



**Medical Disposables & Supplies
Limited**

Consolidated Financial Statements

March 31, 2024

Medical Disposables & Supplies Limited

March 31, 2024

Contents

	Page
Independent auditors' report	1-3
Financial Statements	
Consolidated Statement of Financial Position	4
Consolidated Statement of Profit or Loss	5
Consolidated Statement of Other Comprehensive Income	6
Consolidated Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Statement of Financial Position (The Company)	8
Statement of Profit or Loss (The Company)	9
Statement of Changes in Equity (The Company)	10
Statement of Cash Flows (The Company)	11
Notes to the Financial Statements	12

Independent auditors' report

To the Members of
Medical Disposables & Supplies Limited

Report on the Audit of the Financial Statements

Qualified Opinion

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, 2024, 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 material accounting policies and other explanatory information.

In our opinion, except for the matter described in the basis for Qualified Opinion section of our report, 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, 2024, 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 Qualified Opinion

We requested, but did not receive independent confirmation for amounts due from a related party of \$33,415,704. As a result we were unable to determine the accuracy of this amount.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Stand-alone Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group’s and Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

3 Houghton Avenue, Kingston 10, Jamaica W.I. 56 Market Street, Montego Bay, Jamaica W.I.

TEL: (876) 926-2020/2 TEL: (876) 926-9400 TEL: (876) 952-2891 EMAIL: info@hlbjm.com

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

Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Independent auditors' report (cont'd)

To the Members of
Medical Disposables & Supplies Limited

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

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

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

A handwritten signature in blue ink that reads 'HLB Mair Russell' above the words 'Chartered Accountants' which are printed in a smaller font below the signature.

Kingston, Jamaica

July 12, 2024

Medical Disposables & Supplies Limited

Consolidated Statement of Financial Position


March 31, 2024

	Note	2024 \$	2023 \$
Assets			
Non-current assets			
Property, plant and equipment	(3)	759,418,051	782,591,603
Right of use asset	(4)	16,689,671	4,663,379
Intangible assets	(5)	40,674,500	31,758,157
		816,782,222	819,013,139
Current assets			
Inventories	(6)	1,115,378,613	1,491,110,412
Trade and other receivables	(7)	601,344,542	527,635,566
Prepayments		14,419,724	13,302,713
Due from related party	(8)	79,152,239	41,090,831
Taxation recoverable	(9)	779,152	754,217
Cash and short-term deposits	(10)	118,056,632	141,513,590
		1,929,130,902	2,215,407,329
Total assets		2,745,913,124	3,034,420,468
Equity and liabilities			
Equity			
Share capital	(11)	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073
Retained profits		552,772,247	844,864,942
Non-controlling interest		115,050,510	138,921,718
Total equity		884,176,594	1,200,140,497
Liabilities			
Non-current liabilities			
Due on business acquisition	(13)	21,098,000	21,098,000
Lease liability	(4)	12,655,350	3,527,315
Borrowings	(14)	458,646,687	365,406,863
Deferred tax liability	(15)	40,335,946	44,886,065
		532,735,983	434,918,243
Current liabilities			
Lease liability	(4)	4,476,043	1,412,872
Bank overdraft	(10 & 16)	91,857,589	195,204,686
Borrowings	(14)	528,152,442	430,915,710
Trade and other payables	(17)	670,697,408	748,731,913
Due to related party	(8)	24,660,503	-
Income tax payable		9,156,562	23,096,547
		1,329,000,547	1,399,361,728
Total liabilities		1,861,736,530	1,834,279,971
Total equity and liabilities		2,745,913,124	3,034,420,468

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

Approved for issue by the Board of Directors on July 12, 2024 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, 2024

	Note	2024 \$	2023 \$
Revenue		3,709,298,237	3,769,710,645
Cost of sales	(19)	(2,995,394,313)	(2,755,988,748)
Gross profit		713,903,924	1,013,721,897
Other income	(18)	15,994,262	10,096,785
Administrative expenses	(19)	(473,633,239)	(456,386,711)
Selling and promotional costs	(19)	(370,714,786)	(327,111,807)
Impairment of financial assets		(14,973,904)	(3,657,179)
Depreciation and amortisation	(19)	(45,841,285)	(40,943,064)
Operating (loss)/ profit		(175,265,028)	195,719,921
Finance income	(21)	272,272	2,473,980
Finance costs	(21)	(159,925,563)	(104,173,425)
Loss on disposal of property, plant and equipment		-	(171,046)
Gain on foreign exchange		14,404,297	2,869,457
(Loss)/profit before tax		(320,514,022)	96,718,887
Income tax credit/(expense)	(22)	4,550,119	(16,520,447)
Net (loss)/profit for the year		(315,963,903)	80,198,440
Net (loss)/ profit for the year attributable to:			
Owners of Medical Disposables & Supplies Limited	(23)	(292,092,695)	72,135,156
Non-Controlling interest		(23,871,208)	8,063,284
		(315,963,903)	80,198,440
Earnings per share attributable to owners of the company during the year:			
Basic and diluted	(23)	(1.11)	0.27

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

Medical Disposables & Supplies Limited

Consolidated Statement of Changes in Equity

Year ended March 31, 2024

	Share Capital \$	Revaluation Reserve \$	Retained Profits \$	Noncontrolling Interest \$	Total \$
Balance at March 31,2022	107,835,764	108,518,073	796,413,997	130,858,434	1,143,626,268
Dividend (Note 24)	-	-	(23,684,211)	-	(23,684,211)
Profit for the year	-	-	72,135,156	8,063,284	80,198,440
Total comprehensive income for the year	-	-	48,450,945	8,063,284	56,514,229
Balance at March 31, 2023	107,835,764	108,518,073	844,864,942	138,921,718	1,200,140,497
Loss for the year	-	-	(292,092,695)	(23,871,208)	(315,963,903)
Total comprehensive loss for the year	-	-	(292,092,695)	(23,871,208)	(315,963,903)
Balance at March 31, 2024	107,835,764	108,518,073	552,772,247	115,050,510	884,176,594

