

# 2023



## ANNUAL REPORT





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We continue to be committed to providing the highest level of patient care and service in a courteous and efficient manner. Our medical procedures include a series of non-invasive out-patient services.



# OUR MISSION & VISION

## VISION

To be the premier provider of medical diagnostic imaging services.

## MISSION

Elite Diagnostic is dedicated and committed to providing the highest level of patient care and service in a courteous and efficient manner.



# ABOUT THE COMPANY

Elite Diagnostic Limited (herein referred to as 'Elite' or 'the Company') was incorporated in 2012 and opened our doors in 2013 at our Holborn Road location. The Company was established with the vision of providing high-quality professional medical diagnostic services at an affordable price. In February 2018, we listed on the Junior Market of the Jamaica Stock Exchange and since then, we have expanded our services with the opening of two additional locations in Liguanea, St. Andrew and Drax Hall, St. Ann. We are open seven days a week to facilitate client needs.

We continue to be committed to providing the highest level of patient care and service in a courteous and efficient manner. Our medical procedures include a series of non-invasive out-patient services, such as:

- Interventional Radiology Procedures
- Magnetic Resonance Imaging (MRI)
- Computed Tomography (CT Scan)
- Ultrasound
- X-Ray
- Fluoroscopy
- Endoscopic Ultrasound, the only one of its kind in the Caribbean

We invest in state-of-the-art equipment from leading global technology and life sciences companies Siemens and General Electric, and we carry out preventative maintenance to ensure optimal operational efficiencies and first-class patient care.

Our staff at Elite comprises of a CEO, an Executive Director and a General Manager who oversee the major operations. They are supported by Branch Managers and a team of independent radiologists, radiographers, transcriptionists, patient assistant/practical nurses, and customer service agents to ensure speedy and accurate care. The back-office team includes accounts, housekeeping, technical support and security to ensure that the specialists are able to work in an optimal environment and that client experience is second to none.

At Elite we believe heavily in customer care and comfort. The combination of our customer-centric focus and state-of-the-art equipment has resulted in consistent referrals from Jamaica's leading physicians and repeat customers.

As the population and the need for medical services grow, Elite is striving to be one of Jamaica's premier medical service providers.

At Elite we believe heavily in customer care and comfort. The combination of our customer-centric focus and state-of-the-art equipment has resulted in consistent referrals from Jamaica's leading physicians and repeat customers.





# CHAIRMAN AND CEO'S REPORT

*"Many companies get trapped by the paradox of hitting numbers 'now' versus improving sales for future quarters or years ahead."*

*"Companies that take a long-term view and consider a wide range of stakeholders — such as customers, employees, partners, the environment, and the communities in which we serve — have been shown to be more sustainable, innovative, and profitable."*

The fiscal year 2022/2023 was in many ways a continuation of the building of the foundation necessary for the long-term growth and viability of Elite. The Company faced some significant challenges, but we have also made substantial strides in addressing them to mitigate against recurrence in the future.

Though an industry norm, the greatest of these was the prolonged downtime of income-generating machinery. At its peak, downtime accounted for as much as forty percent (40%) of our total opening hours which resulted in our net profits falling from \$48.6 million in the previous year to \$13.4 million for the year under review.

Despite the substantially reduced working hours we managed to achieve a remarkable 21% increase in gross revenue.

We must acknowledge and commend the exceptional efforts of our staff who went above and beyond to compensate for the lost hours and alleviate the impact of the challenges faced.

To mitigate against this going forward, we have formed alliances with third-party service technicians overseas to enable consistent monitoring, virtual support, and where necessary, on-site support from factory-trained engineers for the swift diagnosis and resolution of faults. These partners also stock an inventory of elusive parts, significantly reducing the time required to repair older models of machinery.

The Company made some strategic changes in recent months and will continue to make further changes as required to improve our operations.

Adjustments in our equipment maintenance, repair, and acquisition policies were implemented in the fourth quarter and will significantly improve the stability of our operations.

# CHAIRMAN AND CEO'S REPORT CONT.

A pending review of our depreciation policy for new equipment will bring our accounting more in keeping with international industry standards.

The recent implementation of teleradiology at our Old Hope Road branch will reduce our direct costs.

All these strategic changes should overall result in substantial monthly savings going forward.

## CHARTING OUR EXPANSION STRATEGIES

The establishment of a fourth location in the city of Montego Bay is an upcoming venture which was delayed due to the major downtime experienced during the year under review, and is targeted for materialization in the calendar year 2024.

As a part of our strategy to prevent the loss of income due to machine downtime, we invested in a new Computerized Tomography (CT) machine for our Old Hope Road branch, which will supplement the older unit at our Holborn Road branch, providing a well-needed alternative within the corporate area.

A new ultrasound machine was also purchased towards the end of the third quarter for the Old Hope Road branch as an upgrade to the older unit that was at that location.

Major repairs commenced during the latter part of our fourth quarter on the Magnetic Resonance Imaging (MRI) machine located at our Drax Hall branch, which will allow for increased patient traffic in a more sustained manner.

Another significant development was the introduction of teleradiology at our Old Hope Road branch, reducing the need for on-site Radiologists and lowering costs substantially as remote services carry a reduced reading rate within the industry.

To support the expansion of the Company, it will be essential to develop a well-structured Human Resources Department which will be responsible for implementing year-round training exercises to fulfil the customer care mandate espoused in both our Mission and Vision statements. This is projected to materialise early in the calendar year 2024.

## THE IMAGING LANDSCAPE

The last twelve months have seen the entry of new providers, and an increase in service offerings by some of our existing competitors, both within the private and public sectors of the industry.

The public sector remains the largest source of patients for industry players, however Elite's participation in the established public-private partnership with the Government of Jamaica was not previously our most targeted source of revenues.

Recent policy initiatives implemented by the Ministry of Health will see public hospitals gradually acquiring high-end diagnostic machines, therefore reducing its reliance on private providers for the provision of such services. This will have the roller-coaster effect of increased competition for the patients who seek imaging services from private entities.

This increased competitive landscape coupled with the potential costly implementation of measures associated with the Data Protection Act and the severe shortage of technical staff and radiologists will likely lead to the closure of some of the smaller providers, or mergers within the industry.

## PUTTING STRATEGY IN MOTION

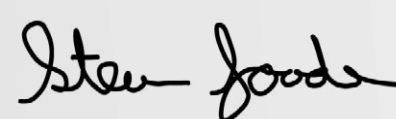
The sector is set to have more stringent conditions for providers to operate within. Fortunately, Elite is poised for strategic growth and resulting profitability over the coming medium to long term via the expansion of our service offering, branch network, continued employee development and the strategic repair and replacement of equipment.

The Board of Directors is cognizant of the need to balance the utilization of cash generated between the needs of the business and the desire of shareholders to receive frequent dividend payments. Accordingly, we restructured our loan portfolio to enable more favourable scheduled payments, and major repairs were done on two of our more problematic machines, which should allow us to enjoy a sustained period of revenue generation.

Close assessment of our short-term budget forecasts will guide our decisions regarding the allocation of profits generated by our operations. This strategic approach aims to ensure a sustained growth trajectory in our operations while simultaneously delivering a competitive return on investment to our valued shareholders.

We extend our sincere appreciation for the patience and understanding of our shareholders who are looking forward to greater and more frequent dividend payments. With your continued support, we commit to overcome the obstacles which have depressed revenues in the past.

We are confident that with the continued commitment of our enthusiastic and dedicated staff complement and our well-rounded directorship, Elite will achieve its long-term vision of being recognised as the provider of choice within the increasingly competitive diagnostic imaging industry in Jamaica.



**Steven Gooden**  
Chairman



**Harvey Levers**  
Chief Executive Officer

Another significant development was the introduction of teleradiology at our Old Hope Road branch, reducing the need for on-site Radiologists and lowering costs substantially as remote services carry a reduced reading rate within the industry.

# NOTICE OF ANNUAL GENERAL MEETING 2023

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of **ELITE DIAGNOSTIC LIMITED** (the “Company”) will be held at The Terra Nova All-Suite Hotel, 17 Waterloo Road, Kingston 10 **on Thursday, December 14, 2023 at 10:00 a.m.**, to consider and (if thought fit) the passing of the following resolutions:

## ORDINARY BUSINESS

### 1. Audited Accounts

#### Resolution No. 1 – Directors’ Report, Auditor’s Report and Audited Financial Statements

To receive the Audited Financial Statements and the Reports of the Auditors and Directors for the year ended June 30, 2023

*“THAT the Audited Financial Statements for the year ended June 30, 2023, together with the Reports of the Auditors and Directors of the Company thereon, be and are hereby adopted.”*

### 2. Election & Re-Election of Directors:

(a) **Article 102** of the Company’s Amended Articles of Incorporation provides that at every Annual General Meeting one-third of the Directors are subject to retirement for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. The Directors to retire by rotation pursuant to this Article are Mr. Steven Gooden, Mr. Neil Fong and Mr. Kevin Donaldson, and who all being eligible, offer themselves for re-election.

#### Resolution No 2A - Re-election of Mr. Steven Gooden

*“THAT Mr. Steven Gooden be and is hereby re-elected a Director of the Company.”*

#### Resolution 2B - Re-election of Mr. Neil Fong

*“THAT Mr. Neil Fong be and is hereby re-elected a Director of the Company.”*

#### Resolution 2C - Re-election of Mr. Kevin Donaldson

*“THAT Mr. Kevin Donaldson be and is hereby re-elected a Director of the Company.”*

(b) Mrs. Simone Bowie Jones and Mr. Stephen Ricketts were appointed Directors of the Company effective

February 9, 2023 and September 15, 2023. Pursuant to Article 98 of the said Amended Articles, their respective appointments expire on the date of the next annual general meeting, and, being eligible for election to the Board, they offer themselves for election.

#### Resolution 2D – Election of Mrs. Simone Bowie Jones

*“THAT Mrs. Simone Bowie Jones be and is hereby elected as a Director of the Company.”*

#### Resolution 2E – Election of Mr. Stephen Ricketts

*“THAT Mr. Stephen Ricketts be and is hereby elected as a Director of the Company.”*

### 3. Dividend

To declare the interim dividends paid during the year as final.

#### Resolution No. 3

*“THAT on the recommendation of the Directors, the interim dividend of Two Cents per share be hereby declared as final for the financial year ended June 30, 2023.”*

### 4. Appointment of Auditors and their remuneration

To re-appoint the retiring auditors and to Authorize the Directors to fix their remuneration.

#### Resolution No. 4

*“THAT HLB Mair Russell of 3 Haughton Avenue, Kingston 10, having consented to continue as Auditors, be re-appointed as the Company’s Auditors to hold office until the conclusion of the next annual general meeting of the Company and THAT their remuneration be fixed by the Directors of the Company.”*

## 5. Directors’ Remuneration

### Resolution No. 5

*“THAT the amount shown in the Audited Financial Statements of the Company for the year ended June 30, 2023, as remuneration paid to the Non-Executive Directors for their services as Directors be and is hereby approved”.*

## SPECIAL BUSINESS

6. To amend the Articles of Incorporation by Special Resolution.

### Resolution No. 6

To consider and, if thought, fit pass the following resolution:

*“THAT Article 1(b) and 1(c) of the Articles of Incorporation of the Company be and are hereby amended and replaced respectively to provide as follows:-*

*“1(b) In an “Electronic Form” if it is sent or supplied in an electronic form (for example by electronic mail, facsimile, or by other means while in an electronic form for example, sending a computer disk or tape, or QR code, by post or hand delivery).”*

*“1(c) By “Electronic Means” if it is sent:-*

- (i) *Initially and received at its destination by means of a computer, laptop, tablet, mobile phone, scanning devices, QR code, automated or photographic devices or other electronic equipment for the processing (including digital compression), downloading or storage of data;*
- (ii) *Entirely transmitted, conveyed and received by wire, by radio, optical means, scanning devices, QR code, mobile telephone, tablets, iPad, laptops, computers or other electromagnetic means;*
- (iii) *By posting links to access documents or information via the Company’s website.*

*“Where in these Articles it is provided that a document or information may be sent in Electronic Form or by Electronic Means it means*

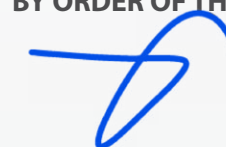
## NOTES:

1. A member eligible to attend and vote at a General Meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy, so appointed, need not be a member of the Company.
2. All members are entitled to attend and vote at the meeting.

*that the Company may send the document or information in Electronic form and Electronic means if the intended recipient has consented or is deemed to have consented in writing to such document or information being sent to him in that form or by that means and has provided the Company with an Electronic Address at which such document or information may be sent in Electronic Form or by Electronic Means. In the event that the Company requests any shareholder to consent to any document being sent to that shareholder by Electronic Form or Electronic means and such shareholder does not respond he or she shall be deemed to have consented to such document being sent to him or her in the Electronic Form or by Electronic Means in the manner proposed and if he has not provided an Electronic Address to the Company he or she shall be deemed to have consented to such document being sent or served upon him or her by uploading same to the Company’s website.”*

*“In the event that the Company uploads a link or a document to its website and/or the Jamaica Stock Exchange website and publishes a notice in a daily newspaper that it has done so then such document shall be deemed to have been served or given to its shareholders.”*

## BY ORDER OF THE BOARD



**CUBE CORPORATE SUPPORT LIMITED**

**CORPORATE SECRETARY**

October 12, 2023

3. Enclosed is a **Form of Proxy** which must be deposited with the Secretary at the Registered Office of the Company 1b Holborn Road, Kingston 5, Jamaica or the Registrar, Jamaica Central Securities Depository (“JCSD”), 40 Harbour Street, Kingston, **not less than forty-eight (48) hours** before the time appointed for the holding the meeting.



Elite is poised for strategic growth and resulting profitability over the coming medium to long term.



# THE ELITE FAMILY



# BOARD OF DIRECTORS



**Steven Gooden**  
Chairman

Steven Gooden is the Chief Executive Officer of NCB Capital Markets Ltd, which is the wealth, asset management and investment banking division of the NCB Financial Group. Under his leadership, the entity has become Jamaica's leading capital markets outfit, with a strong and growing presence throughout the Caribbean via the establishment of hubs in the Cayman Islands, Trinidad & Tobago, Barbados and Guyana.

Steven's ascension to executive management was at 26 years old when he was appointed head of one of Jamaica's leading fund management companies. In 2009, he rejoined NCB Capital Markets as Vice President, Investments and Trading where he successfully integrated the investment management functions of the Group's subsidiaries with combined assets exceeding US\$2 billion and successfully led the company through two national debt exchanges.

Steven is a holder of the Chartered Financial Analyst (CFA) designation, has a Master's Degree in Finance and Economics, a Bachelor's degree in Economics and Accounting, and has received many accolades in the areas of research and portfolio management. He has also participated in executive development courses covering Strategy, Change Leadership and Mergers & Acquisitions.

Steven sits on the board of directors of the Jamaica Stock Exchange Ltd, TransJamaican Highway Ltd, the Jamaica Special Economic Zone Authority and several companies within the NCB Financial Group. Additionally, he is the Chairman of Limners & Bards Ltd and the Jamaica International Financial Services Authority. He was appointed Chairman of the Elite Diagnostic's Board of Directors on October 6, 2016.



**Dr. Neil Fong**  
Chief Operating Officer

Dr. Neil Fong is currently the Chief Operating Officer of Elite Diagnostic Limited and has nearly a decade of experience in the medical imaging field. He has a B.Sc. in Chemistry from Florida International University and a medical degree, M.B.B.S. (1999) from the University of the West Indies. He is also a Director of PDT Foods Ltd.

