



Elite Diagnostic Limited

Report to Shareholders

Year Ended June 30, 2024



Directors' Report

The Board of Directors of Elite Diagnostic Limited presents the company's Audited Financial Statements for the year ended June 30, 2024.

Revenues for the year increased by 9% to \$821.3 Million compared to \$755.3 Million in the previous year.

Net profit was \$26.2 Million compared to \$13.4 Million in the prior year, representing an increase of 96%. A \$66.4 Million increase in our gross revenues was accompanied by an increase in administrative expenses of \$37.0 Million, resulting in an operating profit of \$95.4 Million which compares favourably to the operating profit of \$64.7 Million in the prior year.

We have achieved a continuous improvement in our financial performance over the last two reporting quarters, and our focus on maximising revenues due to proactive strategies implemented late last year continue to reap benefits for the company.

The level of machine downtime experienced in the previous financial year was significantly reduced in the latter part of the year and we are confident that further reductions will be achieved in subsequent quarters as we meticulously manage this area of our operations.

Total Assets declined by \$42 Million to \$1.06 Billion due mainly to the reduction in the net book value of some equipment, and a reduction in our "Right of Use Assets". Total Liabilities also reduced over the financial year by \$68.5 Million as the company's long term debt continued to be paid as scheduled.

As the competitiveness of the industry continues to increase, we have implemented strategic plans that will allow us to achieve a targeted level of growth across our branch network.

Our efforts to distinguish our service apart from the other industry players continue, as investment in training and customer service remain high on our list of priorities, along with our plans to provide more frequent returns to our shareholders.

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.

A handwritten signature in blue ink, appearing to read 'Warren Chung', is written above a horizontal line.

Warren Chung - Director

September 27, 2024

A handwritten signature in blue ink, appearing to read 'Neil Fong', is written above a horizontal line.

Neil Fong - Director



Elite Diagnostic Limited

Financial Statements
June 30, 2024

Elite Diagnostic Limited

June 30, 2024

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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, 2024, 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 material 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, 2024, 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

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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 total, 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 27, 2024



HLB Mair Russell
Chartered Accountants

Elite Diagnostic Limited

Statement of financial position

June 30, 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Non-current assets			
Property, plant and equipment	(3)	747,543	781,374
Right-of-use assets	(4)	98,452	108,090
Restricted deposit	(5)	20,500	20,500
		866,495	909,964
Current assets			
Receivables	(6)	142,338	116,485
Prepayments		10,006	18,080
Cash and cash equivalents	(7)	37,221	53,882
		189,565	188,447
Total assets		1,056,060	1,098,411
Equity			
Share capital	(8)	348,898	348,898
Retained earnings		162,083	135,928
Total equity		510,981	484,826
Liabilities			
Non-current liabilities			
Lease liabilities	(4)	70,699	82,771
Long-term loans	(9)	228,926	343,653
Deferred tax liabilities	(10)	2,560	-
		302,185	426,424
Current liabilities			
Current portion of lease liabilities	(4)	30,005	26,582
Current portion of long-term loans	(9)	114,727	84,718
Trade and other payables	(11)	87,405	69,232
Short-term loans	(12)	6,775	6,594
Related party loan	(13)	3,384	-
Taxation payable		598	35
		242,894	187,161
Total liabilities		545,079	613,585
Total equity and liabilities		1,056,060	1,098,411

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

Approved for issue by the Directors on September 27, 2024 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, 2024

	Note	2024 \$'000	2023 \$'000
Income		821,283	755,334
Direct costs		(233,624)	(234,073)
		587,659	521,261
Administrative and other expenses	(14)	(357,064)	(320,099)
Depreciation and amortisation	(14)	(135,227)	(136,449)
Operating profit		95,368	64,713
Finance income	(15)	88	95
Finance costs	(15)	(62,792)	(46,866)
Loss on foreign exchange		(3,315)	(4,556)
Profit before tax		29,349	13,386
Income tax expense	(16)	(3,194)	(35)
Profit for the year being total comprehensive income for the year		26,155	13,351
		\$	\$
Earnings per share	(17)	0.07	0.04

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, 2024

	Share capital \$'000	Retained earnings \$'000	Total \$'000
Balance at June 30, 2022	348,898	129,645	478,543
Dividends paid (Note 18)	-	(7,068)	(7,068)
Profit for the year being total comprehensive income for the year	-	13,351	13,351
Balance at June 30, 2023	348,898	135,928	484,826
Profit for the year being total comprehensive income for the year	-	26,155	26,155
Balance at June 30, 2024	348,898	162,083	510,981