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, 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities:			
(Loss)/profit before tax		(320,514,022)	96,718,887
Adjustments for:			
Depreciation and amortisation	(19)	45,841,285	40,943,064
Interest expense	(21)	159,925,563	104,173,425
Interest income	(21)	(272,272)	(2,473,980)
Loss on disposal of property, plant, and equipment		-	171,046
		(115,019,446)	239,532,442
Decrease/(increase) in inventories		375,731,799	(354,816,866)
(Increase)/decrease in trade and other receivables		(73,708,976)	5,635,515
Increase in prepayments		(1,117,011)	(2,558,823)
Increase in due from related party		(38,061,408)	(17,290,143)
Increase in due to related party		24,660,503	-
(Decrease)/increase in trade and other payables		(78,034,505)	288,712,904
Cash generated from operations		94,450,956	159,215,029
Interest paid		(159,925,563)	(104,190,088)
Income taxes paid		(13,939,988)	(10,942,082)
Net cash (used in)/provided by operating activities		(79,414,595)	44,082,859
Cash flows from investing activities:			
Interest received (net of withholding tax)		247,340	2,473,980
Purchase of property, plant and equipment	(3)	(12,412,691)	(33,099,932)
Purchase of intangible asset	(5)	(15,022,715)	-
Net cash used in investing activities		(27,188,067)	(30,625,952)
Cash flows from financing activities:			
Proceeds from borrowings		1,110,500,000	693,500,000
Repayment of borrowings		(920,023,444)	(712,106,137)
Lease repayment	(4)	(3,983,755)	(1,349,662)
Dividends paid	(24)	-	(23,684,211)
Paid on business acquisition		-	(10,000,000)
Net cash provided/(used in) financing activities		186,492,801	(53,640,010)
Net increase/(decrease) in cash and cash equivalents		79,890,139	(40,183,103)
Cash and cash equivalents at beginning of year		(53,691,096)	(13,507,993)
Cash and cash equivalents at end of year	(10)	26,199,043	(53,691,096)

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, 2024

	Note	2024 \$	2023 \$
Assets			
Non-current assets			
Property, plant and equipment	(3)	551,896,491	571,402,806
Right of use asset	(4)	3,166,343	4,663,379
Intangible assets	(5)	17,542,500	5,377,157
Investment in subsidiaries		121,500,000	121,500,000
		694,105,334	702,943,342
Current assets			
Inventories	(6)	871,386,070	1,209,811,159
Trade and other receivables	(7)	538,032,022	449,709,305
Prepayments		14,355,036	13,108,650
Taxation recoverable	(9)	772,085	748,615
Due from related party	(8)	6,631,314	-
Cash and short-term deposits	(10)	101,615,535	124,182,447
		1,532,792,062	1,797,560,176
Total assets		2,226,897,396	2,500,503,518
Equity and liabilities			
Equity			
Share capital	(11)	107,835,764	107,835,764
Revaluation reserve	(12)	108,518,073	108,518,073
Retained profits		462,229,533	718,515,416
Total equity		678,583,370	934,869,253
Liabilities			
Non-current liability			
Lease liability	(4)	1,858,572	3,527,315
Borrowings	(14)	458,646,687	315,406,863
Deferred tax liability	(15)	4,724,552	7,721,301
		465,229,811	326,655,479
Current liabilities			
Lease liability	(6)	1,483,938	1,412,872
Bank overdraft	(10 & 14)	33,120,673	134,366,446
Borrowings	(14)	478,152,442	430,915,710
Trade and other payables	(17)	542,516,239	660,904,646
Due to related party	(8)	24,660,503	414,185
Income tax payable		3,150,420	10,964,927
		1,083,084,215	1,238,978,786
Total liabilities		1,548,314,026	1,565,634,265
Total equity and liabilities		2,226,897,396	2,500,503,518

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

Approved for issue by the Board of Directors on July 12, 2024 and signed on its behalf by:

 Director

Winston Boothe

 Director

Kurt Boothe

Medical Disposables & Supplies Limited

Statement of Profit or Loss (The Company)

Year ended March 31, 2024

	Note	2024 \$	2023 \$
Revenue		3,233,006,726	3,209,889,482
Cost of sales	(19)	(2,661,713,400)	(2,411,028,599)
Gross profit		571,293,326	798,860,883
Other income	(18)	10,108,943	5,488,530
Administrative expenses	(19)	(326,242,856)	(314,554,116)
Selling and promotional costs	(19)	(352,321,225)	(304,358,549)
Impairment of financial assets		(1,496,867)	(1,046,664)
Depreciation and amortisation	(19)	(30,430,757)	(28,367,791)
Operating (loss)/profit		(129,089,436)	156,022,293
Finance income	(21)	266,456	2,457,586
Finance costs	(21)	(144,289,571)	(96,074,742)
Loss on disposal of property, plant and equipment		-	(171,046)
Gain on foreign exchange		13,829,919	2,099,903
(Loss)/profit before tax		(259,282,632)	64,333,994
Income tax credit/(expense)	(22)	2,996,749	(4,293,763)
Net (loss)/profit for the year		(256,285,883)	60,040,231

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

Medical Disposables & Supplies Limited

Statement of Changes in Equity (The Company)

Year ended March 31, 2024

	Share Capital \$	Revaluation Reserve \$	Retained Profits \$	Total \$
Balance at March 31,2022	107,835,764	108,518,073	682,159,396	898,513,233
Dividend (Note 21)	-	-	(23,684,211)	(23,684,211)
Profit for the year	-	-	60,040,231	60,040,231
Total comprehensive income for the year	-	-	36,356,020	36,356,020
Balance at March 31, 2023	107,835,764	108,518,073	718,515,416	934,869,253
Loss for the year	-	-	(256,285,883)	(256,285,883)
Total comprehensive loss for the year	-	-	(256,285,883)	(256,285,883)
Balance at March 31, 2024	107,835,764	108,518,073	462,229,533	678,583,370

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, 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities:			
(Loss)/profit before tax		(259,282,632)	64,333,994
Adjustments for:			
Depreciation and amortisation		30,430,757	28,367,791
Interest expense	(21)	144,289,571	96,074,742
Interest income	(21)	(266,456)	(2,457,586)
Gain on disposal of property, plant, and equipment		-	171,046
		(84,828,760)	186,489,987
Increase/(decrease) in inventories		338,425,089	(295,654,359)
(Increase)/decrease in trade and other receivables		(88,322,717)	19,510,729
Increase in prepayments		(1,246,386)	(2,364,760)
(Increase)/Decrease in trade and other payables		(118,388,407)	280,023,103
(Increase)/decrease in due from related party		(6,631,314)	77,361,221
Decrease in due to related party		24,246,318	414,185
Cash generated from operations		63,253,823	265,780,106
Interest paid		(144,289,571)	(96,074,742)
Income taxes paid		(7,814,507)	(9,398,781)
Net cash (used in)/generated from operating activities		(88,850,255)	160,306,583
Cash flows from investing activities:			
Interest received (net of withholding tax)		242,986	2,444,669
Purchase of property, plant and equipment	(3)	(6,570,033)	(28,394,902)
Purchase of intangible asset	(5)	(15,022,716)	-
Net cash used in investing activities		(21,349,763)	(25,950,233)
Cash flows from financing activities:			
Proceeds from borrowings		1,060,500,000	618,500,000
Repayment of borrowings		(870,023,444)	(687,106,137)
Lease repayment		(1,597,677)	(1,349,662)
Dividends paid		-	(23,684,211)
Net cash provided by/(used in) financing activities		188,878,879	(93,640,010)
Net increase in cash and cash equivalents		78,678,861	40,716,340
Cash and cash equivalents at beginning of year		(10,183,999)	(50,900,339)
Cash and cash equivalents at end of year	(10)	68,494,862	(10,183,999)

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

1. Identification and principal activities

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

Medical Disposables & Supplies Limited is the parent company of Cornwall Enterprises Limited. The subsidiary is 60% owned by the Company. The Company and its subsidiary are referred to as the Group.