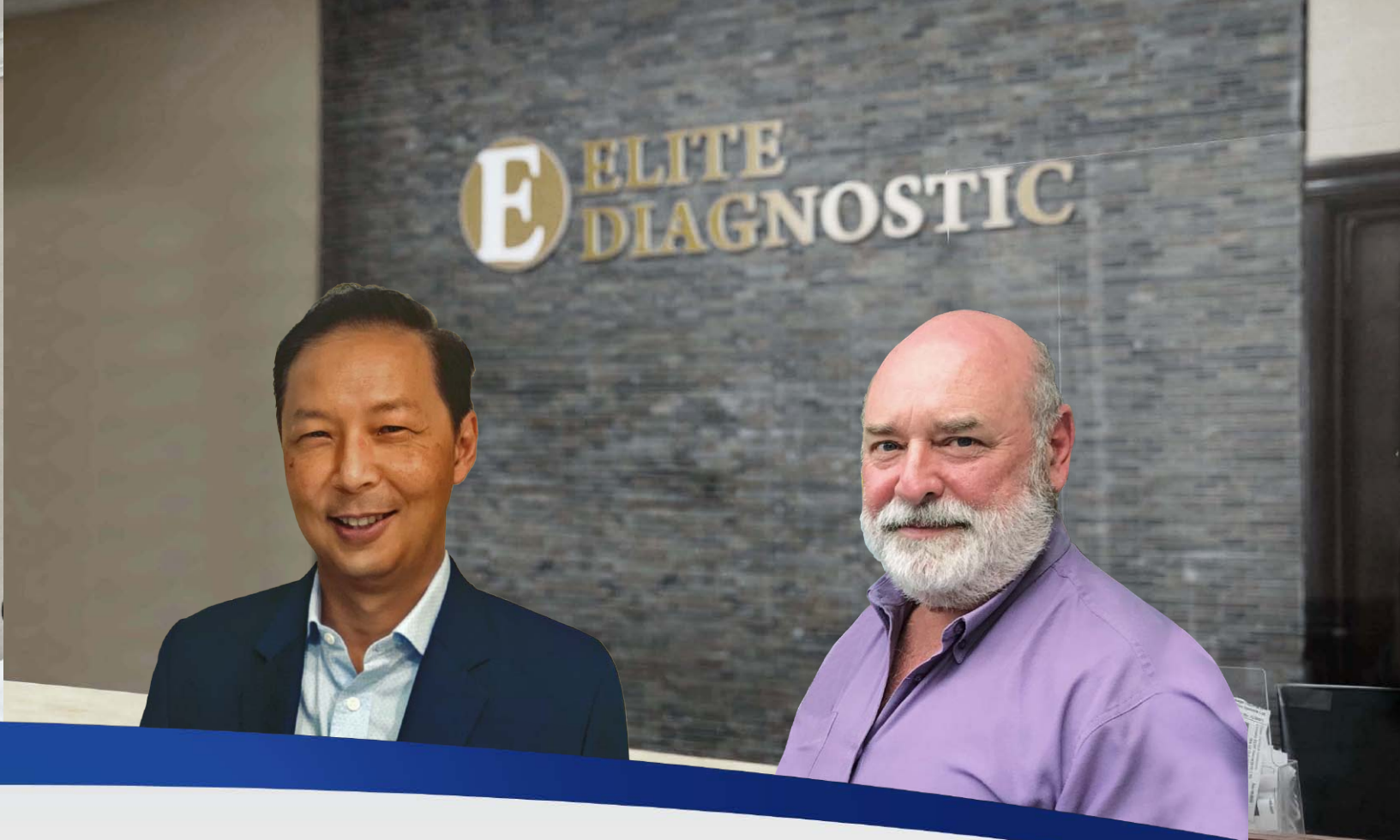
Neil has been with Elite Diagnostic since its inception and is a member of the Company's Audit Committee.

**Warren Chung**

Warren Chung previously served as the Chief Executive Officer of Elite Diagnostic Limited from inception until his resignation in September 2021. He has over ten years' experience in the medical imaging business during which he successfully spearheaded the growth of the Company from its incorporation in 2012. Prior to founding the company, Warren was part owner of Majesty Foods, Inc., a USDA, HACCP and SQF food manufacturing company in South Florida where he was the Managing Director of the Company from 1997 – 2011. Warren brings years of business management experience to Elite's Board of Directors, after previously steering the day-to-day operations of all locations.

In his current role as a non-executive Director, he will continue to give strategic guidance to the Management team especially in the areas of machine acquisition, business development, and opportunities for expansion within the industry.

Warren has a Bachelor's degree in Business Management from Florida International University. Warren is a member of the Company's Audit Committee.



### Andre Ho Lung

Andre Ho Lung\* is the Group Chief Financial Officer at Sagicor Group Jamaica. He has over 20 years' experience in managing the finance units of various financial services companies. He has 17 years' experience in managing the finance units of various financial services companies, including Life Insurance, Securities Dealership and General Insurance in two of the largest banking groups in Jamaica. Prior to specializing in financial services, he spent seven years in Audit and Advisory services with PricewaterhouseCoopers.

Andre is a Fellow of the Association of Chartered Certified Accountants ("ACCA") and holds a Master's degree in Accounting. He is also the Chairman of the Audit Committee and a member of the Corporate Governance & Compensation Committee.

*\*Andre Ho Lung resigned from the Board of Directors of Elite Diagnostic effective December 15, 2022.*

### William Mahfood

William Mahfood is Chairman of Wisynco Group Limited. He began his career with Wisynco Trading Limited as Warehouse Supervisor in 1988. He then moved to Wisynco Group Limited where he served as Co-Director, Managing Director and Director for Wisynco Group and Walisa Marketing Limited for eleven years concurrently. Under his leadership, Wisynco has become one of the largest beverage companies in Jamaica.

William holds a B.Sc. in Industrial Engineering and Management Information Systems from North Eastern University in Boston, Massachusetts. He has served on over ten Boards during his career. This includes serving as President of the Private Sector Organization of Jamaica (PSOJ) and Trade Wind Citrus Limited.

William also chairs the Company's Corporate Governance & Compensation Committee and is a member of the Company's Audit Committee.

### Quentin Hugh Sam

Quentin Hugh Sam is an experienced entrepreneur with over 30 years in the business community in Canada and Jamaica. He is a graduate of the University of Miami in Accounting. Quentin is currently a Director of Clean Chem Limited. Over the years he has invested in several successful business ventures.

Quentin has been on the Board of Directors of Elite Diagnostic since 2012 and is a member of the Company's Corporate Governance & Compensation Committee.

### Mark N. Kerr-Jarrett C.D., J.P., B.Sc.

Mark Kerr-Jarrett is the Managing Director and owner of Barnett Limited, a family business he has led since 1989. He is a graduate of the Virginia Polytechnic Institute and State University with a Bachelor of Science degree in Mechanical Engineering. During his career he has undertaken many local development projects including the Barnett Tech Park, which have contributed to the growth and development of Montego Bay through the visioning and implementation of the Montego Bay South Master Plan to develop company-owned lands in Montego Bay.

A past President of the Montego Bay Chamber of Commerce and Industry, past Chairman of the St. James Parish Development Committee he is currently the Chairman of CWJ-FLOW, Director of the Global Services Association of Jamaica and sits on the UDC Advisory Board for Montego Bay.

Mark is a member of the Company's Corporate Governance & Compensation Committee, and also of the Audit Committee.



### Kevin Donaldson

Kevin Donaldson is an experienced investment banking executive, he has over 20 years of experience in finance, insurance, asset management and investment banking across Jamaica and the Caribbean. Kevin has a M.B.A. in Banking and Finance from Mona School of Business, a B.Sc. in Economics from the University of the West Indies and a Certification in Risk and Reinsurance from the Insurance College of Jamaica.

Kevin is a member of the Company's Audit Committee.

### Simone Bowie Jones

Simone is an Attorney-at-law and Partner at the firm Myers, Fletcher & Gordon where she is a member of the firm's Commercial Department. Simone has over 17 years of experience dealing with a variety of complex commercial matters such as initial public offers, reverse takeovers, asset sales, securitizations and bond and note purchase arrangements. Her practice areas include Securities, Banking & Financial Regulation, Fintech, Competition, Corporate Finance, Public Private Partnerships and most significantly, Takeovers and Mergers.

Simone currently serves as a director of GK Investments Limited and GK Capital Management Limited where she sits on the Audit Committee of both companies and chairs the Conduct Review Committee of the latter. She also sits on the board of One Great Studio Limited, a digital first marketing and design company, where she sits on the Audit Committee, Corporate Governance Committee and chairs the Remuneration Committee. She is certified by the Dispute Resolution Foundation of Jamaica in Mediation Practice and Procedure and she is a member of the Jamaica Bar Association Commercial Law Sub-Committee.

Simone is a member of the Company's Corporate Governance & Compensation Committee, and also the Audit Committee.

### Anna Young Company Secretary

Anna Young\* is a Fellow of The Chartered Governance Institute, United Kingdom, and a member of the Executive Branch in Jamaica, the certifying body for Chartered Secretaries/Governance Professionals worldwide. She is a graduate of the University of London with a Bachelor of Law Degree and has over 25 years' practical experience as a Company Secretary in both the public and private sectors, including local and overseas companies listed on the Jamaica Stock Exchange. Anna is currently Company Secretary for several private companies, a public sector organisation and Assistant Company Secretary of a listed company.

*\*Anna Young resigned from the role of Company Secretary effective December 31, 2022.*

### Christopher Bovell Company Mentor

Christopher Bovell has over 56 years in the legal field. He was admitted to the Bar in England, Jamaica, Barbados and Trinidad & Tobago. He was a Partner with DunnCox, Jamaica, served as Chairman of Barnett Limited and a Director of Hardware & Lumber Limited. He served as a Director of GraceKennedy Limited; First Caribbean International Bank (Jamaica) Limited; Kingston Wharves Limited and other Jamaica Stock Exchange listed companies, and Allied Insurance Brokers Limited. He also served as a Government Senator, 1983-89.

Mr. Bovell is currently an Attorney-at-Law and Notary Public and Consultant at Dunn Cox. Acting as the Mentor of the Board of Elite Diagnostic, he brings decades of business experience.

# MANAGEMENT TEAM



Mr. Harvey Levers  
Chief Executive Officer



Mrs. Marjorie Miller  
General Manager



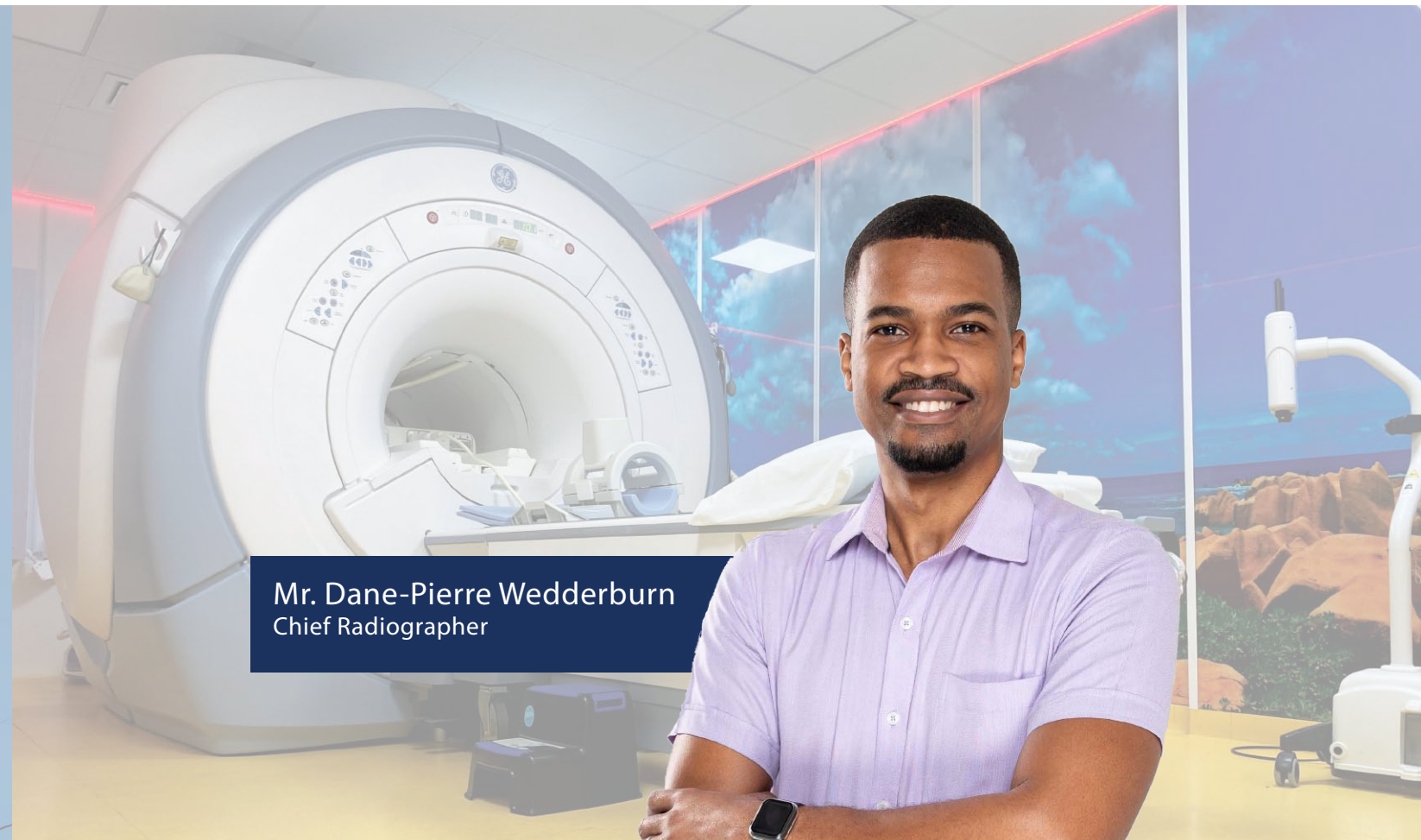
Dr. Neil Fong  
Chief Operating Officer



Mrs. Dayelis Thomas  
Manager, Old Hope Road



Ms. Jonie Palmer  
Manager, Holborn Road



Mr. Dane-Pierre Wedderburn  
Chief Radiographer



Ms. Kaydy-Ann Williams  
Manager, Drax Hall



Mr. Richard Cole  
Senior Radiographer

Staff attending the Jamaica Orthopaedic Association annual conference at the Jamaica Conference Centre on May 7, 2023.



Board of Directors weekend workshop, Saturday April 1, 2023 at the Summit, 16 Chelsea ave, Kingston 5.



Elite's booth at the Medical Association of Jamaica's annual conference at the Jamaica Pegasus Hotel on Sunday June 11, 2023.



To support the expansion of the Company, it will be essential to develop a well-structured Human Resources Department which will be responsible for implementing year-round training exercises to fulfill the customer care mandate espoused in both our Mission and Vision statements.

# HAPPY WORLD RADIOGRAPHY DAY!

from the Elite team!





Elite is committed to the evolving and dynamic growth of its business alongside the dynamic governance, legal and regulatory landscape.



# GOVERNANCE

The board is committed to the highest standard of corporate governance and regards changes in international and local best practices in corporate governance specific to its business type, its industry and as a publicly traded company.

## CORPORATE DATA

as at June 30, 2023

### Registered Office

1B Holborn Road  
Kingston 5, St. Andrew  
(876) 754-4169/4963  
[info@elite-diagnostic.com](mailto:info@elite-diagnostic.com)

### Branches

1B Holborn Road  
New Kingston  
Kingston 5, St. Andrew

164 ½ Old Hope Road  
Liguanea  
Kingston 6, St. Andrew  
(876) 702-2950

Lot 17, Drax Hall Estates  
Drax Hall, St. Ann

### Board of Directors

Steven Gooden (Chairman)  
Warren Chung  
Neil Fong  
William Mahfood  
Kevin Donaldson  
Quentin Hugh Sam  
Mark Kerr-Jarrett  
Simone Bowie Jones

### Company Secretary

Dr. Neil Fong

### Management Team

Harvey Levers,  
Chief Executive Officer

Neil Fong,  
Chief Operating Officer

Marjorie Miller,  
General Manager

### Registrar

Jamaica Central Securities  
Depository Ltd.  
40 Harbour Street  
Kingston, Jamaica

### External Auditors

HLB Mair Russell  
Chartered Accountants  
3 Haughton Avenue  
Kingston 10, St. Andrew

### Bankers

National Commercial Bank  
1 Knutsford Boulevard  
Kingston 5, St. Andrew

Sagicor Bank  
85 Hope Road  
Kingston 6, St. Andrew

First Global Bank  
Liguanea Branch  
121 Old Hope Road,  
Kingston 6, St. Andrew

## SHAREHOLDER INTEREST

TOP TEN SHAREHOLDERS	
NAME	SHAREHOLDINGS
Excel Investments Limited	86,674,897
NCB Capital Markets Limited	66,028,392
Steven O'Neil Gooden	35,242,230
JCSD Trustee Services Limited – Sigma Global Venture	31,438,024
Barnett Limited	15,515,994
Damien Chin-You	14,513,589
West Indies Radiology Outsourcing Ltd.	8,000,000
Everton J. Smith	5,720,000
QWI Investments Limited	4,490,566
Lizette L. Mowatt	3,703,632
	<b>271,374,722</b>



# CORPORATE GOVERNANCE

The Board of Directors of **ELITE DIAGNOSTIC LIMITED** (“Elite”) has recognized and embraced the importance of a robust and effective corporate governance structure. The Board continues to review and enhance its corporate governance framework and to invite candidates, who appreciate the need for a strong and effective framework, to join its Board of Directors.