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, 2024

	2024 \$'000	2023 \$'000
Cash flows from operating activities:		
Profit before tax	29,349	13,386
Adjustments for:		
Depreciation and amortisation	(13) 135,227	136,449
Interest expense	(14) 62,792	46,866
Interest income	(14) (88)	(95)
	227,280	196,606
Increase in receivables	(25,853)	(57,223)
Decrease/(increase) in prepayments	8,074	(10,513)
Increase in payables and accruals	18,172	29,876
Cash generated from operations	227,673	158,746
Income tax paid	(70)	-
Interest paid	(62,792)	(46,866)
Net cash provided by operating activities	164,811	111,880
Cash flow from investing activities		
Purchase of property, plant and equipment	(72,525)	(137,748)
Interest received	88	95
Restricted deposit	-	(20,500)
Net cash used in investing activities	(72,437)	(158,153)
Cash flow from financing activities		
Proceeds on long-term loan	-	365,424
Repayment of long-term loan	(84,718)	(311,002)
Proceed from short-term loan	9,688	9,135
Repayment of short-term	(9,507)	(8,367)
Proceeds on related party loan	4,400	-
Repayment of related party loan	(1,016)	-
Dividends paid	-	(7,068)
Repayment of lease liabilities	(27,882)	(23,857)
Net cash provided by financing activities	(109,035)	24,265
Net decrease in cash and cash equivalents	(16,661)	(22,008)
Cash and cash equivalents at beginning of year	53,882	75,890
Cash and cash equivalents at end of year	(7) 37,221	53,882

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

Elite Diagnostic Limited

Notes to the financial statements

Year ended June 30, 2024

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 material 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.

Standards and interpretations in respect of published standards that are not in effect:

Definition of Accounting Estimates (Amendments to IAS 8) (Effective January 1, 2024) The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Non-current Liabilities with Covenants (Amendments to IAS 1) (Effective January 1, 2024)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

These amendments affect financial statements for accounting periods beginning on or after the first day of the month stated. The Board is assessing the impact these amendments will have on its financial statements.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

2. Summary of material 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.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

2. Summary of material 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.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

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

i Financial instruments (cont'd)

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

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

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.

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.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

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

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.

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 (22(b)).

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

3. Property, plant and equipment

The carrying amounts for equipment for the years included in these financial statements as at June 30, 2024, are reconciled as follows:

	Furniture and Fixtures \$'000	Medical Equipment \$'000	Computers \$'000	Computer Software \$'000	Solar System \$'000	Other Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Gross carrying amount								
Balance at July 1, 2023	42,519	999,386	22,467	17,117	9,834	43,332	206,119	1,340,774
Additions/(transfers)	3,046	62,859	3,026	2,824	-	857	(87)	72,525
Balance at June 30, 2024	45,565	1,062,245	25,493	19,941	9,834	44,189	206,032	1,413,299
Depreciation								
Balance at July 1, 2023	(22,182)	(403,269)	(14,245)	(11,114)	(7,208)	(23,298)	(78,084)	(559,400)
Current charge	(3,322)	(76,581)	(3,668)	(3,070)	(730)	(3,110)	(15,875)	(106,356)
Balance at June 30, 2024	(25,504)	(479,850)	(17,913)	(14,184)	(7,938)	(26,408)	(93,959)	(665,756)
Carrying amount at June 30, 2024	20,061	582,395	7,580	5,757	1,896	17,781	112,073	747,543

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

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

	Furniture and Fixtures \$'000	Medical Equipment \$'000	Computers \$'000	Computer Software \$'000	Solar System \$'000	Other Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Gross carrying amount								
Balance at July 1, 2022	41,191	937,095	18,664	14,171	9,683	38,440	144,258	1,204,502
Additions	1,328	101,162	3,803	2,946	151	3,005	25,353	137,748
Transfer	-	(38,871)	-	-	-	1,887	36,508	(476)
Balance at June 30, 2023	42,519	999,386	22,467	17,117	9,834	43,332	206,119	1,340,774
Depreciation								
Balance at July 1, 2022	(20,014)	(324,610)	(12,419)	(11,169)	(5,649)	(20,346)	(56,917)	(451,124)
Current charge	(2,168)	(78,659)	(1,826)	55	(1,559)	(2,952)	(21,167)	(108,276)
Balance at June 30, 2023	(22,182)	(403,269)	(14,245)	(11,114)	(7,208)	(23,298)	(78,084)	(559,400)
Carrying amount at June 30, 2023	20,337	596,117	8,222	6,003	2,626	20,034	128,035	781,374

