.7%**	**6.4%**	**28.84%**	**100**	
Gross carrying amount	311,681,707	37,836,646	18,563,296	25,189,916	9,486,191	2,135,082	404,892,838
Lifetime expected credit loss	**592,192**	**7,567**	**129,943**	**1,611,313**	**2,735,817**	**2,135,082**	**7,211,917**

March 31, 2020

	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%**	**0.68%**	**3.93%**	**8.84%**	**13.48%**	**100%**	
Gross carrying amount	302,978,898	90,162,414	28,007,144	24,918,916	11,435,091	2,792,204	460,294,667
Lifetime expected credit loss	**1,514,809**	**613,104**	**1,100,680**	**2,202,832**	**1,541,977**	**2,792,204**	**9,765,606**

27. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd)

The closing balance of the trade and other receivables as at March 31, 2021 reconciles with the trade receivables loss allowance opening balance as follows:

	2021 $	2020 $
Opening loss allowance at April 1, 2020	9,765,606	12,206,445
Receivables written-off during the year	(3,553,689)	(9,428,400)
Receivables recovered the during the year	-	(606,708)
Loss allowance recognised during the year	1,000,000	7,594,269
	7,211,917	**9,765,606**

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, 2021, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

The Group

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liabilities	660,520	-
Borrowings	385,860,703	140,367,887
Bank overdraft	144,996,589	-
Trade and other payables	431,575,474	-
Total	**963,093,286**	**140,367,887**

The Company

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease Liabilities	660,520	-
Borrowings	385,860,703	140,367,887
Bank overdraft	144,996,589	-
Trade and other payables	326,077,470	-
Total	**857,595,282**	**140,367,887**

27. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

The Group and Company

	Current Within 12 Months $	Non-current 2 to 5 Years $
Lease liability	1,611,499	493,778
Borrowings	40,126,127	91,863,805
Bank overdraft	141,817,495	-
Short-term borrowings	259,750,000	-
Trade and other payables	365,353,854	-
Total	**808,658,975**	**92,357,583**

28. 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, 2021.

March 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and buildings	-	-	731,613,166	731,613,166
Total	**-**	**-**	**731,613,166**	**731,613,166**

March 31, 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Property, plant and equipment				
Land and buildings	-	-	538,307,971	538,307,971
Total	**-**	**-**	**538,307,971**	**538,307,971**

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.

28. Fair value measurement (cont'd)

ii Fair value of non-financial assets (cont'd)

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.

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

	2021 $
Balance at April 1, 2021	538,307,971
Addition	7,552,791
Acquired on business acquisition	195,909,000
Depreciation	(10,156,596)
Balance at March 31, 2021	**535,704,166**

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 review 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.

30. Impact of Covid-19 Pandemic

In March 2020, the World Health Organisation declared the novel coronavirus (COVID-19) to be a Global Pandemic. Consequently, Jamaica's borders were closed, and movement of the people was controlled to minimise the spread of the disease. The Government implemented curfews and shuttered businesses. This resulted in reduced business activity and demand for goods and services, particularly the demand for non-essentials products. Fortunately for Medical Disposable and Supplies Limited, there was an increase in the demand for pharmaceuticals, especially medication for the treatment of lifestyle diseases such as hypertension and diabetes.

The first quarter was particularly harsh on business, but the Group started to realise a turn-around by the end of the second quarter. By end of the financial year, sales across the Group had normalised and, in some cases, outpaced previous performance. With the continued inoculation of the population, there is more optimism for a return to normalcy in the medium term.

Management continues to closely monitor the situation and adhere to the various government protocols and advice.

31. Subsequent event

The Company was approved for a loan of $121.5 million by National Commercial Bank Limited to assist with the acquisition of Cornwall Enterprises Limited (Note 21). The proceeds of the loan were received on April 4, 2021.