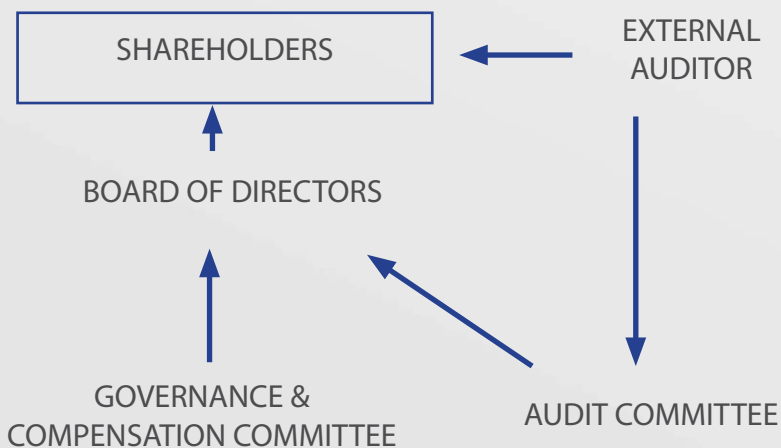
The Board is committed to the highest standard of corporate governance and regards changes in international and local best practices in corporate governance specific to its business type, its industry and as a publicly traded company.

To this end, the Company is focused on ensuring that it adheres to the principles of the Jamaica Corporate Governance Code, the Jamaica Stock Exchange Junior Market Rules and International best practices on corporate governance and best practices of like industries internationally.

The approach taken by the Board of Directors is that corporate governance is an evolving process, and that at every stage of growth and regulatory directive enhancements are continually required. Elite is committed to the evolving and dynamic growth of its business alongside the dynamic governance, legal and regulatory landscape.

The existing **corporate governance structure is illustrated below** and depicts that the Board of Directors is elected or re-elected by shareholders and charged with the responsibility of overseeing management and ensuring long term financial viability in a corporate and socially responsible manner in the output of financial results.

The Corporate Governance Structure of the Company is illustrated below:



## RESPONSIBILITY OF THE BOARD

The Board of Directors is to act in the best interest of the Company at all times exercising sound business judgment and independence.

The primary role and function of the Board of Directors is to direct and oversee the business of the Company in the interest of all shareholders and its stakeholders, (including optimizing its financial performance and ensuring long term stakeholder value), establishing parameters for management’s performance, approving strategy and the appropriate policies to safeguard its internal controls, systems of accounting, legal, regulatory and governance requirements and inculcating ethical standards for the Board and the Team, management development and succession planning.

The Board leverages its Sub-Committees and charges them with review and recommendations in relation to financial statements, internal controls, compliance, compensation and corporate governance. The Board in turn appoints management to execute the day to day operations and it approves policies, procedures, defines management parameters, charts the strategic direction of the company, and monitors performance.

The day to day performance of the Company is delegated to the Chief Executive Officer and the Board of Directors provides sage advice, counsel to management through its oversight responsibility.

The External Auditor interrogates and validates the financials and reports to the Board and to the Shareholders.

## BOARD COMPOSITION

As at June 30, 2023, the Board comprised eight (8) directors; one (1) of which is an Executive Director, two (2) of which are Non-Independent Directors and five (5) of which are Independent Directors.

The Board of Director changes during the financial year included the resignation of Mr. Andre Ho Lung, an Independent Director, on December 15, 2022 and the appointment of Mrs. Simone Bowie Jones, an Independent Director on February 9\*, 2023.

The Company has adopted the **definition of Independence** in the Jamaica Corporate Governance Code. Independent directors are those who have not: -

- been an employee of the Company within the last five (5) years;
- affiliated with a company that acts as an advisor or consultant to the company or its related parties, or is

and has acted in such capacity at any time during the past five years;

- Engaged in any personal service contracts with the company, its related parties or its senior management at any time during the past five (5) years;
- Received additional remuneration from the Company apart from director’s fee and any performance related pay scheme;
- employed as an executive officer of another company where any of the company’s executive serve on that company’s Board;
- represents a significant shareholder;
- a member of the immediate family of any individual who is or has been at any time during the past five (5) years, employed by the company or its related parties as an executive officer.



This is the first time doing something like this. The service from front & back office was very good. Everyone was so accommodating. It was nerve wrecking at first, but the tech convinced me and the best part was the tech was able to play the type of music I like.

## DIVERSITY, SKILL SET & INDEPENDENCE

Members of our Board of Directors possess diverse skills and experience and sound business judgment. The composition of the Board has a range of experiences which provides a wider perspective in the understanding of the various aspects of the Company's business. The composition of the Board during the financial year under review and as at June 30, 2023, is as follows: -

NAMES	POSITION	AUDIT	CORPORATE GOVERNANCE
Steven Gooden, Chairman	Non-Independent	-	-
William Mahfood, Audit Chairman	Independent	Member	Member
**Simone Bowie Jones	Independent	Member	Member
Warren Chung	Non-Independent	Member	-
*Andre Ho Lung	Independent	Member	-
Neil Fong	Executive Director	Member	-
Quentin Hugh Sam	Independent	-	Member
Mark Kerr-Jarrett	Independent	Member	Member
Kevin Donaldson	Independent	Member	-

\*Resigned December 15, 2022 \*\*Appointed February 9\*, 2023

The combined skill set of the Board of Directors point to a strong base of diverse skill set, that, when leveraged produces dynamic and robust discussions, interrogation, full ventilation and thorough consideration of matters to produce informed decisions and resolutions of the Board. The directors each are professionals in their respective fields, known to exercise sound business judgment and are present in the board room with an entrepreneurial mindset.

Below is a snapshot of the **diverse skill set of our Board:**

Expertise	Steven Gooden	William Mahfood	Simone Bowie-Jones	Kevin Donaldson	Warren Chung	Neil Fong	Mark Kerr-Jarrett	Quentin Hugh Sam	Andre Ho Lung
Independent (I)/ Non- Independent (NI) Executive Director (ED)	NI	I	I	I	NI	ED	I	I	I
General Management	x	x		x	x	x	x	x	
Strategic Management	x	x		x		x			
Finance & Accounting	x	x		x					x
Engineer							x		
Sales & Marketing		x			x				
Legal			x						
Investment Banking	x			x					
Medical						x			
Risk Management	x			x					

## The key decisions of the Board of Directors during the financial year ended June 30, 2023 involved: -

- Reviewing and approving changes in the appropriate auditing and accounting principles and practices;
- Approval of the annual operating and capital expenditure budgets;
- Approval of the Company's financial performance (quarterly unaudited financial results, and year end audited financial statements; Disclosures to the Jamaica Stock Exchange and Management Discussion & Analysis);
- Declaration of interim dividend and recommendation of the final dividend;
- The Company's strategic initiatives;
- Corporate Governance effectiveness (including board appointments);
- Overseeing compliance with applicable laws and regulations (including the Rules of the Jamaica Stock Exchange);
- Timely disclosures to the Jamaica Stock Exchange.

## BOARD SUB COMMITTEES

The Board has constituted and delegated key oversight functions to two (2) standing sub committees the Audit Committee and the Governance and Compensation Committee.

The Chair of each of the Board Committees formally reports to the Board (at each quarterly meeting) on the matters discussed at the Committee meetings and makes recommendations to the Board in accordance with its Terms of Reference.

## AUDIT COMMITTEE

During the year under review, the members of the Audit Committee are: Mr. William Mahfood, Chairman, Mr. Kevin Donaldson, Mrs. Simone Bowie-Jones, Mr. Mark Kerr-Jarrett, and Mr. Quentin Hugh Sam. The Chief Executive Officer and the External Auditor are invited to the Audit Committee Meeting.

The Audit Committee meets quarterly or as required and plays a critical role in interrogating and overseeing the accuracy of the financial reporting, internal controls, risk management, internal audit, accuracy of the accounting systems and the auditing process of the Company's financials and compliance.

The role and function of the Audit Committee includes:

- Review and approval of the unaudited quarterly financials and audited financial statements;
- Monitoring and ensuring that the integrity of the financials is maintained;
- Compliance with proper accounting standards in the preparation of the financials;
- Ensuring internal controls and systems are in place to identify, report and manage business risks;
- Meeting with the external Auditor;
- Compliance with legal and regulatory requirements.

## Main activities reviewed and recommended to the Board by the Audit Committee during the Financial Year ended June 30, 2023 were: -

- Quarterly unaudited financial statements and audited financial statements;
- Accounting policies;
- Annual Budget;
- Meeting with the external Auditor;
- Capital expenditure
- Dividend declarations.

## GOVERNANCE AND COMPENSATION COMMITTEE

During the year under review, the members comprising the Governance and Compensation Committee are: Mr. William Mahfood, Chairman, Mr. Quentin Hugh Sam, Mr. Mark Kerr-Jarrett and Mrs. Simone Bowie Jones. The Chief Executive Officer and the Executive Director, Mr. Neil Fong, are invitees.

The Governance and Compensation Committee assists the Board with:

- Ensuring that effectiveness of the Company's corporate governance framework (including the Board composition, structure, approval of policies to ensure adherence to applicable legal and regulatory requirements with a target of achieving international best practices for corporate governance and compliance);
- Alignment of the objectives of the Management Team with the Company's annual compensation philosophy and performance assessment;
- Adequacy and level of director compensation;
- Management and Board succession review and planning.

During the year the Governance and Compensation Committee undertook the following functions:

- Nomination of Directors to the Board
- Review of its corporate governance effectiveness

**Main activities undertaken by the Governance and Compensation Committee during the financial year ended June 30, 2023 were: -**

- Annual review of the Company's Corporate Governance Policy and recommending same for approval;
- Review of related party transactions.
- Review of new or pending regulatory changes and the impact on our operations.

## TERM LIMITS

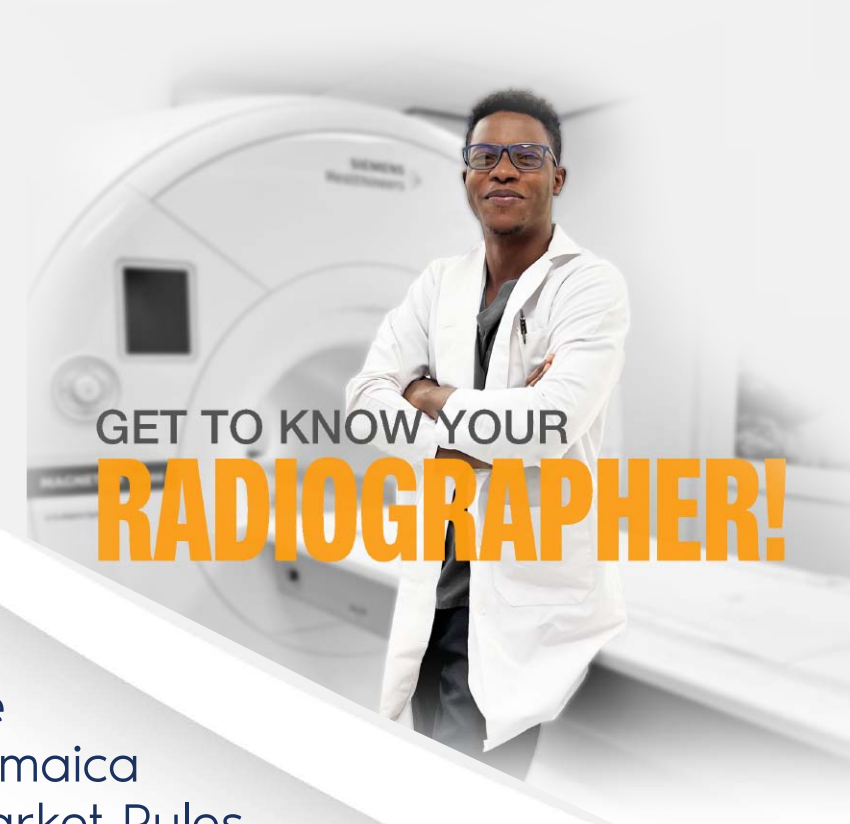
The appointment of board members is governed by the Company's Articles of Incorporation. It states that the Directors shall appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. The Director appointed shall hold office only until the next Annual General Meeting and be eligible for re-election.

Board rotation and retirement is also governed by the Company's Articles. At the first Annual General Meeting, one-third (1/3) of the directors shall retire. The Director who has been in office longest, since their last election or appointment, shall retire. However, retiring directors shall be eligible for re-election or re-appointment. A Board member may resign or retire at any time by providing the Chairman with a written notice of resignation.

## INVESTOR RELATIONS & STAKEHOLDER ENGAGEMENT

Elite is committed to shareholder engagement and has available to its shareholders several channels of engagement including its Facebook and Instagram platforms, the Company's website at [www.elite-diagnostic.com](http://www.elite-diagnostic.com) and the website of the Jamaica Stock Exchange. Direct contact can be made to the company's senior management or customer service teams using the dedicated email address [elite.diagnostic@yahoo.com](mailto:elite.diagnostic@yahoo.com) and we would love to hear from you!

Copies of our corporate governance policy and Committee Terms of Reference are available on our website at [www.elite-diagnostic.com](http://www.elite-diagnostic.com)



The Company is focused on ensuring that it adheres to the principles of the Jamaica Corporate Governance Code, the Jamaica Stock Exchange Junior Market Rules.

## BOARD AND COMMITTEE ATTENDANCE

The Board has constituted two (2) committees; the Audit Committee and the Governance and Compensation Committee.

A strong indicator of our Directors' involvement, dedication and engagement to Elite is their record of

attendance at the Annual General Meetings, Strategy Sessions, the Board and Sub-Committee meetings held during the financial year.

During the financial year under review, their respective attendance at meetings was recorded as follows in the table below:

NAMES	BOARD (8)	AUDIT (5)	GOVERNANCE & COMPENSATION (2)	ANNUAL GENERAL MEETING (1)	STRATEGY (1)
Steven Gooden	7			1	1
William Mahfood	6	3	2	1	1
Simone Bowie Jones	3	2			1
Warren Chung	7				1
Quentin Hugh Sam	8		2	1	1
Andre Ho Lung	3	3	1		
Neil Fong	8				1
Kevin Donaldson	7	5		1	
Mark Kerr-Jarrett	7		1		1



Elite Diagnostic Limited is building a solid foundation and is now ideally poised to reap the fruits of its labour in the coming financial year.



# MD&A

# MANAGEMENT DISCUSSION & ANALYSIS

Drawing valuable lessons from the difficulties faced during the fiscal year ended June 2023, Elite Diagnostic Limited is building a solid foundation and is now ideally poised to reap the fruits of its labour in the coming financial year.

The local diagnostic imaging landscape has become increasingly saturated with a choice of providers for most procedures island wide. New players have entered the market in the last twelve months, and existing competitors have modernized their equipment and expanded their offerings in line with international trends and developments.

Despite this, Elite's decade-long focus on superior customer care and comfort has ensured that we remain the provider of choice for leading physicians and customers across the island. Bolstered by the implementation of sustainable operational policies and innovative ways of working, the Company and its leadership are confident in the journey that lies ahead.

## STRATEGIZING FOR SUCCESS

The Company commenced the financial year under new leadership with Harvey Levers assuming the position of Chief Executive Officer, following the resignation of Director and Co-founder Warren Chung in September 2021.

Mr. Levers joined after ten years at the helm of a private Hospital and nearly two decades of senior management experience within the financial services

sector. His immediate mandate was to formulate a five-year strategic growth plan which would see Elite expanding island-wide and establishing itself as a recognized household name within the local healthcare industry.