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

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:

	\$'000
Gross carrying amount	
Balance at July 1, 2023	134,292
Addition	19,233
Balance at June 30, 2024	153,525
Depreciation	
Balance at July 1, 2023	(26,202)
Charge for the year	(28,871)
Balance at June 30, 2024	(55,073)
Carrying amount at June 30, 2024	98,452

	\$'000
Gross carrying amount	
Balance at July 1, 2022	61,538
Addition	111,800
Adjustment	(39,046)
Balance at June 30, 2023	134,292
Depreciation	
Balance at July 1, 2022	(37,076)
Charge for the year	(28,172)
Adjustment	39,046
Balance at June 30, 2023	(26,202)
Carrying amount at June 30, 2023	108,090

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, 2024

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:

	2024	2023
	\$'000	\$'000
Non-current	30,005	82,771
Current	70,699	26,582
	100,704	109,353

Future minimum lease payments are as follows:

2024

	Within 1 year \$'000	1 to 2 Years \$'000	1 to 3 Years \$'000	1 to 4 Years \$'000	4 to 5 Years \$'000	Total \$'000
Lease payments	32,124	31,254	31,658	8,073	2,765	105,874
Finance charges	(2,119)	(1,559)	(971)	(442)	(79)	(5,170)
Net present values	30,005	29,695	30,687	7,631	2,686	100,704

2023

	Within 1 year \$'000	1 to 2 Years \$'000	Total \$'000
Lease payments	27,551	84,095	111,646
Finance charges	(971)	(1,324)	(2,295)
Net present values	26,580	82,771	109,351

(b) Amount recognised in the profit or loss

	2024	2023
	\$'000	\$'000
Depreciation charged on right-of-use-asset	28,871	28,172
Interest on lease liabilities	1,591	1,159
Net present values	30,462	29,331

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

4. Leases (cont'd)

(c) Amount recognised in the statements of cash flows

	2024 \$'000	2023 \$'000
Principal payment	27,882	23,857
Interest payments	1,591	1,159
Net present values	29,473	25,016

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

	2024 \$'000	2023 \$'000
Due from patients and insurance companies	143,398	116,812
Less: expected credit loss	(4,364)	(3,189)
	139,034	113,623
Other receivables	3,304	2,862
Total	142,338	116,485

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

	2024 \$'000	2023 \$'000
0 – 30 days	14,035	18,383
31-60 days	58,916	29,287
Over 60 days	66,083	59,310
Total	139,034	113,623

Reconciliation of expected credit loss:

	2024 \$'000	2023 \$'000
Balance at beginning of year	3,189	1,211
Write off during the year	-	317
Additional provision during the year	1,175	1,661
Balance at end of year	4,364	3,189

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

7. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Cash at bank	36,172	53,189
Cash in hand	1,049	693
Total	37,221	53,882

8. Share capital

	2024	2023
	\$'000	\$'000
Authorised ordinary stock units of no par value	<u>Unlimited</u>	<u>Unlimited</u>
Issued shares at no par value		
Share capital		
353,400,000 ordinary stock units	<u>348,898</u>	<u>348,898</u>

9. Long-term loans

	2024	2023
	\$'000	\$'000
(i) MF & G Asset Management Limited	122,354	181,271
(ii) National Commercial Bank	221,299	247,100
	<u>343,653</u>	<u>428,371</u>
Less: Current portion of long-term loans	(114,727)	(84,718)
Total	<u>228,926</u>	<u>343,653</u>

i On April 30, 2023, the loan was refinanced.

The loan bears interest rate of 11.25% per annum, and repayable in variable quarterly instalments starting with J\$14,729,135 on June 30 until and the final payment in February 2026.

The loan is secured by:

- Debt service reserve account in the amount of J\$20,500,000.
- 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.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

9. Long-term loans (cont'd)

The transaction documents included:

- Subordination of inter-company and shareholder's loans and advances and Promissory Note.
- ii The NCB loan bears interest of 9.85% per annum and is repayable over eighty-four (84) months. The loan is repayable in monthly instalments of \$4,083,027 inclusive of interest.

The loan is secured by:

- (i) Debenture over fixed and floating assets of the company stamped to cover J\$247,100,000.
- (ii) 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.
- (iii) Promissory note for \$247,100,000.