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

Subsidiary

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

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

2. Summary of material 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.

Changes in accounting policies

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:

A number of amendments to IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16, (effective for annual periods beginning on or after 1 January 2023).

- Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

a Basis of preparation (cont'd)

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

Amendments to IAS 1, Practice Statement 2, and IAS 8, (effective for annual periods beginning on or after 1 January 2023). On 12 February 2022, the IASB ('the Board') issued amendments to the following standards which aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

- Disclosure of Accounting Policies, which amends IAS 1 and IFRS Practice Statement 2; and
- Definition of Accounting Estimates, which amends IAS 8.

The IASB amended IAS 1, *Presentation of Financial Statements*, to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendment provides the definition of material accounting policy information. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

To support this amendment, the Board also amended IFRS Practice Statement 2, *Making Materiality Judgements*, to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendment to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

This amendment did not have a significant impact on the Company's financial statements.

Amendment to IAS 12 – deferred tax relating to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after 1 January 2023). These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

This amendment did not have a significant impact on the Company's financial statements.

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

Amendments to IAS 1, Presentation of financial statements, on classification of liabilities, (effective for annual periods beginning on or after 1 January 2024). Amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

The Company is currently assessing the impact of this amendment.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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 Company (cont'd)

Amendment to IAS 16- Leases on sales and leaseback (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The Company is currently assessing the impact of this amendment.

Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangement, (effective for annual periods beginning on or after 1 January 2024). The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

Terms and Conditions

1. As at the beginning and end of the reporting period:

- The carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented.
- The carrying amounts of financial liabilities and the line items, for which the finance providers have already settled the corresponding trade payables.
- The range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

2. The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable.

The Company is currently assessing the impact of this amendment.

IFRSS 1– General Requirements for Disclosure of Sustainability-related Financial Information, (effective for annual reporting periods beginning on or after January 1, 2024) (with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied).

IFRS S1 requires an entity to disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures and sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

The Company is assessing the impact of the standard.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

a Basis of preparation (cont'd)

Standards, interpretations, impact from adoption and amendments to existing standards effective during the current year (cont'd)

IFRS S2 — Climate-related Disclosures (effective for annual periods beginning on or after January 2024). (with earlier application permitted as long as IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is also applied). IFRS S2 requires entities to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard also requires entities to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 applies to climate-related physical risks; climate-related transition risks; and climate-related opportunities available to an entity.

The Company is assessing the impact of the standard.

b Basis of consolidation

(i) Subsidiaries

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

All material intra-Group balances, transactions and gains are eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

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

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

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

b Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

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.

c Segment reporting

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

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

d Property, plant and equipment

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

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

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

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

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

The following useful lives are applied:

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

d Property, plant and equipment (cont'd)

- (iii) Repairs and renewal

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

e Inventories

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

f Revenue recognition

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

g Finance and other income

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

h Foreign currency translation

Functional and presentation currency

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

Foreign currency translations and balances:

- (i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.
- (ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.
- (iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

i Cash and cash equivalents

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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.

k Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

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

Classification and initial measurement of financial assets

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

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, the Group had no financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

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

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

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

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

The Group account for financial assets at FVOCI if the assets meet both of the following conditions:

- they are held under a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses are recognised in other comprehensive income (OCI).

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

Impairment of financial assets (cont'd)

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.

Other receivables and contract assets

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

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

Classification and measurement of financial liabilities

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

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

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

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

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

k Financial instruments (cont'd)

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.

m Impairment

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

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

n Intangible assets

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

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

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

Trade name is carried at cost less amortised impairment losses.

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

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

o Equity, reserves and dividend payments

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

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

o Equity, reserves and dividend payments (cont'd)

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.

p Leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

q Operating expenses

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

r Interest income and expense

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

s Short-term employee benefits

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

2. Summary of material 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 Group'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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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, 2024 can be analysed as follows:

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2023	743,461,791	102,749,357	45,330,457	59,844,533	951,386,138
Additions	1,690,000	3,635,533	2,233,693	4,853,465	12,412,691
Balance at March 31, 2024	745,151,791	106,384,890	47,564,150	64,697,998	963,798,829
Depreciation					
Balance at April 1, 2023	(41,492,394)	(69,291,609)	(21,202,865)	(36,807,667)	(168,794,535)
Charge for the year	(14,902,987)	(8,366,425)	(5,564,917)	(6,751,914)	(35,586,243)
Balance at March 31, 2024	(56,395,381)	(77,658,034)	(26,767,782)	(43,559,581)	(204,380,778)
Carrying amount at March 31, 2024	688,756,410	28,726,856	20,796,368	21,138,417	759,418,051

- i Land and buildings were revalued by independent valuers, 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 \$489,909,143 (2020 - \$503,994,417).
- iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2022	743,461,791	96,073,554	42,302,543	36,619,364	918,457,252
Additions	-	6,846,849	3,027,914	23,225,169	33,099,932
Disposals	-	(171,046)	-	-	(171,046)
Balance at March 31, 2023	743,461,791	102,749,357	45,330,457	59,844,533	951,386,138
Depreciation					
Balance at April 1, 2022	(26,654,698)	(60,862,415)	(15,803,050)	(30,791,755)	(134,119,918)
Charge for the year	(14,837,696)	(8,429,194)	(5,399,815)	(6,015,912)	(34,682,617)
Balance at March 31, 2023	(41,492,394)	(69,291,609)	(21,202,865)	(36,807,667)	(168,794,535)
Carrying amount at March 31, 2023	701,969,397	33,457,748	24,127,592	23,036,866	782,591,603

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

The carrying amounts for property, plant and equipment for the period included in these financial statements as at March 31, 2024 can be analysed as follows:

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2023	547,552,791	100,119,639	15,948,361	57,781,106	721,401,897
Additions	1,690,000	3,598,533	1,281,500	-	6,570,033
Balance at March 31, 2024	549,242,791	103,718,172	17,229,861	57,781,106	727,971,930
Depreciation					
Balance at April 1, 2023	(32,144,641)	(69,237,236)	(13,095,205)	(35,522,009)	(149,999,091)
Charge for the year	(10,229,111)	(8,099,753)	(1,504,168)	(6,243,316)	(26,076,348)
Balance at March 31, 2024	(42,373,752)	(77,336,989)	(14,599,373)	(41,765,325)	(176,075,439)
Carrying amount at March 31, 2024	506,869,039	26,381,183	2,630,488	16,015,781	551,896,491

- i Land and buildings were revalued by independent valuers, 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 \$308,162,052 (2023 - \$316,701,163).
- iii Land and buildings have been pledged as security for loans received from a financial institution (Note 14).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

	Land and Buildings \$	Furniture Fixtures and Equipment \$	Computers \$	Motor Vehicles \$	Total \$
Gross carrying amount					
Balance at April 1, 2022	547,552,791	96,073,554	14,737,170	34,814,526	693,178,041
Additions	-	4,217,131	1,211,191	22,966,580	28,394,902
Disposals	-	(171,046)	-	-	(171,046)
Balance at March 31, 2023	547,552,791	100,119,639	15,948,361	57,781,106	721,401,897
Depreciation					
Balance at April 1, 2022	(21,980,821)	(60,862,415)	(11,751,309)	(30,048,201)	(124,642,746)
Charge for the year	(10,163,820)	(8,374,821)	(1,343,896)	(5,473,808)	(25,356,345)
Balance at March 31, 2023	(32,144,641)	(69,237,236)	(13,095,205)	(35,522,009)	(149,999,091)
Carrying amount at March 31, 2023	515,408,150	30,882,403	2,853,156	22,259,097	571,402,806

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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, and Oneness Plaza, 38 Barnett Street, Montego Bay for a period of 60 months.

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

(a) Right of use asset

	Leasehold properties \$
Gross carrying amount	
Balance at April 1, 2023	7,085,091
	<u>16,174,961</u>
Balance at March 31, 2024	<u>23,260,052</u>
Depreciation	
Balance at April 1, 2023	(2,421,712)
Charge for the year	<u>(4,148,669)</u>
Balance at March 31, 2024	<u>(6,570,381)</u>
Carrying amount at March 31, 2024	<u>16,689,671</u>

2023

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

(b) Lease liability (The Group and Company)

	2024 \$	2023 \$
Maturity analysis – contractual		
Current	4,476,043	1,412,872
Non-current	<u>12,655,350</u>	<u>3,527,315</u>
	<u>17,131,393</u>	<u>4,940,187</u>

	2024 \$	2023 \$
Balance at April 1	4,940,187	6,289,849
Addition	16,174,961	-
Lease payment	<u>(3,983,755)</u>	<u>(1,349,662)</u>
Balance at March 31	<u>17,131,393</u>	<u>4,940,187</u>

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

	2024	2023
	\$	\$

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

(b) Lease liability (cont'd)

2024

	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	Over 5 years \$	Total \$
Lease payments	5,302,954	5,302,098	3,863,253	4,500,000	18,968,305
Finance charges	(826,911)	(558,666)	(307,607)	(143,728)	(1,836,912)
Net present values	4,476,043	4,743,432	3,555,646	4,356,272	17,131,393

2023

	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	Over 5 years \$	Total \$
Lease payments	1,742,470	1,702,954	1,702,098	448,058	5,595,580
Finance charges	(329,598)	(219,016)	(100,376)	(6,403)	(655,393)
Net present values	1,412,872	1,483,938	1,601,722	441,655	4,940,187

(c) Amounts recognised in profit or loss

	2024	2023
	\$	\$
Amortisation charged on right-of-use asset	4,148,669	1,477,032
Interest expense on lease liabilities	1,549,672	1,055,093
	5,698,341	2,532,125

(d) Amounts recognised in the statement of cash flow

	2024	2023
	\$	\$
Total cash outflow for lease	3,983,755	1,349,662

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

4. Leases (The 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**

	Leasehold properties \$
Gross carrying amount	
Balance at April 1, 2023	7,085,091
Balance at March 31, 2024	7,085,091
Depreciation	
Balance at April 1, 2023	(2,421,712)
Charge for the year	(1,497,036)
Balance at March 31, 2024	(3,918,748)
Carrying amount at March 31, 2024	3,166,343

2023

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

(b) **Lease liability**

(The Company)

	2024 \$	2023 \$
Maturity analysis – contractual		
Current	1,483,938	1,412,872
Non-current	1,858,572	3,527,315
	3,342,510	4,940,187

	2024 \$	2023 \$
Balance at April 1	4,940,187	6,289,849
Lease payment	(1,597,677)	(1,349,662)
Balance at March 31	3,342,510	4,940,187

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

(b) Lease liability (cont'd)

2024

	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	Total \$
Lease payments	1,702,954	1,702,098	263,253	3,668,305
Finance charges	(219,016)	(100,376)	(6,403)	(325,795)
Net present values	1,483,938	1,601,722	256,850	3,342,510

2023

	Within 1 year \$	1 - 2 years \$	2 - 3 years \$	Over 5 years \$	Total \$
Lease payments	1,742,470	1,702,954	1,702,098	448,058	5,595,580
Finance charges	(329,598)	(219,016)	(100,376)	(6,403)	(655,393)
Net present values	1,412,872	1,483,938	1,601,722	441,655	4,940,187

(c) Amounts recognised in profit or loss

	2024 \$	2023 \$
Amortisation charged on right-of-use asset	1,497,036	1,477,032
Interest expense on lease liabilities	935,749	1,055,093
	2,432,785	2,532,125

(d) Amounts recognised in the statement of cash flow

	2024 \$	2023 \$
Total cash outflow for lease	1,597,677	1,349,662

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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, 2023	32,879,000	15,410,307	48,289,307
Addition	-	15,022,715	15,022,715
Balance at March 31, 2024	32,879,000	30,433,022	63,312,022
Amortisation			
Balance at April 1, 2023	(6,498,000)	(10,033,149)	(16,531,149)
Charge for the year	(3,249,000)	(2,857,373)	(6,106,373)
Balance at March 31, 2024	(9,747,000)	(12,890,522)	(22,637,522)
Carrying amount at March 31, 2024	23,132,000	17,542,500	40,674,500