During the third quarter, the Board of Directors was strengthened by the addition of experienced Attorney-at-Law Simone Bowie Jones, a Partner at one of the more prominent legal firms in Kingston. Mrs. Bowie Jones comes with over seventeen years of practice covering all areas of corporate and commercial law and sits on the Boards of some of Jamaica's foremost corporate entities.

Cube Corporate Support Limited, under the guidance of Mrs. Julie Thompson-James, was engaged to provide essential corporate secretarial support to Dr. Neil Fong who had assumed the role of Company Secretary during the third quarter, filling the vacancy created by the departure of Attorney-at-Law Anna Young at the end of the second quarter.

These adjustments position Elite favourably to satisfy several criteria mandated by the Jamaica Stock Exchange, the Financial Services Commission, the Companies Office of Jamaica, and other relevant regulatory bodies. This aligns with our commitment to adhering to stringent standards of good corporate governance, as stipulated for members of the Junior Market of the Jamaica Stock Exchange.

## OPERATIONAL INITIATIVES

Elite maintains a strong brand in the eyes of our consumers and medical partners. In an industry where most market players are equipped with similar arsenal, our team makes the difference.

We pride ourselves on catering to the wellbeing and satisfaction of the dedicated staff who ensure the superior care and comfort of our patients. The Company plans to build on this image moving forward by strengthening its reach and capabilities and increasing training opportunities for local talent.

The increased market competition however comes with varied challenges including the increased demand for knowledgeable and experienced professionals to interpret readings as well as those required to maintain machinery at the optimal level for performance.

Due to the significant shortage of trained technical staff within our local industry, the Company strengthened its alliance with both the Jamaica Association of Radiographers and the UWI Association of Student Radiographers to ensure that Elite would become their employer of choice upon graduation.

Elite's ongoing efforts to improve its service offerings will see their staff being trained year-round to constantly offer best-in-class customer service in every area of their operations to distinguish them from the rest of the market.

Going further to build on the Company's brand image and desired market dominance, we increased our investment in marketing and advertising via an increased digital media presence.

This approach not only raises awareness among individuals presently in need of their services, but also serves as an effective means of educating the public on the importance of proactive scanning for early detection and treatment of medical issues. Consequently, this channels new clientele to our branches.

Additionally, we increased visibility by sponsoring and attending several medical conferences and symposiums which were attended by numerous referring physicians and surgeons who remain an important source of patient referrals.

In keeping with Elite's environmental sustainability and cost savings goals, tenders for the provision of solar energy for their Old Hope Road branch were assessed and a selection was made in the fourth quarter.

This initiative should achieve at least a 35% reduction in the utility expense for that location upon completion. A similar installation will be implemented at the Drax Hall branch towards the end of the third quarter in the 2023-24 financial year.

The Board of Directors was strengthened by the addition of experienced Attorney-at-Law Simone Bowie Jones.

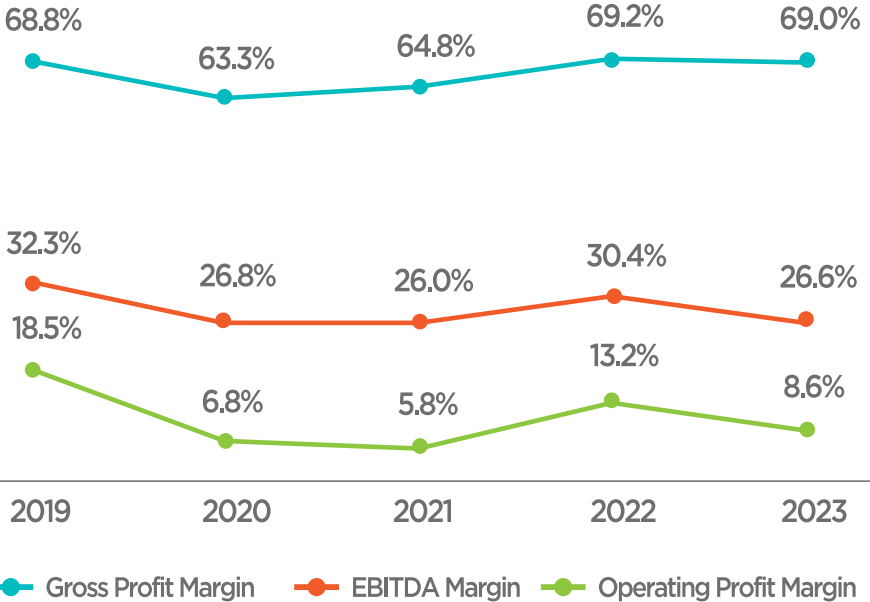


Elite’s ongoing efforts to improve its service offerings will see their staff being trained year-round to constantly offer best-in-class customer service in every area of their operations to distinguish them from the rest of the market.

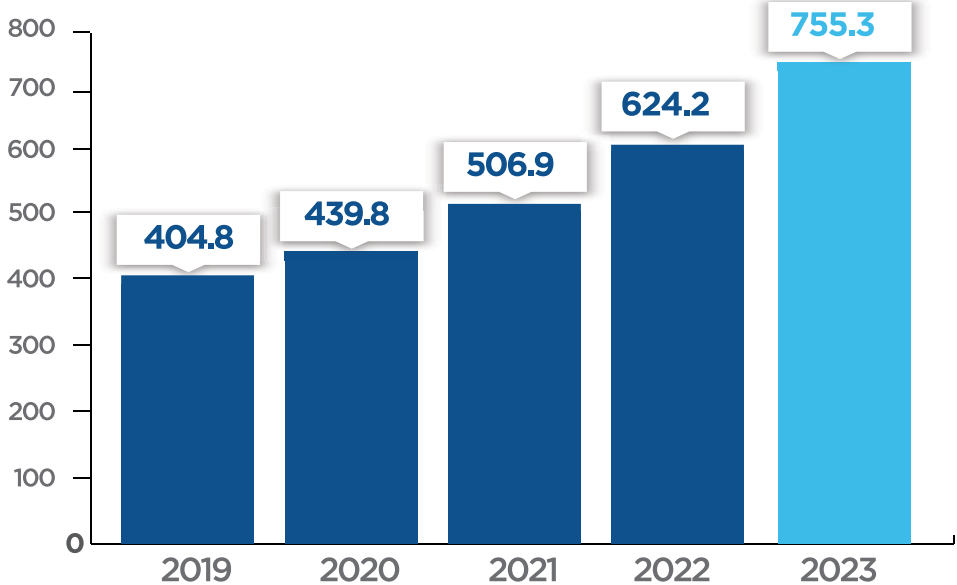
**FINANCIAL PERFORMANCE**

During the 2023 financial year, Elite embarked on a formidable journey marked by triumphs and trials. While the company managed to achieve revenue growth and notable gains in gross profits and EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), its path was dotted with unprecedented challenges. The Company navigated the hurdles of persistent machine downtime, soaring operating and finance costs, and the consequential reduction in net profit.

**MARGINS**



**REVENUE (J\$' MILLION)**



**REVENUES**

Despite facing unforeseen obstacles due to extended downtime of major machines throughout the financial year, Elite demonstrated remarkable resilience and adaptability and was able to register consecutive revenue growth.

The Company recorded revenues of \$755.3 million, which represents a 21% increase when compared to the previous financial year. The increase in revenues was primarily driven by the extended opening hours inclusive of weekend operational hours across branches as we sought to improve customer experience and meet increasing consumer demand.

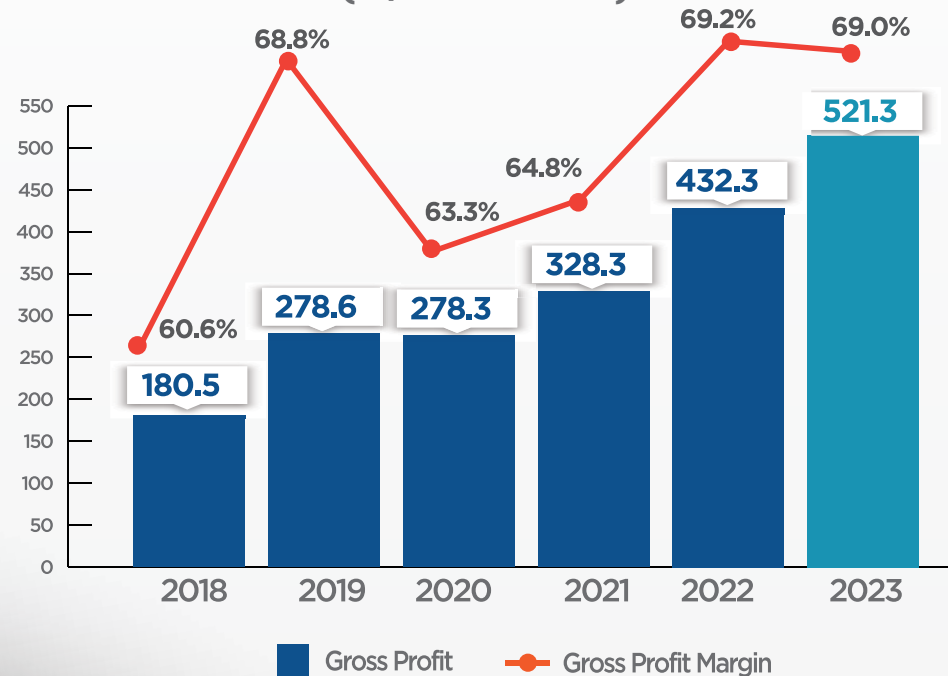
This strategic approach supported by the dedicated workforce resulted in a consistent upward trajectory in revenues, showcasing the Company’s commitment to its customers and stakeholders. Though the prolonged breakdown in machines caused loss in potential revenues, this revenue performance not only reflects the organization’s ability to weather adversity but also underscores its potential for sustained success in the face of dynamic operational and market conditions.

## GROSS PROFIT

The robust revenue performance also supported growth in gross profit. Direct costs increased by 21.9% due to a higher volume of business. Expenses were further exacerbated by the necessity to keep machines connected to power sources even when they were not actively operational or during breakdowns, exerting a negative impact on overall costs. However, the Company deployed its resources more efficiently and streamlined its processes to maximize output.

One of the strategic initiatives undertaken involved the partial conversion of the Old Hope Road branch into a teleradiology facility. This endeavour yielded cost savings on reading fees for consultant radiologists, who instead of their physical presence on-site, provided their diagnostic services remotely. These strategic actions resulted in a gross profit of \$521.3 million which was a 20.6% increase when compared to the prior year. This translated to a gross profit margin of 69% (2022: 69.2%) – the second highest margin ever recorded by the company.

## GROSS PROFIT vs GROSS PROFIT MARGIN (J\$' MILLION)



"Very good experience overall. The techs and the front desk ladies were absolutely lovely."  
★★★★★  
- CM

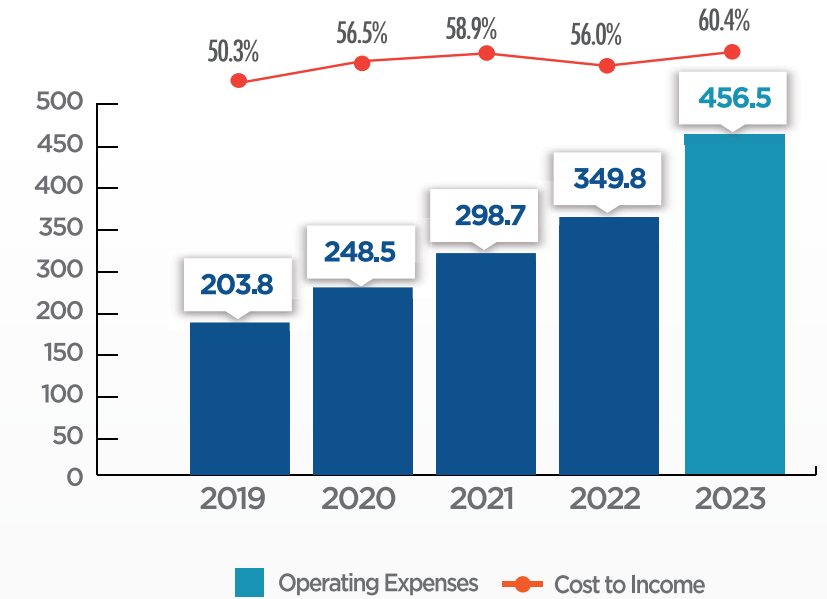
## OPERATING EXPENSES

Though initially on track to achieve robust performance, these efforts were strained by considerable operating expenses. Total operating expenses were \$456.6 million which was 30.5% higher than the amount recorded in the prior period. Consequently, cost to income ratio deteriorated by 4.4 percentage points to 60.4%. These increased expenses were driven by several factors including higher expenditure on repairs and maintenance due to the engagement of specialized expertise from overseas, and the procurement and importation of heavy-duty tools and equipment essential for the repair of machinery.

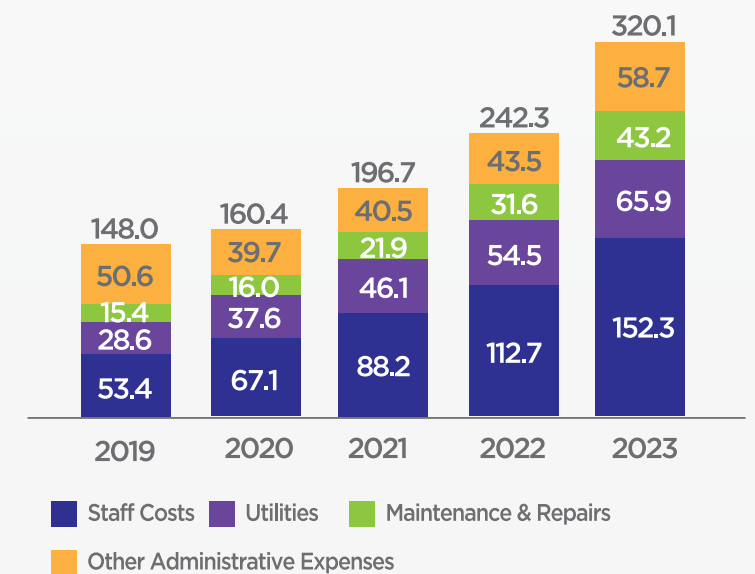
Staff costs which account for approximately 33% of operating expenses, registered a 35.2% increment due to increased staff remuneration packages. There was also an escalation in depreciation and amortisation due to the recognition of depreciation expenses associated with the MRI and CT machines acquired during the prior fiscal year.

This outturn resulted in an operating profit of \$64.7 million, representing a \$17.7 million decline. However, it must be noted that Elite's EBITDA improved by 5.9% to \$201.2 million.