The transaction documents included:

- 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.

10. Deferred tax liability

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

	2024 \$'000	2023 \$'000
Balance at beginning of year	-	-
Deferred tax expense for the year (Note 16)	(2,560)	-
Balance at end of year	(2,560)	-

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

	2024 \$'000	2023 \$'000
Deferred tax liability on:		
Property, plant and equipment	(2,560)	-
Net deferred tax liability	(2,560)	-

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

11. Trade and other payables

	2024	2023
	\$'000	\$'000
Trade payables	60,788	46,632
Accruals	15,588	14,486
Other payables	11,029	8,144
Total	87,405	69,232

12. Short-term loan

	2024	2023
	\$'000	\$'000
i Jamaica National Bank	2,398	2,362
ii Jamaica National Bank	4,377	4,232
Total	6,775	6,594

(i) This represents insurance premium financing at an interest rate of 2.81% per annum. It is repayable by March 2025 in monthly instalments of US\$3,152.

(ii) This represents insurance premium financing at an interest rate of 5.51% per annum. It is repayable by February 2025 in monthly instalments of J\$625,242.

13. Related party loan

This represents a loan from a director at an interest rate of 7% per annum. The loan is to be repayable over thirteen (13) months.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

14. Expenses by nature

Total administrative and other operating expenses:

	2024	2023
	\$'000	\$'000
Administrative expenses		
Audit fees	3,308	2,613
Legal and professional fees and stock exchange expenses	5,095	3,863
Staff costs (Note 20)	179,574	152,319
Advertising and promotion	5,232	9,614
Repairs and maintenance	44,503	43,197
Utilities	62,980	65,863
Insurance	9,309	8,161
Software licenses	4,492	4,401
Office and security expenses	19,761	15,224
AGM expenses	2,201	1,590
Directors' fees	2,569	2,268
Expected credit loss	1,175	1,978
Other expenses	16,865	9,008
Total	357,064	320,099
Depreciation and amortisation		
Property, plant and equipment	106,356	108,277
Right-of-use asset	28,871	28,172
	135,227	136,449

15. Finance income and finance costs

Finance income for the year comprise:

	2024	2023
	\$'000	\$'000
Interest income from financial assets	88	95

Finance costs

	2024	2023
	\$'000	\$'000
Interest expense for borrowings at amortised cost:		
Interest on long-term loans	47,052	31,512
Interest expense on lease liabilities	1,591	1,159
Bank charges	14,149	14,195
Total finance costs	62,792	46,866

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

16. Income tax

The Company was listed on the Junior Stock Market of the Jamaica Stock Exchange (JSE) on 15 June 2022 which allows for the remission of taxes for ten (10) years (year 1 -5 at 100% and years 6-10 at 50%), provided the entity complies with the criteria set forth by the Junior Market rules of the JSE below:

- (a) The Company remains listed for 15 years and not suspended from the JSE due to breaches.
 - (b) Maintain subscribed participating voting share capital not less than \$50 million and not exceeding \$500 million, and;
 - (c) Maintaining at least 50 participating voting shareholders.
- i Income tax expense is based on profit for the year, adjusted for taxation purposes and computed at the tax rate of 25% and comprises:

	2024 \$'000	2023 \$'000
Current tax expense	634	35
Deferred tax expense	2,560	-
Total	3,194	35

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

	2024 \$'000	2023 \$'000
Profit for the year	29,349	13,381
Tax at applicable tax rate of 25%	3,669	3,346
Adjustment for non-deductible expenses	17,050	14,219
Tax effect of allowances and remission of tax	(17,525)	(17,530)
Income tax charge for the year	3,194	35

17. 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.

	2024	2023
Profit attributable to shareholders (J\$000s)	26,155	13,351
Weighted average number of shares (000s)	353,400	353,400
	\$	\$
Basic and diluted earnings per share (\$)	0.07	0.04

18. Dividends

No dividend was declared in the current year. Dividend of \$0.02 per stock unit was declared in the prior year.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

19. Segment information

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

20. Staff costs

	2024	2023
	\$'000	\$'000
Salaries and wages	125,326	106,267
Statutory contributions	41,018	33,274
Staff welfare and training	13,230	12,778
Total	179,574	152,319

Salaries and wages included amounts paid to key management which is disclosed at Note 14.