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

Intangible assets (The Company)

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

	Acquired Software \$	Total \$
Gross carrying amount		
Balance at April 1, 2023	15,410,307	15,410,307
Addition	15,022,715	15,022,715
Balance at March 31, 2024	30,433,022	30,433,022
Amortisation		
Balance at April 1, 2023	(10,033,149)	(10,033,149)
Charge for the year	(2,857,373)	(2,857,373)
Balance at March 31, 2024	(12,890,522)	(12,890,522)
Carrying amount at March 31, 2024	17,542,500	17,542,500

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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

6. Inventories

	The Group		The Company	
	2024 \$	2023 \$	2024 \$	2023 \$
Pharmaceuticals	534,814,698	701,484,758	478,241,172	632,317,669
Medical and other supplies	489,068,148	668,403,622	301,649,131	471,455,853
Goods in transit	178,061,753	121,222,032	178,061,753	106,037,637
Total	1,201,944,599	1,491,110,412	957,952,056	1,209,811,159
Less provision	(86,565,986)	-	(86,565,986)	-
	1,115,378,613	1,491,110,412	871,386,070	1,209,811,159

The cost of inventories recognised as an expense during the year was \$2,948,095,830 (2023 - \$2,755,988,748). This includes \$86,565,988 (2023 - \$13,280,880) in respect of expired items and write-downs to net realisable value.

7. Trade and other receivables

	The Group		The Company	
	2024 \$	2023 \$	2024 \$	2023 \$
Trade	498,673,673	465,319,411	434,881,074	384,998,656
Less: Allowance for expected credit loss	(34,031,161)	(25,262,087)	(10,755,448)	(9,258,581)
	464,642,512	440,057,324	424,125,626	375,740,075
Other	136,702,030	87,578,242	113,906,396	73,969,230
Total	601,344,542	527,635,566	538,032,022	449,709,305

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

7. Trade and other receivables (cont'd)

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

	The Group		The Company	
	2024 \$	2023 \$	2024 \$	2023 \$
Not more than 3 months	383,863,495	388,777,206	393,251,084	349,421,334
More than 3 months but not more than 6 months	38,906,031	33,386,971	29,802,493	22,154,351
More than 6 months but not more than 1 year	41,872,986	17,893,147	1,072,049	4,164,390
Total	464,642,512	440,057,324	424,125,626	375,740,075

8. Related party balances and transactions (The Group)

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

	2024 \$	2023 \$
Included in trade and other payables	(52,768,461)	(53,845,723)
Disclosed as due to related party	(24,660,503)	-
Disclosed as due from related party	79,152,239	41,090,831

- ii Transactions with key management personnel

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

	2024 \$	2023 \$
Short-term employee benefits – Salaries including bonuses	42,612,769	51,710,109
Total	42,612,769	51,710,109

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

	2024 \$	2023 \$
Sales	30,330,953	4,611,636
Purchases	51,649,457	267,436,838
Directors' fees	986,500	2,968,188

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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

	2024	2023
	\$	\$
Disclosed as due from a related party	6,631,314	-
Included in trade and other receivables	29,702,689	21,408,082
Included in trade and other payables	(6,823,110)	(53,845,723)
Disclosed as due to related party	(24,660,503)	(414,185)

- ii Transactions with key management personnel

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

	2024	2023
	\$	\$
Short-term employee benefits – Salaries including bonuses	27,097,743	27,097,743
Total	27,097,743	27,097,743

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

	2024	2023
	\$	\$
Sales	36,325,125	30,400,926
Purchases	51,649,457	267,435,838
Directors' fees	986,500	2,968,188

9. Taxation recoverable (The Group and Company)

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

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

	Interest Rate	2024	2023
	% p.a.	\$	\$
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		360,884	1,480,313
J\$ Current account		112,660,473	62,443,823
US\$ Savings account	0.01 – 0.05	4,837,524	77,394,274
Sterling savings account	0.05	68,171	65,600
Cash at bank and in hand		117,927,052	141,384,010
Short-term deposits	2.0 - 2.85	129,580	129,580
Total cash and short-term deposits		118,056,632	141,513,590
Less: Bank overdraft (Note 16)		(91,857,589)	(195,204,686)
Total cash and cash equivalents		26,199,043	(53,691,096)

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

	Interest Rate % p.a.	2024 \$	2023 \$
Cash and short-term deposits:			
Bank and cash:			
Petty Cash		74,036	74,036
J\$ Current account		98,191,069	49,086,756
US\$ Savings account	0.01 – 0.05	3,152,679	74,826,479
Sterling savings account	0.05	68,171	65,596
Cash at bank and in hand		101,485,955	124,052,867
Short-term deposits	2.0 - 2.85	129,580	129,580
Total cash and short-term deposits		101,615,535	124,182,447
Less: Bank overdraft (Note 16)		(33,120,673)	(134,366,446)
Total cash and cash equivalents		68,494,862	(10,183,999)

11. Share capital (The Group and Company)

	2024 \$	2023 \$
Authorised:		
408,000,000 ordinary shares		
Issued shares at no par value		
263,157,895 ordinary shares	107,835,764	107,835,764

12. Revaluation reserve (The Group and Company)

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

	2024 \$	2023 \$
Balance at April 1	108,518,073	108,518,073
Balance at end of the year	108,518,073	108,518,073

13. Due on business acquisition (The Group)

	2024 \$	2023 \$
April 1	21,098,000	31,098,000
Earn out paid during the year	-	(10,000,000)
	21,098,000	21,098,000

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

14. Borrowings (The Group and Company)

	2024 \$	2023 \$
(a) National Commercial Bank (NCB):		
Revolving loan	350,000,000	380,000,000
Amortising loan facility	323,402,253	401,603,976
(b) Sagicor Bank of Jamaica		
Demand loan	13,396,876	14,718,597
(c) Barita Investment		
Amortising loan facility	250,000,000	-
(d) National Commercial Bank (NCB)		
Revolving loan	50,000,000	-
	986,799,129	796,322,573
Current portion	(528,152,442)	(430,915,710)
Non-current	458,646,687	365,406,863

(a) National Commercial Bank (NCB)

- Loan of \$141,500,000, was received July 29, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of \$1,606,704. Interest on the loan is 6.50%.
- A revolving loan of \$400,000,000 available via multiple short term drawdowns with maximum tenure of six (6) months. Interest on the loan facility range from 9.75% to 11.5% during the year.
- Loan of \$121,500,000, was received April 05, 2021. The loan is repayable by one hundred and twenty (120) monthly instalments of \$1,379,607 with a principal moratorium of 6 months. Interest rate fixed is 6.5% for the first 96 months and is variable thereafter.
- Loan of \$200,000,000, was received June 27, 2022. The loan is repayable by thirty-six (36) monthly instalments of \$6,500,488. Interest rate fixed is 10.5%.
- Loan of \$18,500,000 was received June 30, 2022. The loan is repayable by ninety-six (96) monthly instalments of \$252,223.77. Interest rate fixed is 7%.
- Loan of \$75,000,000 was secured October 27, 2022. The loan is a revolving facility that is repayable in six (6) months at an annual interest rate of 5.93%.