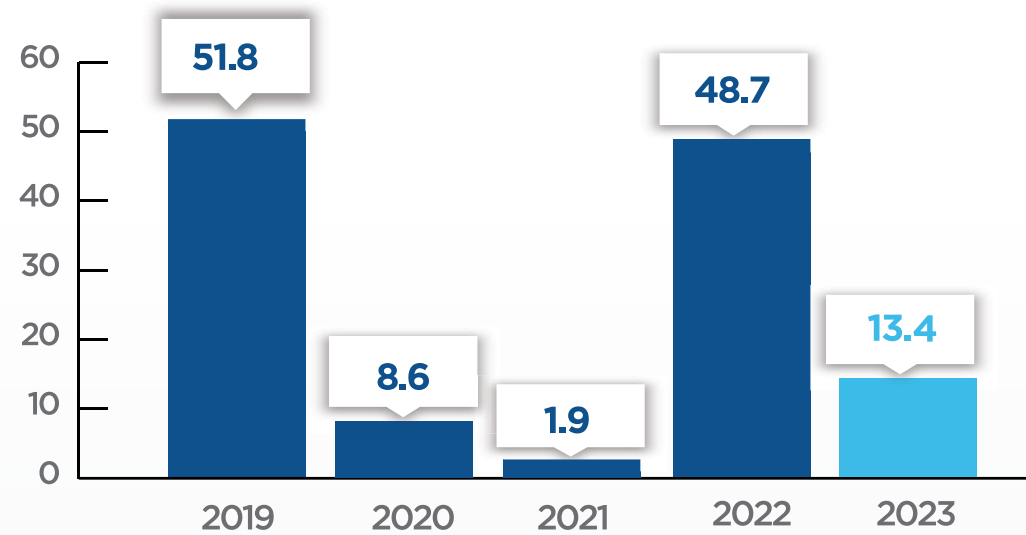
## OPERATING EXPENSES vs COST TO INCOME RATIO (J\$' MILLION)



## BREAKDOWN OF ADMINISTRATIVE EXPENSES (J\$' MILLION)



## NET PROFIT (J\$' MILLION)



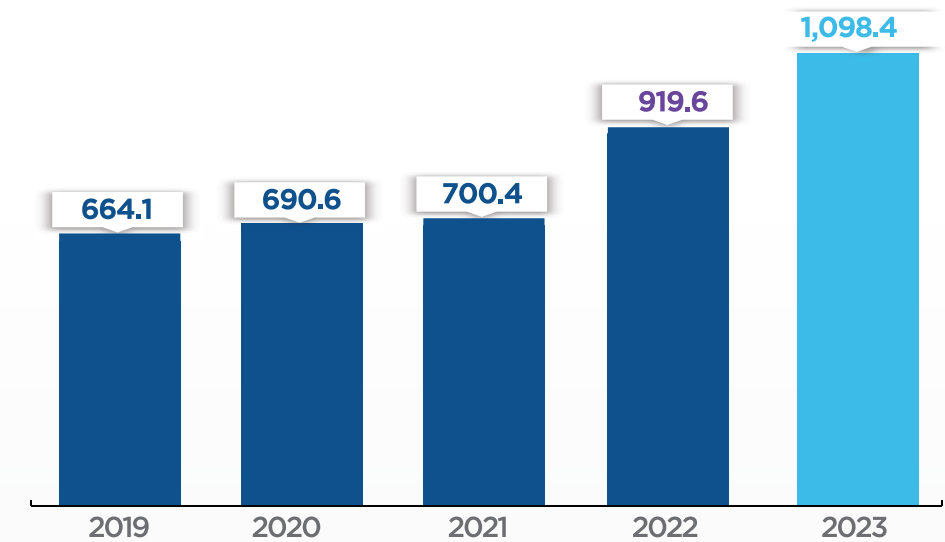
### NET PROFIT

Finance costs and foreign exchange losses also weighed on bottom line performance. Elite remained committed to its strategic goal of investing in state-of-the-art machines to enhance the efficiency of our scanning procedures, ultimately improving the quality of healthcare provided to patients. Given the capital-intensive nature of the business, Elite remains reliant on loan financing. To make servicing of their financial obligations more manageable, a strategic decision was taken

to restructure our loan portfolio. This allowed the Company to secure more favourable terms including longer repayment periods and reduced monthly payments. Increased interest rates and loan fees led to a 71.5% increase in finance costs.

Overall these factors resulted in a decline in the Company's net profits to \$13.4 million. Consequently the net profit margin decreased from 7.8% a year earlier to 1.8% in 2023.

## ASSETS (J\$' MILLION)



### BALANCE SHEET

#### ASSETS

The Company's asset base increased by 19.4%, reaching a total of \$1.1 billion. Notably, property, plant, and equipment (PP&E), which accounted for over 70% of its assets, expanded by 3.9% to \$781.4 million. However, the most substantial increase was observed in its current assets, primarily attributed to a significant rise in receivables. This increase in receivables was caused by delayed payments from participation in the public-private partnership with the Ministry of Health. Under this partnership, public

hospitals refer patients to Elite for services at a discounted rate due to the unavailability of required equipment at these hospitals. The Company values our participation in this program as it not only provides consistent revenues but also serves as a meaningful social service, contributing to the betterment of society by addressing critical healthcare needs in collaboration with the Ministry.

The growth in assets, coupled with a reduction in net profit, resulted in a decline in the return on assets, falling from 6% in 2022 to 1.3% in the current year.

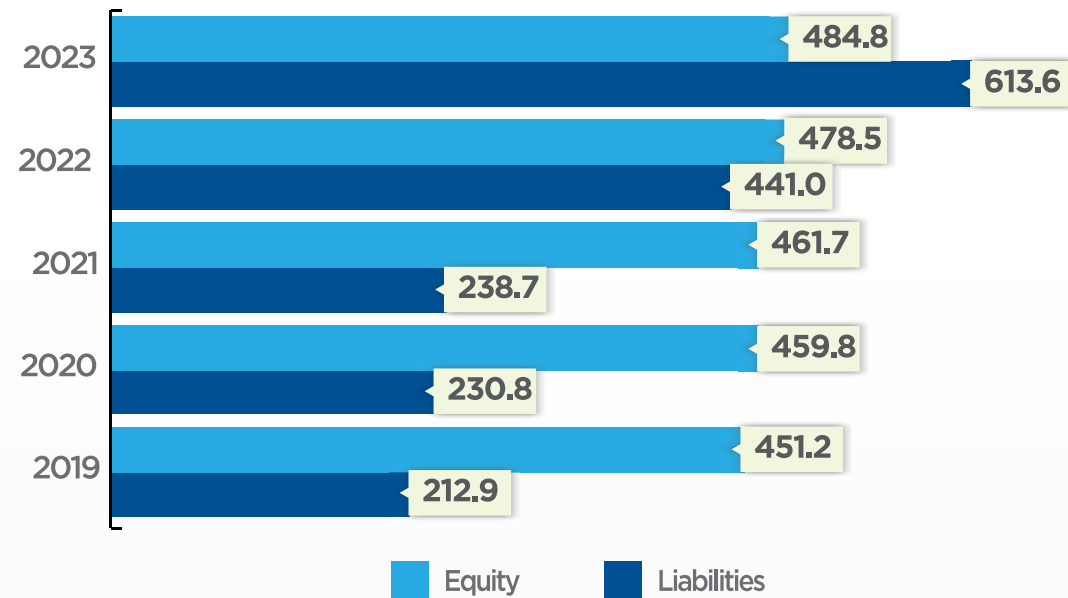
## EXPERIENCE *Elite*

I would rate Elite 11 out of 10. Everything was very good from start to finish  
- VM





## LIABILITIES & EQUITY (J\$' MILLION)

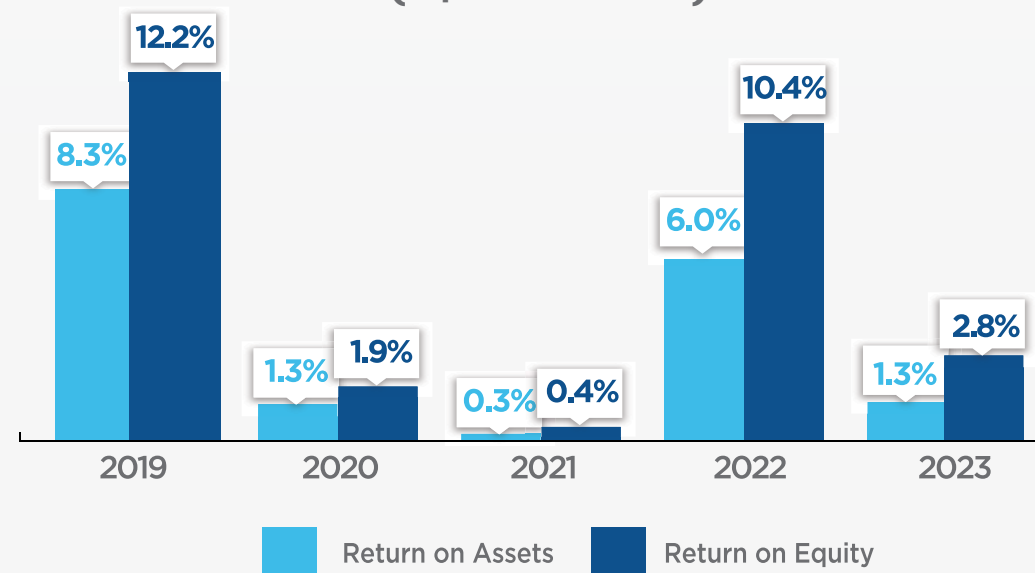


### LIABILITIES & EQUITY

Total liabilities amounted to \$613.6 million, primarily driven by \$435 million in outstanding debt, while shareholders' equity stood at \$484.8 million. The increase in debt resulted in a modest shift in the debt-to-equity ratio, rising from 0.8x to 0.9x. Given the unique nature of the business, the inclusion of

debt within the capital structure remains pivotal to the Company's overarching goals and financial strategy. Maintaining a debt-to-equity ratio below 1.0x underscores the robustness of our capital structure and is generally perceived favourably by stakeholders. This demonstrates our adept use of debt and investments to generate value for shareholders.

## RETURN ON ASSETS & RETURN ON EQUITY (J\$' MILLION)



# STRATEGIC OUTLOOK

With the guidance of renewed leadership, the Company has implemented a comprehensive strategy aimed at addressing the challenges faced during the year while stimulating continued growth and positioning itself for sustainable expansion and profitability.

To reduce the effects of unanticipated machine downtime, the Company will invest in pre-emptive maintenance to ensure operational efficiency and revenue generation. By continuing to invest in state-of-the-art diagnostic equipment, the Company aims to enhance performance and productivity. New breakthroughs in technology have resulted in improved imaging capabilities, resulting in more accurate diagnoses, and the resolution of issues such as claustrophobia, improving overall patient care and comfort. These advancements will not only reduce costs but also provide Elite a competitive edge, attracting more patients through the provision of first-class healthcare services.

To boost earnings and drive shareholder value, Elite will continue to focus on revenue generating strategies. This includes expanding our client base, forming strategic partnerships with healthcare providers, and introducing additional service offerings and locations to cater to our customers' evolving medical needs. The Company is also activating enhanced, targeted marketing efforts using social media to ensure that it is foremost in potential patient's and partners' minds whenever diagnostic services are required.

To ease direct costs, the Company will also explore the gradual expansion of teleradiology services. This remote interpretation of diagnostic images will enable the Company to tap into a broader pool of experienced radiologists and reduce its reliance on on-site staff. Going further, Elite intends to utilise alternative sources of energy at all our locations to facilitate our operations.

Elite remains committed to navigating all challenges and will continue to exhibit unwavering determination in the face of adversity. Through investments in energy efficiency, upgraded equipment, teleradiology, and revenue generating strategies, Elite is poised to improve its financial health, enhance shareholder value, and regain more robust profitability.

# FINANCIAL PERFORMANCE HIGHLIGHTS



**REVENUES**  
**J\$755.3m**

Revenue growth of 21%



**ASSETS**  
**J\$1.1b**

Strong growth following the acquisition of state-of-the-art machines

**EBITDA**  
**J\$201.2m**

Record-breaking EBITDA level



**NET PROFIT**  
**J\$13.4m**

**GROSS PROFIT**  
**J\$521.3m**

Gross Profit Growth of 20.6%

**COST-TO-INCOME**  
**60.4%**

Inflationary pressures and exceptional costs negatively impact outturn

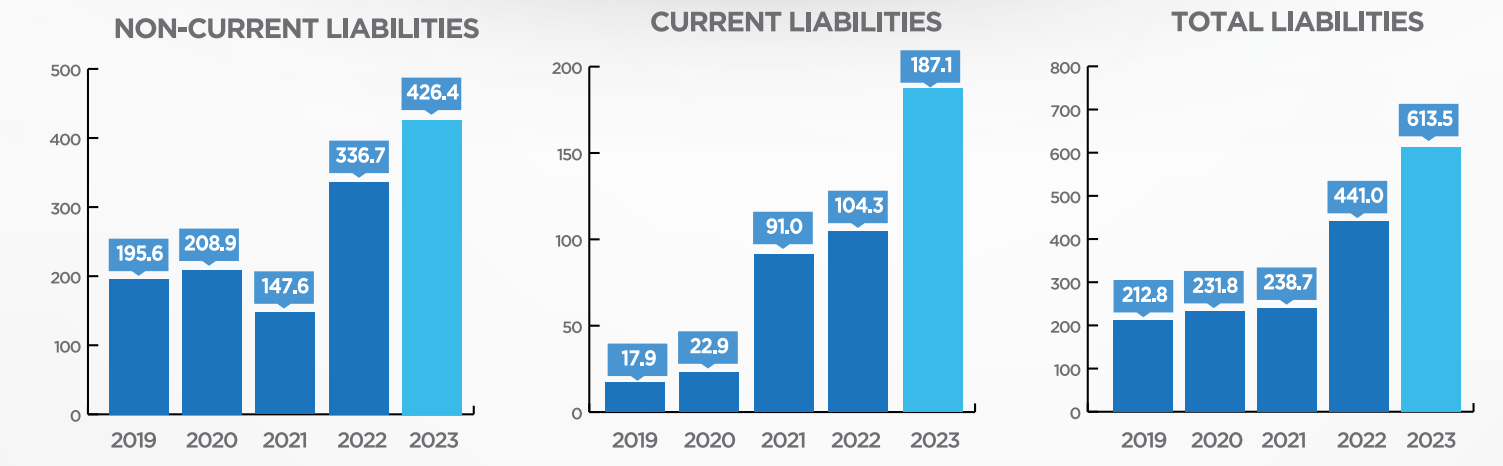
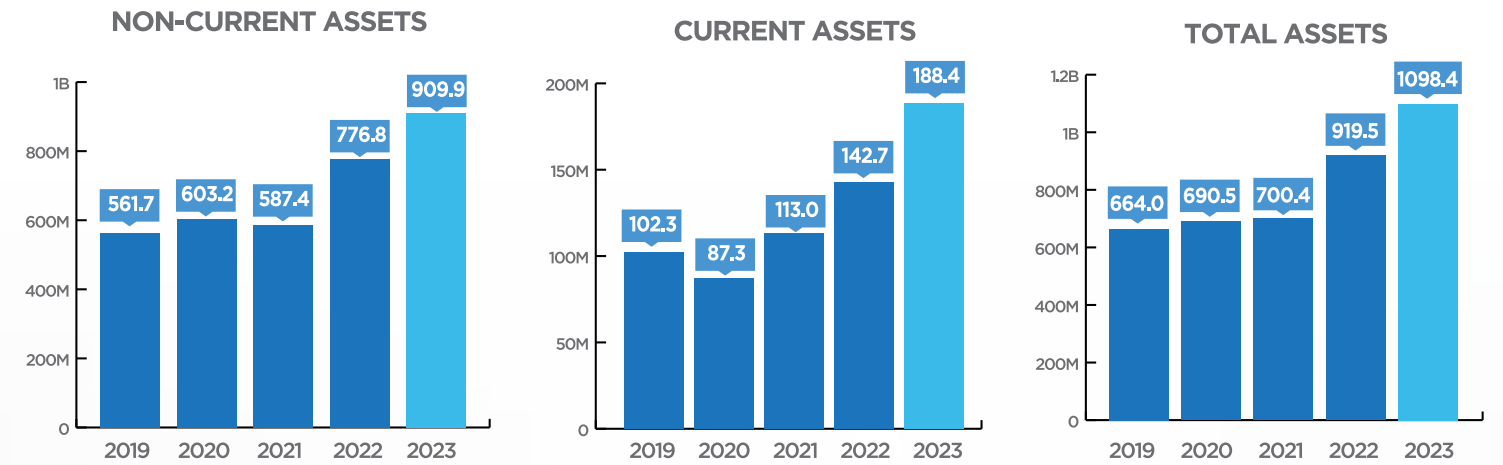
**GROSS PROFIT MARGIN**  
**69%**