21. 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:

	2024	2023
	\$'000	\$'000
Fees paid to directors	2,569	2,268
Salaries and other short-term employee benefits	13,696	13,772
Total	16,265	16,040

Compensation paid to directors

	2024	2023
	\$'000	\$'000
Fees paid to directors	2,569	2,268
Salaries	6,584	7,937
Total	9,153	10,205

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

22. 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 of approximately US\$163,000 (2023 - US\$86,000) which were subject to foreign exchange rate changes as follows:

Concentrations of currency risk

	2024 US\$'000	2023 US\$'000
Financial assets		
- Cash and cash equivalents	44	37
Financial liabilities		
- Trade payables	(21)	(18)
- Lease liabilities	(186)	(105)
Total	(163)	(86)

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

22. Risk management policies (cont'd)

a Market risk (cont'd)

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.

Effect on profit before tax:

If the Jamaican dollar weakens by 4% (2023 - 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 \$'000
2024	4	(1,512)
2023	4	(800)

If the Jamaican dollar strengthens against the United States dollar by 1% (2023 - 1%) this would have the following effect:

	Percentage change %	Effect on earnings \$'000
2024	1	252
2023	1	133

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, 2024

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

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

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, 2024

	Trade receivables days past due				Total \$'000
	Current \$'000	More than 30 days \$'000	More than 60 days \$'000	More than 90 days	
Expected credit loss rate	1.01%	2.05%	3.09%	4.12%	
Gross carrying amount	14,181	46,245	14,057	68,915	143,398
Lifetime expected credit loss	143	948	434	2,839	4,364

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

22. Risk management policies (cont'd)

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

June 30, 2023

	Trade receivables days past due				Total \$'000
	Current \$'000	More than 30 days \$'000	More than 60 days \$'000	More than 90 days \$'000	
Expected credit loss rate	1.02%	2.06%	3.09%	4.12%	
Gross carrying amount	28,532	29,287	13,214	45,779	116,812
Lifetime expected credit loss	291	604	408	1,886	3,189

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

	2024 \$'000	2023 \$'000
Opening loss allowance	3,189	1,211
Loss allowance recognised during the year	1,175	1,978
	4,364	3,189

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, 2024

22. Risk management policies (cont'd)

c Liquidity risk (cont'd)

2024

	Current within 1 year \$'000	Non-current 2 - 5 years \$'000
Long-term loans	114,727	228,926
Lease liabilities	30,005	70,699
Trade and other payables	87,405	-
Short-term loans	6,774	-
Directors loan	3,384	-
Total	242,295	299,625

2023

	Current within 1 year \$'000	Non-current 2 - 5 years \$'000
Long-term loans	126,866	439,154
Lease liabilities	27,551	84,095
Trade and other payables	69,232	-
Short-term loans	6,594	-
Total	230,243	523,249

23. 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 24.

Elite Diagnostic Limited

Notes to the Financial Statements

Year ended June 30, 2024

24. 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:

	2024 \$'000	2023 \$'000
	Amortised costs	Amortised costs
Financial assets at amortised costs		
Receivables	142,338	116,485
Cash and cash equivalents	37,221	53,882
Total	179,559	170,367
Financial liabilities at amortised costs		
Trade and other payables	87,405	69,232
Lease liabilities	100,704	109,353
Long-term loans	343,653	428,371
Short-term loans	6,775	6,594
Directors loan	3,384	-
Total	541,921	613,550

25. 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, 2024

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	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
Stephen Ricketts	Non-Executive Director	-	-
Simone Bowie-Jones	Non-Executive Director	-	-
Combined Directors Holdings		37,172,556	10.5185

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
Combined Connected Parties Holdings		102,190,891	28.9165

Combined Holdings		139,363,447	39.4837
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Senior Managers Shareholdings

Name	Position	Shares Held	Percentages %
Harvey Levers	Chief Executive Officer	-	-
Neil Fong	Executive Director	140,000	0.0396
Marjorie Miller	General Manager	-	-
Combined Senior Managers Holdings		140,000	0.0396

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

Total issued capital		353,400,000	
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Elite Diagnostic Limited

List of Directors, Connected Parties and Senior Managers Shareholdings

As at June 30, 2024

Top 10 Shareholders

Names	Share Held	Percentages %
1. Excel Investments (Connected to Warren Chung and Neil Fong)	86,674,897	24.5260
2. NCB Capital Markets Limited (Connected to Stephen Ricketts)	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 Investments Limited	4,386,691	1.2413
10. Lizette Mowatt	3,703,632	1.0480
Total units owned by top 10 Shareholders	271,270,847	76.7603
Total Issued Capital	353,400,000	