The loans and overdraft are secured by:

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

- First Legal Mortgage over commercial property located at Units 25, 26 & 27 The Domes, 85 Hagley Park Road, Kingston 10 in the name of Medical Disposal & Supplies Limited registered at Vol 132 folios 620 & 621 and Vol 1312 folio 165; CMV J\$89M, FSV J\$75.5M; STC J\$57.85M – valuation dated February 27, 2020, done by David Thwaites and Associates Limited.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

- First Legal Mortgage over commercial property located at 83 Hagley Park Road, Kingston 10 in the name of Medical Disposable & Supplies Limited registered at Vol 1066 folio 337 and Vol 1501 folio 504; CMV J\$420M, FSV J\$336M; STC J\$273M – valuation dated June 23, 2020 done by David Thwaites and Associates Limited.
- Lien over credited balances on Debt Service Reserve Account No. 29423399 in name of Medical Disposables Supplies Limited to be built up at a rate of J\$1, 100, 000 over twelve (12) months until an amount of J\$16,784,538 is achieved. Current balance J\$19,216,136.99 as at 24.03.2024.
- Bill of sale over 2024 Land Rover Discovery HSE Motor Vehicle costing US\$142,400 (J\$22,143,200); Registered and Stamped to cover J\$18,500,000. Comprehensively insured with BIN.
- Debenture for J\$200,000,000 over MDS Group's fixed and floating assets.
- Assignment of All Risk Peril Insurance policy over assets of the Company.

(b) Sagicor Bank Jamaica Limited

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

The loan is secured by:

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

(c) Barita Investments Limited

An unsecured debt facility of \$250,000,000 was received on May 18, 2023. The loan is repayable for five (5) years. Interest on loan is 13.5%.

(d) National Commercial Bank (NCB)

Cornwall Enterprise Limited received an unsecured loan of \$50,000,000 on December 15, 2023. The loan is a revolving facility that is repayable in six (6) months at an annual interest rate of 11.5%. The loan is unsecured.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

15. Deferred tax liability (The Group and Company)

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

	2024	2023
	\$	\$
Property, plant, and equipment	40,335,946	44,886,065

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

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Balance at beginning of year	44,886,065	42,403,680	7,721,301	10,750,391
Charges to tax expense (Note 22)	(4,550,119)	2,482,385	(2,996,749)	(3,029,090)
Deferred tax liability	40,335,946	44,886,065	4,724,552	7,721,301

16. Bank overdraft (The Group)

- (i) The Group and Company have an overdraft facility of \$130,000,000 with Sagicor Bank Limited at a rate of 8.5% per annum. The facility is unsecured.
- (ii) The Group and Company have an overdraft facility of \$200,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.
- (iii) The Group has an overdraft facility of \$75,000,000 with National Commercial Bank at a rate of 9.5% per annum. The facility is unsecured.

17. Trade and other payables

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade	502,841,258	630,289,495	436,549,129	558,646,613
Accruals	84,791,008	28,481,184	34,830,502	27,329,184
Other	83,065,142	89,961,234	77,406,208	74,928,849
Total	670,697,408	748,731,913	542,516,239	660,904,646

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

18. Other income

	The Group		The Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Warehousing service fee	8,995,635	5,488,530	5,562,967	5,488,530
Rental	2,452,651	4,608,255	-	-
Other income	4,545,976	-	4,545,976	-
Total	15,994,262	10,096,785	10,108,943	5,488,530

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

19. Expenses by nature (The Group)

Total direct, administrative and other operating expenses:

	2024	2023
	\$	\$
Cost of inventories recognised as expense	2,995,394,313	2,755,988,748
Administrative and other expenses		
Directors' remuneration	45,412,771	51,710,109
Directors' fees	986,500	2,968,188
Salaries, wages and related expenses (Note 20)	198,975,726	183,718,810
Medical and other staff benefits (Note 20)	28,120,342	32,551,053
Insurance	33,628,934	18,853,060
Legal and professional fees	10,150,963	5,899,914
Motor vehicle expenses	10,931,947	14,335,299
Auditors' remuneration	5,402,000	5,032,648
Utilities	35,186,741	39,213,944
Printing and stationery	8,766,059	7,766,000
Donations	16,049,161	18,220,237
Security	20,337,353	12,447,318
Bank charges	13,597,363	12,032,430
Other administrative expenses	46,087,379	51,637,701
	473,633,239	456,386,711
Selling and promotional costs		
Salaries, wages and related expenses (Note 20)	114,745,426	104,397,417
Travel and accommodation	2,552,415	2,699,614
Postage and courier service	68,834,334	61,476,505
Rent	-	17,303,112
Advertising and promotion	77,391,070	58,175,810
Commission	107,191,541	83,059,349
	370,714,786	327,111,807
Depreciation and amortisation		
Depreciation	35,586,243	34,682,617
Amortisation - intangible asset	6,106,373	4,783,415
- right of use asset	4,148,669	1,477,032
	45,841,285	40,943,064

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

19. Expenses by nature (The Company)

Total direct, administrative and other operating expenses:

	2024	2023
	\$	\$
Cost of inventories recognised as expense	2,614,414,917	2,411,028,599
Administrative and other expenses		
Executive Directors' remuneration	27,097,743	27,097,743
Non-Executive Directors' fees	986,500	2,968,188
Salaries, wages and related expenses (Note 22)	115,693,037	109,459,665
Medical and other staff benefits (Note 22)	25,298,940	30,253,251
Insurance	27,170,660	16,208,220
Legal and professional fees	10,150,963	5,899,914
Motor vehicle expenses	6,049,003	8,478,000
Auditors' remuneration	4,144,000	2,780,648
Utilities	24,967,627	28,424,897
Printing and stationery	6,700,955	5,430,447
Subscription and donations	13,647,516	15,105,838
Security	14,806,293	9,353,085
Bank charges	12,914,437	11,247,775
Other administrative expenses	36,615,182	41,846,445
	326,242,856	314,554,116
Selling and promotional costs		
Salaries, wages and related expenses (Note 22)	114,745,426	104,397,417
Travel and accommodation	2,552,415	2,699,614
Postage and courier service	68,544,116	61,044,725
Advertising and promotion	78,114,622	54,356,621
Commission	88,364,646	81,860,172
	352,321,225	304,358,549
Depreciation and amortisation		
Depreciation	28,933,721	26,890,759
Amortisation - right of use asset	1,497,036	1,477,032
	30,430,757	28,367,791

20. Employee benefits (The Group)

	2024	2023
	\$	\$
Salaries, wages and related expenses		
- Administrative and other expenses	198,975,726	183,718,810
- Selling and promotional costs	114,745,426	104,397,417
Medical and other staff benefits	28,120,342	32,551,053
Total	341,841,494	320,667,280

The average number of employees at year-end was one hundred and thirty-one (131), (2023 – one-hundred and twenty-one (121)).