Robust gross profit margin

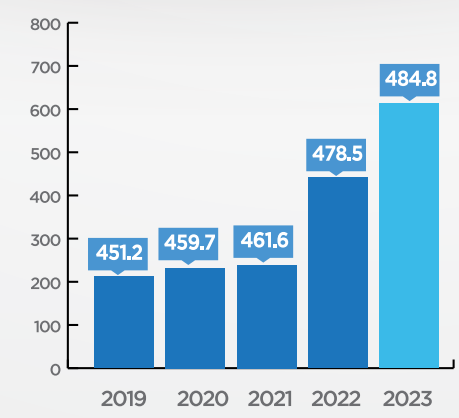


# FIVE YEAR FINANCIAL REVIEW

## BALANCE SHEET (J\$'000)

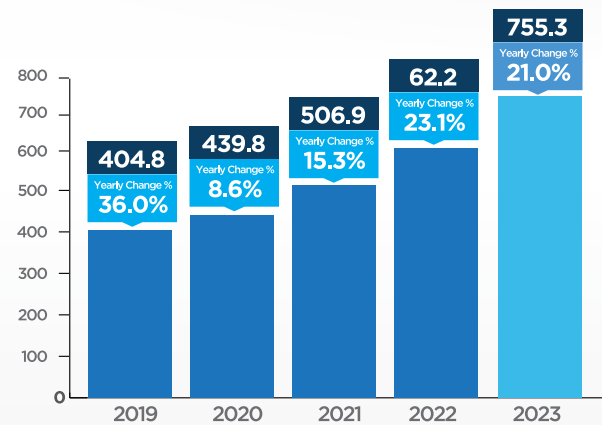


## SHAREHOLDER'S EQUITY

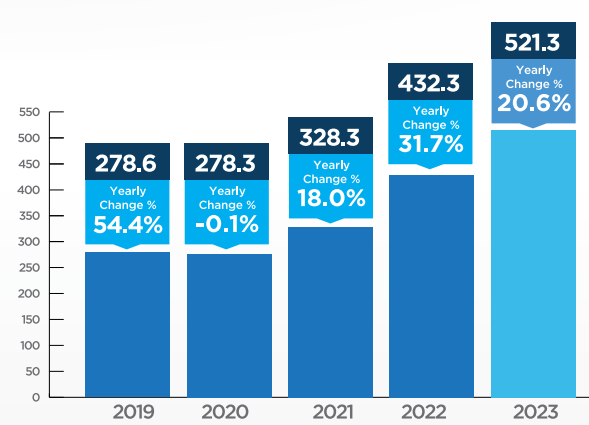


# PROFIT & LOSS (J\$'000)

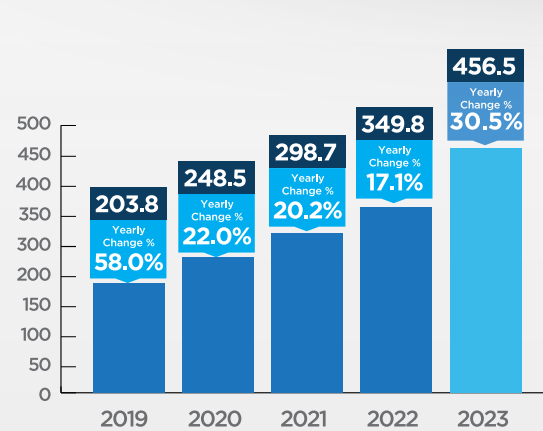
REVENUE (J\$' MILLION)



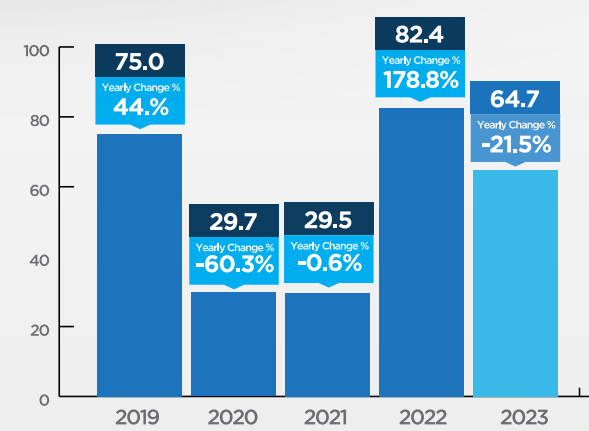
GROSS PROFIT



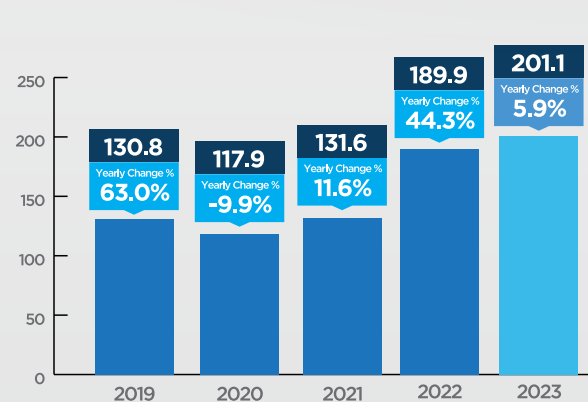
OPERATING EXPENSES



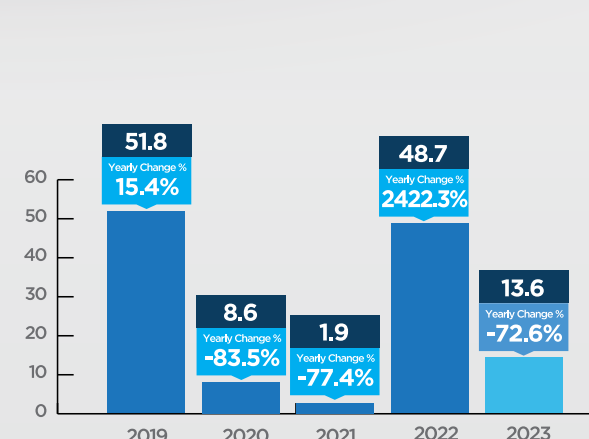
OPERATING PROFIT



EARNINGS BEFORE TAXES, INTEREST, DEPRECIATION & AMORTISATION



PROFIT FOR THE YEAR (J\$' MILLION)



# KEY RATIOS

## PROFITABILITY

	2019	2020	2021	2022	2023
Gross Profit Margin (%)	68.8%	63.3%	64.8%	69.2%	69.0%
Cost-to-Income Ratio (%)	50.3%	56.5%	58.9%	56.0%	60.4%
Interest Coverage Ratio	6.52	5.68	6.26	6.95	4.29
Return on Equity (%)	12.2%	1.9%	0.4%	10.4%	2.8%
Return on Total Asset (%)	8.3%	1.3%	0.3%	6.0%	1.3%

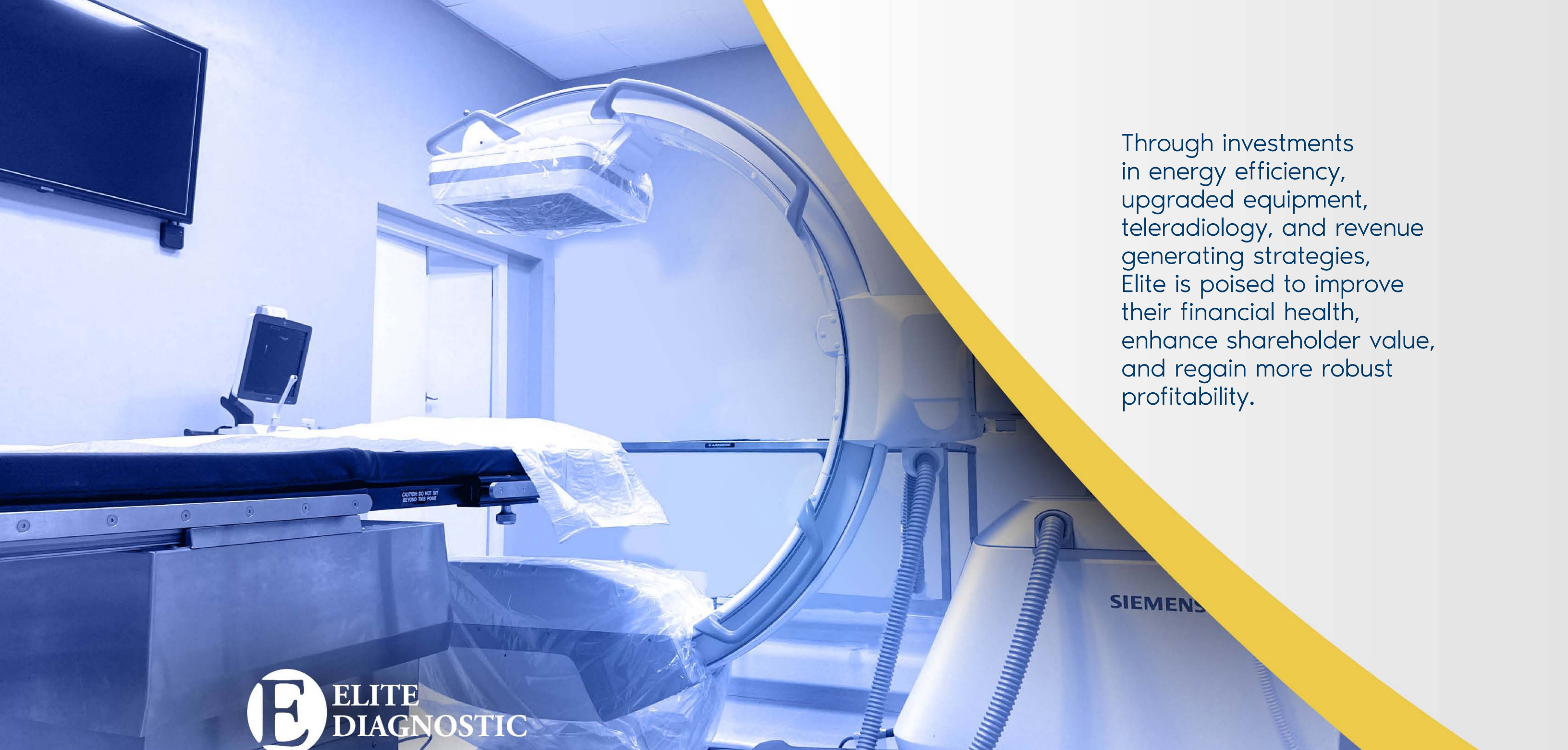
## ACTIVITY

	2019	2020	2021	2022	2023
Debtor Days	2.4	3.0	17.4	29.5	42.5
Creditor Days	29.2	26.5	38.5	65.7	84.7

## LIQUIDITY & SOLVENCY

	2019	2020	2021	2022	2023
Current ratio	6.0	3.8	1.2	1.4	1.0
Debt to Equity ratio	0.4	0.4	0.4	0.8	0.9
Debt to Total Assets ratio	0.3	0.3	0.3	0.4	0.4
Assets to Total Liabilities	3.1	3.0	2.9	2.1	1.8
Equity to Total Assets	0.7	0.7	0.7	0.5	0.4





Through investments in energy efficiency, upgraded equipment, teleradiology, and revenue generating strategies, Elite is poised to improve their financial health, enhance shareholder value, and regain more robust profitability.



# FINANCIALS



## Elite Diagnostic Limited

### Report to Shareholders

Year Ended June 30, 2023



## Directors' Report

The Board of Directors of Elite Diagnostic Limited presents the company's Audited Financial Statements for the year ended June 30, 2023. Revenues for the year increased by 21% to \$755.3 Million compared to \$624.2 Million the previous year.

Net profit was \$13.3 Million compared to \$48.6 Million the prior year. Although our gross revenues increased by \$131.1 Million, the company saw increases in administrative expenses of \$77.8 Million, depreciation expense of \$28.9 Million, and finance costs of \$19.5 Million. Total Assets grew by \$178.9 Million to \$1.1 Billion compared to \$919.5 Million in the previous year as our stock of medical equipment was increased during the year. Total Liabilities grew by \$172.5 Million to \$613.5 Million from \$441.0 Million the previous year due mainly to the associated financing of the new medical equipment purchased.

We became liable for payment of corporate income taxes in the middle of our third quarter at fifty percent of the legislated rate. This concession will continue until February 2028 at which time the full rate becomes applicable.

Some of the diagnostic equipment underwent extended downtime throughout the year which resulted in higher repair and maintenance costs. While the downtime impacted the growth in revenues, with extended working hours and increased marketing efforts, we were still able to exceed the prior year's sales by 21%.

During the year, the industry became increasingly competitive as new players entered the market, and existing providers increased their service offerings. We increased our customer service training seminars and also our marketing and promotions efforts so as to retain and increase our present market share.

The opening of a branch in Montego Bay remains high on our agenda in keeping with our medium term expansion plans. We take this opportunity to thank our Directors, our customers, the referring doctors, all our shareholders, and our dedicated Elite team for their continued hard work and support to maintain Elite's positive presence within the medical diagnostic industry.

Warren Chung - Director

Neil Fong - Director



## Elite Diagnostic Limited

Financial Statements  
June 30, 2023

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**Elite Diagnostic Limited**  
June 30, 2023

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## Independent auditor's report

To the Members of  
Elite Diagnostic Limited

### Report on the audit of the Financial Statements

#### Opinion

We have audited the financial statements of Elite Diagnostic Limited ("the Company") which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### hlbjm.com

Partners: Sixto P. Coy, Karen A. Lewis

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

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

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### Report on the audit of the Financial Statements (cont'd)

#### Other information

Management is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of Management and those charged with governance for the 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 financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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.

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the audit of the Financial Statements (cont'd)** Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

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.

## Independent auditor's report (cont'd)

To the Members of  
Elite Diagnostic Limited

### **Report on the audit of the Financial Statements (cont'd)** Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe the matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 Coy.

Kingston, Jamaica

September 22, 2023



HLB Mair Russell  
Chartered Accountants



**Elite Diagnostic Limited**  
**Statement of financial position**  
June 30, 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	(3)	781,374,488	752,379,008
Right-of-use assets	(4)	108,089,296	24,461,857
Restricted deposit	(5)	20,500,000	-
		<b>909,963,784</b>	<b>776,840,865</b>
<b>Current assets</b>			
Receivables	(6)	116,485,055	59,261,920
Prepayments		18,080,482	7,567,596
Cash and cash equivalents	(7)	53,882,276	75,890,161
		<b>188,447,813</b>	<b>142,719,677</b>
<b>Total assets</b>		<b>1,098,411,597</b>	<b>919,560,542</b>
<b>Equity</b>			
Share capital	(8)	348,898,459	348,898,459
Retained earnings		135,928,010	129,645,128
<b>Total equity</b>		<b>484,826,469</b>	<b>478,543,587</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	(4)	82,770,900	13,192,272
Long-term loans	(9)	343,653,098	323,522,773
		<b>426,423,998</b>	<b>336,715,045</b>
<b>Current liabilities</b>			
Trade and other payables	(10)	69,232,358	39,355,367
Short-term loans	(11)	6,594,031	5,825,615
Current portion of lease liabilities	(4)	26,582,199	8,694,162
Current portion of long-term loans	(9)	84,717,698	50,426,766
Taxation payable		34,844	-
		<b>187,161,130</b>	<b>104,301,910</b>
<b>Total liabilities</b>		<b>613,585,128</b>	<b>441,016,955</b>
<b>Total equity and liabilities</b>		<b>1,098,411,597</b>	<b>919,560,542</b>

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

Approved for issue by the Directors on September 22, 2023 and signed on its behalf by:

  
Warren Chung

  
Neil Fong

**Elite Diagnostic Limited**  
**Statement of profit or loss and  
other comprehensive income**  
Year ended June 30, 2023

	Note	2023 \$	2022 \$
<b>Income</b>		755,334,185	624,222,166
Direct costs		(234,073,182)	(191,958,011)
		<b>521,261,003</b>	<b>432,264,155</b>
Administrative and other expenses	(12)	(320,099,645)	(242,288,931)
Depreciation and amortisation	(12)	(136,448,621)	(107,525,615)
<b>Operating profit</b>		<b>64,712,737</b>	<b>82,449,609</b>
Finance income	(13)	94,896	11,261
Finance costs	(13)	(46,866,014)	(27,331,985)
Loss on foreign exchange		(4,555,893)	(6,469,182)
<b>Profit before tax</b>		<b>13,385,726</b>	<b>48,659,703</b>
Income tax expense	(14)	(34,844)	-
<b>Profit for the year being total comprehensive income for the year</b>		<b>13,350,882</b>	<b>48,659,703</b>
<b>Earnings per share</b>	(15)	<b>0.04</b>	<b>0.14</b>

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

## Elite Diagnostic Limited Statement of changes in equity

Year ended June 30, 2023

	Share capital \$	Retained earnings \$	Total \$
<b>Balance at June 30, 2021</b>	348,898,459	112,791,425	461,689,884
Dividends paid (Note 16)	-	(31,806,000)	(31,806,000)
Profit for the year being total comprehensive income for the year	-	48,659,703	48,659,703
<b>Balance at June 30, 2022</b>	348,898,459	129,645,128	478,543,587
<b>Transactions with owners</b>			
Dividends paid (Note 16)	-	(7,068,000)	(7,068,000)
Profit for the year being total comprehensive income for the year	-	13,350,882	13,350,882
<b>Balance at June 30, 2023</b>	<b>348,898,459</b>	<b>135,928,010</b>	<b>484,826,469</b>

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

## Elite Diagnostic Limited Statement of cash flows

Year ended June 30, 2023

	2023 \$	2022 \$
<b>Cash flows from operating activities:</b>		
Profit for the year	13,385,726	48,659,703
Adjustments for:		
Depreciation and amortisation (Note 12)	136,448,621	107,525,615
Interest expense (Note 13)	46,866,014	27,331,985
Interest income (Note 13)	(94,896)	(11,261)
	<b>196,605,465</b>	<b>183,506,042</b>
Increase in receivables	(57,223,135)	(17,495,088)
Increase in prepayments	(10,512,886)	(324,243)
Increase in payables and accruals	29,876,992	9,563,967
	<b>158,746,436</b>	<b>175,250,678</b>
<b>Cash generated from operations</b>	<b>158,746,436</b>	<b>175,250,678</b>
Interest paid	(46,866,014)	(27,331,985)
<b>Net cash provided by operating activities</b>	<b>111,880,422</b>	<b>147,918,693</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(137,747,708)	(275,793,213)
Interest received of withholding tax	94,896	111,261
Restricted deposit	(20,500,000)	-
<b>Net cash used in investing activities</b>	<b>(158,152,812)</b>	<b>(275,781,952)</b>
<b>Cash flow from financing activities</b>		
Proceeds on long-term loan	365,423,598	190,000,000
Repayment of long-term loans	(311,002,342)	(11,050,461)
Short-term loan	768,416	5,825,615
Dividends paid	(7,068,000)	(31,806,000)
Repayment of lease liabilities	(23,857,167)	(13,209,529)
<b>Net cash provided by financing activities</b>	<b>24,264,505</b>	<b>139,759,625</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,007,885)</b>	<b>11,896,366</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>75,890,161</b>	<b>63,993,795</b>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>53,882,276</b>	<b>75,890,161</b>

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

**1. General information and nature of operations**

Elite Diagnostic Limited was incorporated under the Laws of Jamaica on February 28, 2012 and is domiciled in Jamaica. The company commenced operations in August 2013. The company's principal place of business is located at 1b Holborn Road, Kingston 5, with branches at 164½ Old Hope Road and Drax Hall, St. Ann.

The company provides diagnostic imaging services.

The company was listed on the Jamaica Stock Exchange (JSE) Junior Market via an Initial Public Offering (IPO) on February 20, 2018.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a Statement of compliance and basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act. The measurement bases used are more fully described in the accounting policies below.

**Changes in accounting policies**

**New Standards, interpretations and amendments to published standards that became effective in the current year**

Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have a significant impact on the financial statements.

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Company.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Company's financial statements.

**Amendments to IAS 1, Presentation of Financial Statements** (effective for annual periods beginning on or after January 1, 2023). The Amendments promotes consistency application and clarify the requirements on determining if a liability is current or non-current.

**Amendment to IAS 8 Accounting Policies Changes in Accounting Estimates and Errors** (effective for periods beginning on or after January 1, 2023). The amendment introduces a new definition for accounting estimates; clarifying that they are monetary amounts in the financial statements and are subject to measurement uncertainty.

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

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

**b Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

**c Property, plant and equipment**

(i) Carrying amount

Property, plant and equipment are carried at cost less accumulated depreciation.

(ii) Depreciation

Depreciation is provided on the straight line basis at such rates as will write off the cost of the various assets over the period of their expected useful lives. The useful lives approximate to forty (40) years for buildings, five to ten (5 - 10) years for furniture, fixtures, machinery and equipment, three (3) years for computers and five (5) years for motor vehicle.

Leasehold building and improvements are being amortised over twenty years.

(iii) Repairs and renewals

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

**d Functional and presentation currency**

*Functional and presentation currency*

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

*Foreign currency translations and balances*

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

(ii) Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the dates of those transactions.

(iii) Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items are included in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical rates except for those measured fair value which are translated using the exchange rates at the date when the fair value was determined.

**e Revenue recognition**

Revenue is recognised when the company satisfies a performance obligation. Revenue is measured at the fair value of consideration received and receivable.

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## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

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

#### f Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or the receipt on the goods or as incurred.

#### g Cash and cash equivalents

Cash and cash equivalents comprise amounts held in current and savings accounts with financial institutions and cash on hand balances net of bank overdraft.

#### h Trade and other receivables

Trade and other receivables are classified as loans and receivables. These are initially recognised at original invoice amount (which represents fair value) and subsequently measured at amortised cost.

#### i Financial instruments

##### Recognition and derecognition

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

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

##### Classification and initial measurement of financial assets

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

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

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

In the periods presented the company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

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

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

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## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

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

#### i Financial instruments

##### 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 company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

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

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

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

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

The Company accounts 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).

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## Elite Diagnostic Limited

### Notes to the Financial Statements

Year ended June 30, 2023

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

### i Financial instruments (cont'd)

#### 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 included loans and other debt type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Trade and other receivables and contract assets

The company makes use of a simplified approach in accounting for impairment of trade and 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 company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

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## Elite Diagnostic Limited

### Notes to the Financial Statements

Year ended June 30, 2023

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

### i Financial instruments (cont'd)

#### Classification and measurement of financial liabilities

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

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

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

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

### j Payables and accruals

Payables and accruals are obligations to pay for goods or services that have acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### k Income taxes

The Company will not be liable to pay corporate income tax in its first 5 years on the Junior Market. It will be liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

### l Borrowings

Borrowings are recognised initially at fair value, being their issued proceeds net of transaction costs incurred, any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings. Interest expense is reported on the accruals basis and other borrowing costs, are expensed to profit or loss in the period which they are incurred and are reported in finance costs.

### m Impairment

The company's assets are subject to impairment testing.

For the purposes 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.

# Elite Diagnostic Limited

## Notes to the Financial Statements

Year ended June 30, 2023

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

#### m Impairment (Cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's 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 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are included in equity as a deduction from proceeds.

#### o Critical accounting judgements and key sources of estimation uncertainty

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.

Depreciation and amortisation of property, plant and equipment.

Depreciation and amortisation are provided so as to write down the respective assets to their residual values over their expected useful lives and, as such, the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as disclosed in Note 2(c).

Expected credit loss

The measurement of expected credit loss requires significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting. Details of these estimates are disclosed in Note (17)(b).

## Elite Diagnostic Limited

### Notes to the Financial Statements

Year ended June 30, 2023

### 3. Property, plant and equipment

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2023 are reconciled as follows:

	Furniture and Fixtures	Medical Equipment	Computers	Computer Software	Solar System	Other Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>								
Balance at July 1, 2022	41,190,975	937,094,842	18,664,261	14,170,993	9,683,461	38,440,154	144,257,744	1,203,502,430
Additions	1,327,624	101,161,761	3,802,840	2,946,502	150,624	3,005,208	25,353,149	137,747,708
Transfer	(38,870,585)	(38,870,585)				1,886,833	36,508,057	(475,695)
<b>Balance at June 30, 2023</b>	<b>42,518,599</b>	<b>999,386,018</b>	<b>22,467,101</b>	<b>17,117,495</b>	<b>9,834,085</b>	<b>43,332,195</b>	<b>206,118,950</b>	<b>1,340,774,443</b>
<b>Depreciation</b>								
Balance at July 1, 2022	(20,013,884)	(324,610,173)	(12,418,551)	(11,169,424)	(5,648,688)	(20,345,865)	(56,916,837)	(451,123,422)
Current charge	(2,168,151)	(78,658,586)	(1,826,090)	54,596	(1,559,243)	(2,952,048)	(21,167,011)	(108,276,533)
<b>Balance at June 30, 2023</b>	<b>(22,182,035)</b>	<b>(403,268,759)</b>	<b>(14,244,641)</b>	<b>(11,114,828)</b>	<b>(7,207,931)</b>	<b>(23,297,913)</b>	<b>(78,083,848)</b>	<b>559,399,955</b>
<b>Carrying amount at June 30, 2023</b>	<b>20,336,564</b>	<b>596,117,259</b>	<b>8,222,460</b>	<b>6,002,667</b>	<b>2,626,154</b>	<b>20,034,282</b>	<b>128,035,102</b>	<b>781,374,488</b>

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 4. Leases

#### Right-of-use assets

The carrying amounts for right-of-use assets for the years included in these financial statements can be analysed as follows:

	\$
<b>Gross carrying amount</b>	
Balance at July 1, 2022	61,537,946
Increase in right-of-use asset	111,799,527
Adjustment	(39,045,971)
<b>Balance at June 30, 2023</b>	<b>134,291,502</b>
<b>Depreciation</b>	
Balance at July 1, 2022	(37,076,089)
Charge for the year	(28,172,088)
Adjustment	39,045,971
<b>Balance at June 30, 2023</b>	<b>(26,202,206)</b>
<b>Carrying amount at June 30, 2023</b>	<b>108,089,296</b>

	\$
<b>Gross carrying amount</b>	
Balance at July 1, 2021	40,375,323
Increase in right-of-use asset	21,162,623
<b>Balance at June 30, 2022</b>	<b>61,537,946</b>
<b>Depreciation</b>	
Balance at July 1, 2021	(26,946,868)
Charge for the year	(10,129,221)
<b>Balance at June 30, 2022</b>	<b>(37,076,089)</b>
<b>Carrying amount at June 30, 2022</b>	<b>24,461,857</b>

The company leases office space under various lease agreements which typically runs for a period of three to five (3-5) years. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on or a rate (such as lease payments based on a percentage of company sales) are excluded from the initial measurement of the lease liability and asset.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 4. Leases (cont'd)

#### (a) Lease liabilities

The company operates from leased premises at its Holborn Road, Hope Road and Drax Hall locations.

Information about leases for which the company is a lessee is presented below:

Lease liabilities are presented in the statement of financial position is as follows:

	2023 \$	2022 \$
<b>Non-current</b>	82,770,900	13,192,272
<b>Current</b>	26,582,199	8,694,162
	<b>109,353,099</b>	<b>21,886,434</b>

Future minimum lease payments are as follows:

	2023		
	Within 1 year \$	1 to 2 Years \$	Total \$
Lease payments	27,550,920	84,094,985	111,647,905
Finance charges	(970,721)	(1,324,085)	(2,294,806)
<b>Net present values</b>	<b>26,582,199</b>	<b>82,770,900</b>	<b>109,353,099</b>
	2022		
	Within 1 year \$	1 to 2 Years \$	Total \$
Lease payments	8,802,816	13,735,145	22,537,961
Finance charges	(108,654)	(542,873)	(651,527)
<b>Net present values</b>	<b>8,694,162</b>	<b>13,192,272</b>	<b>21,886,434</b>

#### (b) Amount recognised in the profit or loss

	2023 \$	2022 \$
Depreciation charged on right-of-use-asset	28,172,088	10,129,221
Interest on lease liabilities	1,158,871	76,841
<b>Net present values</b>	<b>29,330,959</b>	<b>10,282,903</b>

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 4. Leases (cont'd)

#### (c) Amount recognised in the statements of cash flows

	2023 \$	2022 \$
Principal payment	23,857,167	13,209,529
Interest payments	1,158,871	76,841
<b>Net present values</b>	<b>25,016,038</b>	<b>13,286,370</b>

### 5. Restricted Deposit

This represents a Jamaican Dollar deposit of J\$20,500,000 being held as a reserve account at MF&G Asset Management Limited- NCB Capital Markets Limited Diversified Unit Trust Scheme (JMD Money Market Portfolio) a company duly incorporated under the Companies Act, in keeping with the terms and conditions of the loan agreement.

### 6. Receivables

	2023 \$	2022 \$
Due from patients and insurance companies	116,812,395	57,090,090
Less: expected credit loss	(3,189,115)	(1,211,487)
	<b>113,623,280</b>	<b>55,878,603</b>
Other receivables	2,861,775	3,383,317
<b>Total</b>	<b>116,485,055</b>	<b>59,261,920</b>

The ageing of due from patients and insurance companies at the reporting date were:

	2023 \$	2022 \$
0 – 30 days	28,383,411	22,367,363
31-60 days	29,287,117	18,045,546
Over 60 days	59,310,339	18,849,011
<b>Total</b>	<b>116,980,867</b>	<b>59,261,920</b>

Reconciliation of expected credit loss:

	2023 \$	2022 \$
Balance at beginning of year	1,211,487	1,058,556
Right off during the year	316,820	-
Additional provision during the year	1,660,808	152,931
<b>Balance at end of year</b>	<b>3,189,115</b>	<b>1,211,487</b>

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 7. Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	53,188,625	75,705,161
Cash in hand	693,651	185,000
<b>Total</b>	<b>53,882,276</b>	<b>75,890,161</b>

### 8. Share capital

	2023	2022
Authorised ordinary stock units of no par value	<u>Unlimited</u>	<u>Unlimited</u>
<b>Issued shares at no par value</b>		
Share capital		
353,400,000 ordinary stock units	<b>348,898,459</b>	<b>348,898,459</b>

### 9. Long-term loans

	2023 \$	2022 \$
(i) MF & G Asset Management Limited	181,270,796	195,000,000
(ii) First Global Bank	-	178,949,539
(iii) National Commercial Bank	247,100,000	-
	<b>428,370,796</b>	<b>373,949,539</b>
Less: Current portion of long-term loans	(84,717,698)	(50,426,766)
<b>Total</b>	<b>343,653,098</b>	<b>323,522,773</b>

i On April 30, 2023, the loan was refinanced in the amount of \$205,750,000. The loan was disbursed in two (2) tranches with tranche one (1) being J\$117,000,000 for outstanding principal balance on loan and J\$20,500,000 allotted to a debt service reserve account. Tranche two (2) being J\$68,250,000 for outstanding amortised principal balance.

The loan bears interest rate of 11.25% per annum, with the first repayment being \$14,729,135 to be paid on June 30, 2023, thereafter there shall be six(6) payments in quarterly instalments of J\$14,729,135 commencing on September 29, 2023 and ending December 31, 2024; eight (8) payments of J\$56,812,719 shall be paid on March 31, 2025 with the remaining four(4) payment of \$11,458,333 commencing on June 30,2025 and ending on February 14, 2026.

The loan is secured by:

- Debt service reserve account to be established with J\$20,500,000 approximating the first quarter's principal plus interest.



## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 9. Long-term loans (cont'd)

- Bill of sale over Borrower's equipment valued at \$424,918,000.
- Assignment of Low Voltage and Equipment All Risks and Commercial All Risks Insurance Policies for the equipment securing the Facility.
- Subordination of inter-company and shareholder's loans and advances.
- Promissory Note.

ii The loan bears interest of 6.8% per annum and is repayable over eighty-four (84) months. The loan is repayable in monthly instalments of \$2,849,069 inclusive of interest.

The loan is secured by:

- General Security Agreement over one (1) MAGNETOM Althea-MRI System #14461700.
- Debenture over fixed and floating assets stamped to cover JMD192,000,000.
- Assignment of all risk insurance over MAGNETOM Althea-MRI System #14461700 with FGB's interest noted.
- FGB's interest is be noted on insurance policy over the assets of the company to the extent of JMD 192,000,000.

The loan was fully repaid during the year.

iii The loan bears interest of nine point eight five percent (9.85%) per annum and is repayable over eighty-four (84) months. The loan is repayable in monthly instalments of \$4,083,026.69 inclusive of interest.