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

	2024	2023
	\$	\$
Salaries, wages and related expenses		
- Administrative and other expenses	115,693,037	109,459,665
- Selling and promotional costs	114,745,426	104,397,417
Medical and other staff benefits	25,298,940	30,253,251
Total	255,737,403	244,110,333

The average number of employees at year-end was ninety -four (94), (2023 – eighty-seven (87)).

21. Finance income and finance cost (The Group)

Finance income comprises:

	2024	2023
	\$	\$
Interest income on financial assets measured at amortised cost	272,272	2,473,980
Total	272,272	2,473,980

Finance cost comprises:

	2024	2023
	\$	\$
Interest expense for borrowings measured at amortised cost	145,440,707	95,989,962
Interest expense on lease liabilities	1,549,402	1,055,093
Interest expense	12,935,454	7,128,370
Total	159,925,563	104,173,425

Finance income and finance cost (The Company)

Finance income comprises:

	2024	2023
	\$	\$
Interest income on financial assets measured at amortised cost	266,456	2,457,586
Total	266,456	2,457,586

Finance cost comprises:

	2024	2023
	\$	\$
Interest expense for borrowings measured at amortised cost	143,354,092	95,019,649
Interest expense on lease liabilities	935,479	1,055,093
Total	144,289,571	96,074,742

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

22. Income tax (The Group)

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 24, 2013. As a result, the Group was 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 now subject to taxation at 25% (2023 – 12.5%)

- i Income tax adjusted for tax purposes and computed at the tax rate of 25% comprise:

	2024	2023
	\$	\$
Current tax expense	-	14,038,062
Deferred tax charges/(credit) (Note 15)	(4,550,119)	2,482,385
Total	(4,550,119)	16,520,447

- ii Reconciliation of theoretical tax charge to effective tax charge:

	2024	2023
	\$	\$
(Loss)/profit before tax	(320,514,022)	96,718,887
Tax at the applicable rate of 25%	(80,128,506)	23,161,259
Tax effect of expenses not deductible for tax purposes	7,522,919	15,897,254
Tax effect of allowable capital allowances and other charges	300,284	(11,070,604)
Remission of tax	-	(11,467,462)
Losses utilised	67,755,184	-
Income tax (credit)/expense for the year	(4,550,119)	16,520,447

- iii Subject to the agreement of the Commissioner General, Tax Administration Jamaica, losses of approximately \$ 124,529,034 (2023 - \$7,856,348) are available to be set off against future taxable profits. These losses, if not utilised, will be carried forward indefinitely.

Income tax (The Company)

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

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

The Company is now subject to tax at 25% (2023 – 12.5%)

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

- i Income tax adjusted for tax purposes and computed at the tax rate of 25% comprise:

	2024	2023
	\$	\$
Current tax expense	-	7,322,853
Deferred tax credit (Note 15)	(2,996,749)	(3,029,090)
Total	(2,996,749)	4,293,763

- ii Reconciliation of theoretical tax charge to effective tax charge:

	2024	2023
	\$	\$
(Loss)/profit before tax	(259,282,632)	64,333,994
Tax at the applicable rate of 25%	(64,820,658)	16,083,499
Tax effect of expenses not deductible for tax purposes	7,582,487	4,714,696
Tax effect of income not subject to tax	-	-
Tax effect of allowable capital allowances and other charges	(2,052,412)	(6,583,322)
Remission of tax	-	(9,921,110)
Loss utilized	56,293,834	-
Income tax (credit)/expense for the year	(2,996,749)	4,293,763

- iii Subject to the agreement of the Commissioner General, Tax Administration Jamaica, losses of approximately \$ 62,855,917 (2023 - NIL) are available to be set off against future taxable profits. These losses, if not utilised, will be carried forward indefinitely.

23. Earnings per share (The Group)

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

	2024	2023
	\$	\$
Net profit attributable to owners	(292,092,695)	72,135,156
Weighted average number of shares outstanding	263,157,895	263,157,895
Basic earnings per share	(1.11)	0.27

24. Dividends (The Group)

The Group did not declare or paid dividend for the year ended March 31, 2024. Dividend paid in the prior year totalled \$23,684,211.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

25. Segment reporting (The Group)

Segment information by divisions are as follows:

2024

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,646,586,363	691,017,821	371,694,053	3,709,298,237
Less: Cost of sales	(1,909,132,465)	(571,909,327)	(514,352,521)	(2,995,394,313)
Gross profit	737,453,898	119,108,494	(142,658,468)	713,903,924

2023

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,665,309,756	709,064,760	395,336,130	3,769,710,645
Less: Cost of sales	(1,970,322,090)	(472,609,167)	(313,057,491)	(2,755,983,748)
Gross profit	694,987,666	236,455,593	82,283,639	1,013,721,897

25. Segment reporting (The Company)

Segment information by divisions are as follows:

2024

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,374,850,423	508,392,842	349,763,461	3,233,006,726
Less: Cost of sales	(1,946,903,145)	(388,518,071)	(326,292,184)	(2,661,713,400)
Gross profit	427,947,278	119,874,770	23,471,278	571,293,326

2023

	Pharmaceutical \$	Medical \$	Consumables \$	Total \$
Revenue	2,442,706,892	396,700,026	370,482,562	3,209,889,482
Less: Cost of sales	(1,827,443,563)	(290,716,734)	(292,863,300)	(2,411,028,597)
Gross profit	615,263,329	105,983,292	77,614,262	798,860,883

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies

The Group's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

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

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

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

Concentrations of currency risk

	2024 US\$	2023 US\$
Financial assets		
- Cash and cash equivalents	31,487	514,326
	31,487	514,326
Financial liabilities		
- Trade payables	(788,215)	(2,577,472)
	(788,215)	(2,577,472)
Total net assets/liabilities	(756,728)	(2,063,146)

The above assets/(liabilities) are receivable/payable in United States dollars (US\$) and Jamaican Dollars (J\$). The exchange rate applicable at the end of the reporting period was J\$153.03 to US\$1 (2023 – J\$150.44 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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

a Market risk (cont'd)

ii Currency risk (cont'd)

Foreign currency sensitivity (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 -4% (2023 – 4%) 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 \$
2024	4	4,632,083
2023	4	12,415,187

If the JA Dollar strengthens against the US Dollar by 1% (2023 – 1%) this would have the following impact:

	Rate %	Strengthens \$
2024	1	(1,158,021)
2023	1	(3,103,797)

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's cash and cash equivalents are subject to interest rate risk. However, the Group attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract, where possible.

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

Interest rate sensitivity

Interest rates on the Group's loans are fixed up to the date of maturity expiring at varying dates beginning April 05, 2021. As such there would be no impact on the results of the Group's operations as a result of fluctuations in interest rates.

iii Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

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 consist 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	
	2024	2023	2024	2023
	\$		\$	\$
Trade and other receivables	601,344,542	527,635,566	538,032,022	449,709,305
Cash and cash equivalents	118,056,632	141,513,590	101,615,535	124,182,447
Total	719,401,174	669,149,156	639,647,557	573,891,752

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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

b Credit risk (cont'd)

On the above basis, the expected credit loss for the trade receivables as at March 31, 2024 and 2023 were determined as follows:

March 31, 2024 (The Group)

	Trade receivables days past due					Total \$
	Current	More than 30 days	More than 60 days	More than 90 days	More than 180	
Expected credit loss rate	0.50%	2.52%	5.73%	36.07%	55.08%	
Gross carrying amount	356,234,130	13,232,297	21,995,231	78,536,336	3,088,067	473,086,061
Lifetime expected credit loss	1,917,716	333,694	1,256,973	28,819,013	1,700,765	34,031,161

March 31, 2023 (The Group)

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

b Credit risk (cont'd)

March 31, 2024 (The Company)

	Trade receivables days past due						Total \$
	Current	More than 30 days	More than 60 days	More than 90days	More than 180	Over 365 days	
Expected credit loss rate	0.39%	1.64%	4.9%	17.9%	41.8%		
Gross carrying amount	365,436,742	10,141,776	20,267,804	35,946,685	3,088,067	-	434,881,074
Lifetime expected credit loss	1,433,509	165,879	995,849	6,459,446	1,700,765	-	10,755,448

March 31, 2023 (The Company)

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

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

b Credit risk (cont'd)

Trade receivables (cont'd) (The Group)

The closing balance of the trade and other receivables as at March 31, 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	2024	2023
	\$	\$
Opening loss allowance at April 1	25,262,087	21,604,908
Loss allowance recognised during the year	14,973,904	1,046,664
Amounts written off during the year	(6,204,830)	-
	34,031,161	25,262,087

Trade receivables (The Company)

The closing balance of the trade and other receivables as at March 31, 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	2024	2023
	\$	\$
Opening loss allowance at April 1,	9,258,581	8,211,917
Loss allowance recognised during the year	1,493,877	1,046,664
	10,755,458	9,258,581

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, 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

The Group 2024

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liability	5,302,954	13,665,351
Trade and other payables	670,697,408	-
Borrowings	528,152,442	458,646,687
Bank overdraft	91,857,589	-
Total	1,295,183,482	471,302,037

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

26. Risk management policies (cont'd)

c Liquidity risk (cont'd)

The Group (cont'd)

2023

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liability	1,412,872	3,527,315
Trade and other payables	748,731,913	-
Borrowings	430,915,710	365,406,863
Bank overdraft	195,204,686	-
Total	1,376,265,181	368,934,178

The Company

2024

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liabilities	1,483,938	1,858,572
Borrowings	478,152,442	458,646,687
Bank overdraft	33,120,673	-
Trade and other payables	542,516,239	-
Total	1,055,273,292	460,505,259

2023

	Current Within 12 Months \$	Non-current 2 to 5 Years \$
Lease Liability	1,412,872	3,527,315
Borrowings	430,915,710	315,406,863
Bank overdraft	134,366,446	-
Trade and other payables	660,904,646	-
Total	1,227,599,674	318,934,178

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.

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

27. Fair value measurement

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

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at March 31, 2024.

March 31, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Property, plant and equipment				
Land and buildings	-	-	688,756,410	688,756,410
Total	-	-	688,756,410	688,756,410

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

Land and buildings (Level 3).

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

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

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

Land and buildings at Anchovy St James were revalued March 29, 2023, Fairview Montego Bay St James were revalued on March 29, 2023, and March 31, 2023, respectively.

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

	2024 \$
Balance at April 1, 2023	745,151,791
Depreciation	(56,395,381)
Balance at March 31, 2024	688,756,410

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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

	2023 \$
Balance at April 1, 2023	743,461,791
Depreciation	(41,492,394)
Balance at March 31, 2024	701,969,397

28. Summary of financial assets and liabilities by category

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

	2024 \$	2023 \$
Financial assets measured at amortised cost		
Trade and other receivables	601,344,542	527,635,566
Due from related party	79,152,239	41,090,831
Cash and short-term deposits	118,056,632	141,513,590
Total	798,553,413	710,239,987
Financial liabilities measured at amortised cost		
Non-current liabilities		
Due on business acquisition	21,098,000	21,098,000
Lease liability	12,655,350	3,527,315
Borrowings	458,646,687	365,406,863
Current liabilities		
Lease liability	4,476,043	1,412,872
Bank overdraft	91,857,589	195,204,686
Borrowings	528,152,442	430,915,710
Trade and other payables	670,697,408	748,731,913
Due to related party	24,660,503	-
Total	1,812,244,022	1,766,297,359

Medical Disposables & Supplies Limited

Notes to the Financial Statements

Year ended March 31, 2024

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

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

	2024	2023
	\$	\$
Financial assets measured at amortised cost		
Trade and other receivables	538,032,022	449,709,305
Cash and short-term deposits	101,615,535	124,182,447
Total	721,820,837	573,891,752
Financial liabilities measured at amortised cost		
Non-current liabilities		
Borrowings	458,646,687	315,406,863
Current liabilities		
Bank overdraft	33,120,673	134,366,446
Borrowings	478,152,442	430,915,710
Trade and other payables	542,516,239	660,904,653
Total	1,512,436,041	1,541,593,672

29. Capital management, policies and procedures

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

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