The loan is secured by:

- Promissory note and loan agreement for NCB Senior Partially Secured amortising term loan for \$247,100,000.
- Debenture over fixed and floating assets of the company stamped to cover J\$247,100,000.
- Security contract (Bill of Sale) over the following equipment/machinery registered and stamped collateral for J\$247,100,000.
  - (i) Siemens, Somatom go. Now (CT)
  - (ii) Alberex, UPS- Model AB-BRICM
  - (iii) Siemens, Magnetom, Altea (MR)
- Assignment of All Risks and Commercial All Risks Insurance Policies for the equipment/ machinery in items (3) above.
- Subordination of all Directors', Shareholders', and related party debts to Banks Borrowings.
- Development Bank of Jamaica (DBJ) Credit Enhancement Fund (CEF) guarantee for J\$30 million.
- Any other security documents that will be reasonably required by the bank.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 10. Trade and other payables

	2023 \$	2022 \$
Trade payables	46,632,174	17,342,493
Accruals	14,485,625	15,534,051
Other payables	8,144,559	6,478,823
<b>Total</b>	<b>69,232,358</b>	<b>39,355,367</b>

### 11. Short-term loan

	2023 \$	2022 \$
i Jamaica National Bank	2,362,007	2,118,235
ii Jamaica National Bank	4,232,024	3,707,380
<b>Total</b>	<b>6,594,031</b>	<b>5,825,615</b>

(i) This represents insurance premium financing at an interest rate of 2.81% per annum. It is repayable by March 2024 in monthly instalments of US\$3,147.

(ii) This represents insurance premium financing at an interest rate of 5.51% per annum and is to be repaid in monthly instalments of J\$604,575 by February 2024.

### 12. Expenses by nature

Total administrative and other operating expenses:

	2023 \$	2022 \$
<b>Administrative expenses</b>		
Audit fees	2,613,250	2,242,500
Legal and professional fees and stock exchange expenses	5,452,685	4,800,566
Staff costs (Note 18)	152,318,525	112,652,078
Advertising and promotion	9,614,129	5,901,007
Repairs and maintenance	43,196,854	31,625,650
Utilities	65,862,961	54,484,025
Insurance	8,160,720	6,280,663
Software licenses	4,400,868	4,794,452
Office and security expenses	15,224,497	11,841,068
AGM expenses	1,590,000	413,380
Directors' fees	2,268,000	2,112,000
Expected credit loss	1,977,628	152,931
Other expenses	7,419,528	4,988,611
<b>Total</b>	<b>320,099,645</b>	<b>242,288,931</b>
<b>Depreciation and amortisation</b>		
Property, plant and equipment	108,276,533	97,396,394
Right-of-use asset	28,172,088	10,129,221
	<b>136,448,621</b>	<b>107,525,615</b>

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 13. Finance income and finance costs

Finance income for the year comprise:

	2023 \$	2022 \$
Interest income from financial assets	94,896	11,261

Finance costs

	2023 \$	2022 \$
Interest expense for borrowings at amortised cost:		
Interest on long-term loans	31,511,562	27,255,144
Interest expense on lease liabilities	1,158,871	76,841
Bank charges	14,195,581	-
<b>Total finance costs</b>	<b>46,866,014</b>	<b>27,331,985</b>

### 14. Income tax

The Company was not liable to pay corporate income tax in its first 5 years on the Junior Market. It is now liable to corporate income tax at half of the usual rate in years 6 to 10 on the Junior Market. If the Company breaches any Junior Market requirements, it may be liable to repay the tax that was remitted.

Reconciliation of theoretical tax charge to effective tax charge:

	2023 J\$	2022 J\$
<b>Profit for the year</b>	13,385,725	48,659,703
Tax at applicable tax rate of 25%	3,346,431	12,164,926
Adjustment for non-deductible expenses	14,218,791	26,881,404
Tax effect of allowances and remission of tax	(17,530,378)	(39,046,330)
<b>Income tax charge for the year</b>	<b>34,844</b>	<b>-</b>

### 15. Earnings per shares

Earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue for the year.

	2023 \$	2022 \$
Profit attributable to shareholders	13,350,882	48,659,703
Weighted average number of shares	353,400,000	353,400,000
Basic and diluted earnings per share	0.04	0.14

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 16. Dividends

The Board declared dividend of \$0.02 (2021- \$0.09) per stock unit.

### 17. Segment information

The company's revenue is derived mainly from diagnostic imaging services, as a result there is no relevant segment information.

### 18. Staff costs

	2023 \$	2022 \$
Salaries and wages	106,266,819	83,036,119
Statutory contributions	33,274,319	23,286,570
Staff welfare and training	12,777,387	6,329,389
<b>Total</b>	<b>152,318,525</b>	<b>112,652,078</b>

Salaries and wages included amounts paid to key management which is disclosed at Note 19.

### 19. Balances and transaction with related parties

(i) At the reporting date there were no balances due to or from related parties.

(ii) Transactions with key management.

The compensation of key management for services is shown below:

	2023 \$	2022 \$
Fees paid to directors	2,268,000	2,112,000
Salaries and other short-term employee benefits	13,772,000	11,869,790
<b>Total</b>	<b>16,040,000</b>	<b>13,981,790</b>

Compensation paid to directors

	2023 \$	2022 \$
Fees paid to directors	2,268,000	2,112,000
Salaries	7,937,384	7,119,790
<b>Total</b>	<b>10,205,384</b>	<b>9,231,790</b>

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 20. Risk management policies

The company'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 company 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 company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

##### i Currency risk

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

The company is exposed to currency risk due to fluctuations in exchange rates on balances that are denominated in currencies other than the Jamaican Dollar. For transactions denominated in United States Dollars (US\$) the company however, maintains US\$ bank accounts in an attempt to manage this risk.

At the end of the reporting period there were net (liabilities)/assets of approximately US\$86,241 (2022 - \$17,758) which were subject to foreign exchange rate changes as follows:

#### Concentrations of currency risk

	2023 US\$	2022 US\$
Financial assets		
- Cash and cash equivalents	37,493	160,835
Financial liabilities		
- Trade payables	(18,403)	(45,133)
- Lease liabilities	(105,331)	(97,944)
<b>Total</b>	<b>(86,241)</b>	<b>17,758</b>

#### Foreign currency sensitivity

The following table illustrates the sensitivity and the impact on profit for the year of company's financial assets and financial liabilities to foreign exchange rates, all other things being equal. The sensitivity analysis is based on the company's foreign currency financial instruments held at each reporting date. Only movements between the Jamaican dollar and the United States dollars are considered, as these are the two major currencies of the company.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 20. Risk management policies (cont'd)

#### a Market risk (cont'd)

Effect on profit before tax:

If the Jamaican dollar weakens by 4% (2022 - 4%) against the United States dollar then this would have the effect shown below on the basis that all other variables remain constant.

	Percentage change %	Effect on earnings \$
2023	4	(800,075)
2022	4	(108,743)

If the Jamaican dollar strengthens against the United States dollar by 1% (2022 - 2%) this would have the following effect:

	Percentage change %	Effect on earnings \$
2023	1	133,346
2022	2	53,371

##### 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 company's cash and cash equivalents are subject to interest rate risk. However, the company 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 company holds cash in interest-earning bank accounts with licensed financial institutions. Interest rates on interest-earning bank accounts are not fixed but are subject to fluctuations based on prevailing market 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 company's financial instruments are substantially independent of changes in market prices as they are short-term in nature.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 20. Risk management policies (cont'd)

#### b Credit risk

Credit risk is the risk that a counter party fails to discharge an obligation to the company.

The company faces credit risk in respect of its receivables, restricted certificate of deposit and cash and cash equivalents. There is a significant concentration of credit risk in trade and other receivables. However, this risk is controlled by close monitoring of these assets by the company. In addition, cash and cash equivalents are maintained with licensed financial institutions considered to be stable. Savings and current accounts held at Commercial Banks are insured under the Jamaica Deposit Insurance Scheme (JDIS).

The maximum credit risk faced by the company is the total of these balances reflected in the financial statements.

At the end of the reporting period a maximum of \$1,200,000 per Commercial Bank is insured under the JDIS.

The company does not require collateral or other credit enhancements in respect of trade and other receivables except for cars invoiced but not yet delivered.

#### Receivables

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for receivables. To measure expected credit losses on a collective basis, receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the company's historical credit losses experienced over the two year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The calculated expected credit losses are detailed below:

June 30, 2023

	Trade receivables days past due				
	Current \$	More than 30 days \$	More than 60 days \$	More than 90 days \$	Total \$
Expected credit loss rate	1.02%	2.06%	3.09%	4.12%	
Gross carrying amount	28,531,759	29,287,117	13,214,216	45,779,303	116,812,395
Lifetime expected credit loss	291,082	603,607	408,319	1,886,107	3,189,115

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 20. Risk management policies (cont'd)

#### b Credit risk (cont'd) Receivables (cont'd)

June 30, 2022

	Trade receivables days past due			
	Current \$	More than 30 days \$	More than 60 days \$	Total \$
Expected credit loss rate	1.03%	2.06%	3.23%	
Gross carrying amount	22,367,364	18,045,546	18,849,010	59,261,920
Lifetime expected credit loss	230,225	371,625	609,637	1,211,487

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

	2023 \$	2022 \$
Opening loss allowance at April 1	1,211,487	1,058,556
Receivable written off during the year	(316,820)	-
Loss allowance recognised during the year	1,977,628	152,931
	3,189,115	1,211,487

#### c Liquidity risk

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

The company 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 company maintains cash and demand deposits to meet its liquidity requirements.

The table below presents the undiscounted cash flows payable (both interest and principal) of the company's financial liabilities based on contractual repayment over the next 12 months.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 20. Risk management policies (cont'd)

#### c Liquidity risk (cont'd)

2023	Current within 12 months \$	Non-current 2 - 5 years \$
Long-term loans	126,865,750	439,154,364
Lease liabilities	27,550,920	84,094,985
Trade and other payables	69,232,358	-
Short-term loans	6,594,031	-
<b>Total</b>	<b>230,243,059</b>	<b>523,249,349</b>

2022	Current within 12 months \$	Non-current 2 - 5 years \$
Long-term loans	73,942,458	226,615,705
Lease liabilities	8,694,162	13,192,272
Trade and other payables	39,355,367	-
Short-term loans	5,825,615	-
<b>Total</b>	<b>127,817,602</b>	<b>239,807,977</b>

### 21. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that, subsequent to initial recognition, are measured at fair value are grouped into levels 1 to 3 based on the degree to which the fair values are observable, as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities. (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices). (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). (Level 3).

The company's financial assets and liabilities are measured at amortised costs and the fair values for these are disclosed at Note 22.

## Elite Diagnostic Limited Notes to the Financial Statements

Year ended June 30, 2023

### 22. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities recognised at the end of the reporting periods under review and be categorised as follows:

	2023 \$	2022 \$
	Amortised costs	Amortised costs
<b>Financial assets at amortised costs</b>		
Receivables	116,485,055	59,261,920
Cash and cash equivalents	53,882,276	75,890,161
<b>Total</b>	<b>170,367,331</b>	<b>135,152,081</b>
<b>Financial liabilities at amortised costs</b>		
Trade and other payables	69,232,358	39,355,367
Lease liabilities	109,353,099	21,886,434
Long-term loans	428,370,796	373,949,539
Short-term loans	6,594,031	5,825,615
<b>Total</b>	<b>613,550,284</b>	<b>441,016,955</b>

### 23. Capital management, policies and procedures

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

The company is not subject to any externally imposed capital requirements.

## Elite Diagnostic Limited

### List of Directors, Connected Parties and Senior Managers Shareholdings

As at June 30, 2023

#### Directors and connected parties

##### Directors

Name	Position	Shares Held	Percentages %
Steven Gooden	Chairman	35,289,628	9.9857
Warren Chung	Non-Executive Director	778,355	0.2203
Neil Fong	Non-Executive Director	140,000	0.0396
Kevin Donaldson	Non-Executive Director	140,000	0.0396
Mark Kerr-Jarrett	Non-Executive Director	-	-
Quentin Hugh Sam	Non-Executive Director	824,573	0.2333
William Mahfood	Non-Executive Director	172,025	0.0487
Simone Bowie-Jones	Non-Executive Director	-	-
<b>Combined Directors Holdings</b>		<b>37,344,581</b>	<b>10.5672</b>

##### Connected Parties

Connected Parties	Connected to	Shares Held	Percentages %
Excel Investments	Warren Chung and Neil Fong	86,674,897	24.5260
Barnett Limited	Mark Kerr-Jarrett	15,515,994	4.3905
<b>Combined Connected Parties Holdings</b>		<b>102,190,891</b>	<b>28.9165</b>

##### Combined Holdings

<b>139,535,472</b>	<b>39.4837</b>
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#### Senior Managers Shareholdings

Name	Position	Shares Held	Percentages %
Harvey Levers	Chief Executive Office	-	-
Neil Fong	Manager	140,000	0.0396
Marjorie Miller	Manager	-	-
<b>Combined Senior Managers Holdings</b>		<b>140,000</b>	<b>0.0396</b>

##### Connected Parties

Connected Parties	Connected to	Shares Held	Percentages %
Excel Investments	Warren Chung and Neil Fong	86,674,897	24.5260
		86,674,897	24.5260
<b>Combined Connected Parties Holdings</b>		<b>86,674,897</b>	<b>24.5656</b>

##### Total issued capital

<b>353,400,000</b>
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## Elite Diagnostic Limited

### List of Directors, Connected Parties and Senior Managers Shareholdings

As at June 30, 2023

#### Top 10 Shareholders

Name	Shares Held	Percentages %
1. Excel Investments (Connected to Warren Chung and Neil Fong)	86,674,897	24.5260
2. NCB Capital Market Limited (Connected to Steven Gooden)	66,028,392	18.6838
3. Steven Gooden	35,289,628	9.9857
4. JCSD Trustee Services Limited – Sigma Optima	31,438,024	8.8959
5. Barnett Limited (Connected to Mark Kerr-Jarrett)	15,515,994	4.3905
6. Damian Chin-You	14,513,589	4.1068
7. West Indies Radiology Outsourcing Ltd.	8,000,000	2.2637
8. Everton J. Smith	5,720,000	1.6186
9. QWI Investment Limited	4,490,566	1.2707
10. Lizette Mowatt	3,703,632	1.0480
<b>Total units owned by top 10 Shareholders</b>	<b>271,374,722</b>	<b>76.7897</b>

##### Total issued capital

<b>353,400,000</b>
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I/We \_\_\_\_\_ of \_\_\_\_\_

being member/members of **ELITE DIAGNOSTIC LIMITED (“ELITE”)** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him **The Chairman of the Board** of ELITE DIAGNOSTIC LIMITED as my/our proxy vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on December 14, 2023, at the Terra Nova All Suite Hotel, 17 Waterloo Road, Kingston 10, **Jamaica at 10:00 a.m.** and at any adjournment thereof. Please indicate with an X in the space provided how you wish your proxy to vote on the Resolution referred to. Unless otherwise indicated, the proxy will vote as he thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023 Signature: \_\_\_\_\_

RESOLUTION	FOR	AGAINST
<b>RESOLUTION NO. 1</b> Directors’ Report and Auditors Report and Audited Financial Statements		
<b>RESOLUTION NO. 2A</b> “THAT Mr. Steven Gooden be and is hereby re-elected a Director of the Company.”		
<b>RESOLUTION NO. 2B</b> “THAT Mr. Neil Fong be and is hereby re-elected a Director of the Company.”		
<b>RESOLUTION 2C</b> “THAT Mr. Kevin Donaldson be and is hereby re-elected a Director of the Company”.		
<b>RESOLUTION 2D</b> “THAT Mrs. Simone Bowie Jones be and is hereby elected a Director of the Company”.		
<b>RESOLUTION 2E</b> “THAT Mr. Stephen Ricketts be and is hereby elected a Director of the Company.”		
<b>RESOLUTION 3</b> “THAT the interim dividend of Two Cents per share be hereby declared as final for the financial year ended June 30, 2023.”		
<b>RESOLUTION NO. 4</b> Appointment and remuneration of the Auditors.		
<b>RESOLUTION NO. 5</b> Directors’ remuneration		
<b>RESOLUTION 6</b> Amendment of Article 1 of the Company’s Articles of Incorporation		

**NOTES:**

- I. This Form of Proxy must be lodged at the Registered Office of the Company (1B Holborn Road, Kingston 10, Jamaica) or the Registrar, Jamaica Central Securities Depository (“JCSD”), 40 Harbour Street, Kingston, not later than Forty-Eight (48) hours before the meeting.
- II. Any alterations in this Form of Proxy should be initialed.
- III. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders, seniority being determined by the order in which the names stand on the register.
- IV. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an Office or Attorney duly authorized.
- V. An adhesive stamp of \$100.00 must be affixed to the Form of Proxy.







ELITE  
DIAGNOSTIC