

**MEDCORP LIMITED**

A company amalgamated under the provisions of the Companies Act, Chap 81:01, of the Laws of Trinidad and Tobago



**MEDCORP LIMITED**



# PROSPECTUS

**22<sup>nd</sup> MAY 2025**

Invitation by Medcorp Limited to subscribe for 350,000 Ordinary Shares in the Company at \$48.00 per Ordinary Share, payable in full on application.

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

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No underwriter has been involved in the distribution or performed any review of the contents of this Prospectus.

An application has been made to the Trinidad and Tobago Stock Exchange (TTSE) to list 100% of the Company's Ordinary Shares.

However, this statement is not to be construed as a guarantee that the Ordinary Shares will be so listed.

No securities will be distributed under this Prospectus later than one year and 20 days after the date of issue of the receipt for the Prospectus from the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in keeping with Section 83(4) of the Securities Act, 2012 (as amended).

The distribution of the Ordinary Shares to the public will be made subject to the obtaining of the relevant approvals from the TTSEC and the TTSE.

## **Responsibility statement**

This Prospectus has been seen and approved by the directors of the Company, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

# Definitions

## Glossary of abbreviations and technical terms

The definitions set out below apply throughout this document unless the context requires otherwise.

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Affiliates</b>            | of a specified Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under the common control with the specified Person. For the purposes of this definition "control" when used with respect to any specified Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms "controlling" and "control" have correlated meanings. |
| <b>Application</b>           | means the application to be made by all Investors who wish to make an offer to subscribe for Ordinary Shares in the Invitation, based on instructions set out in Section 11.5 (Subscription Information).                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Articles</b>              | means the articles of the Company as amended, supplemented varied or replaced from time to time, and, as at the date hereof, are the articles of amalgamation dated 1 <sup>st</sup> October 2024.                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Auditor</b>               | means BDO or such other Person or Persons as may, for the time being and from time to time be duly appointed by the Board as auditor of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Board</b>                 | means the board of directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Business Day</b>          | means a day on which commercial banks are open for business in Trinidad and Tobago.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>CHCM</b>                  | means Caribbean Heart Care — Medcorp Limited, a company incorporated under the laws of Trinidad and Tobago in which the Company holds a 50% percent shareholding.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Closing Date</b>          | means 13 <sup>th</sup> June 2025, or such other date as the Company may notify to the Investors as the date on which the Invitation Period will be closed.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Company or Medcorp</b>    | means Medcorp Limited (Company No. M4843(95)A), the offeror of the Invitation Shares described herein.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Connected Shareholder</b> | means a shareholder that is deemed to be a 'connected person' within the meaning of the Securities Act, and, in the case of Medcorp, are identified in Section 1.2 below.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Financial Statements</b>  | means financial statements in the form referred to and in compliance with By-Law 3 of the Securities (General) By-Laws, 2015.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

# Definitions

|                              |                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Independent Directors</b> | means the directors from time to time on the Board of the Company who are appointed as Independent Directors in accordance with the By-Laws of the Company, as described in Section 4.1 below. |
| <b>Investors</b>             | means a person (being an individual or a body corporate) who submits an Application.                                                                                                           |
| <b>Invitation</b>            | means the invitation by the Company to subscribe for Ordinary Shares on the terms and conditions set out in this Prospectus.                                                                   |
| <b>Invitation Period</b>     | means the period beginning on the Opening Date and ending on the Closing Date.                                                                                                                 |
| <b>Invitation Price</b>      | means \$48.00 per Invitation Share.                                                                                                                                                            |
| <b>Invitation Shares</b>     | means the 350,000 newly issued Ordinary Shares that are the subject of this Invitation.                                                                                                        |
| <b>IPO</b>                   | means the initial public offering of the Invitation Shares.                                                                                                                                    |
| <b>Opening Date</b>          | means the opening date of the Invitation, being the 27 <sup>th</sup> May 2025.                                                                                                                 |
| <b>Ordinary Shares</b>       | means ordinary shares in the capital of the Company.                                                                                                                                           |
| <b>Person</b>                | includes an individual, firm, company or other corporate body.                                                                                                                                 |
| <b>Prospectus</b>            | means this prospectus issued in connection with the IPO, and includes any supplemental prospectus issued by the Company in connection with the Invitation.                                     |
| <b>Securities Act</b>        | means the Securities Act, 2012 (as amended) of the Laws of the Republic of Trinidad and Tobago.                                                                                                |
| <b>Shareholder</b>           | means a Person for the time being entered on the Register as the holder of an Ordinary Share.                                                                                                  |
| <b>SME</b>                   | means small or medium enterprise.                                                                                                                                                              |
| <b>SME Market</b>            | means the SME Market of the TTSE.                                                                                                                                                              |
| <b>TTCD</b>                  | means the Trinidad and Tobago Central Depository.                                                                                                                                              |
| <b>TTSE</b>                  | means the Trinidad and Tobago Stock Exchange.                                                                                                                                                  |
| <b>TTSE website</b>          | means the website of the TTSE at <a href="http://www.stockex.co.tt">www.stockex.co.tt</a>                                                                                                      |
| <b>TTSEC</b>                 | means the Trinidad and Tobago Securities and Exchange Commission.                                                                                                                              |

# Investor warning

This Prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the Company, as well as the names of persons responsible for its organization and management.

You are encouraged to read this Prospectus in its entirety, prior to making any investment decision and you are advised to retain this Prospectus for future reference.

The Company has taken all reasonable care to ensure that the facts stated in this Prospectus in relation to the Company, are true and accurate in all material respects and are not misleading in any material respect, and that there are no other facts in relation to the Company, the omission of which would, in the context of the issuance and offering of the Invitation, in this Prospectus be misleading in any material respect.

Each investor contemplating purchasing shares is required to make his/her/its own independent investigation of the financial condition and affairs, and his/her/its own appraisal of the creditworthiness, of the Company.

Neither the delivery of the Prospectus nor the offering, sale and delivery of the shares shall create any implication that the information contained herein is correct at any time after the date hereof and that there has been no change in the financial condition and affairs of the Company since the date hereof.

If you are in doubt as to any action you should take, it is recommended that you seek financial advice from your stockbroker or other independent financial advisor.

Readers are also asked to carefully review the "Risk Factors" section in this Prospectus for a more complete discussion of the risks of an investment in the Ordinary Shares.

## Note

- (i) All figures included in this Prospectus are in Trinidad and Tobago dollars (TT\$), except where otherwise stated.
- (ii) Defined terms, as denoted by the capitalization of the first letter of such terms, have the meaning assigned to them in the Definitions Section of this Prospectus.

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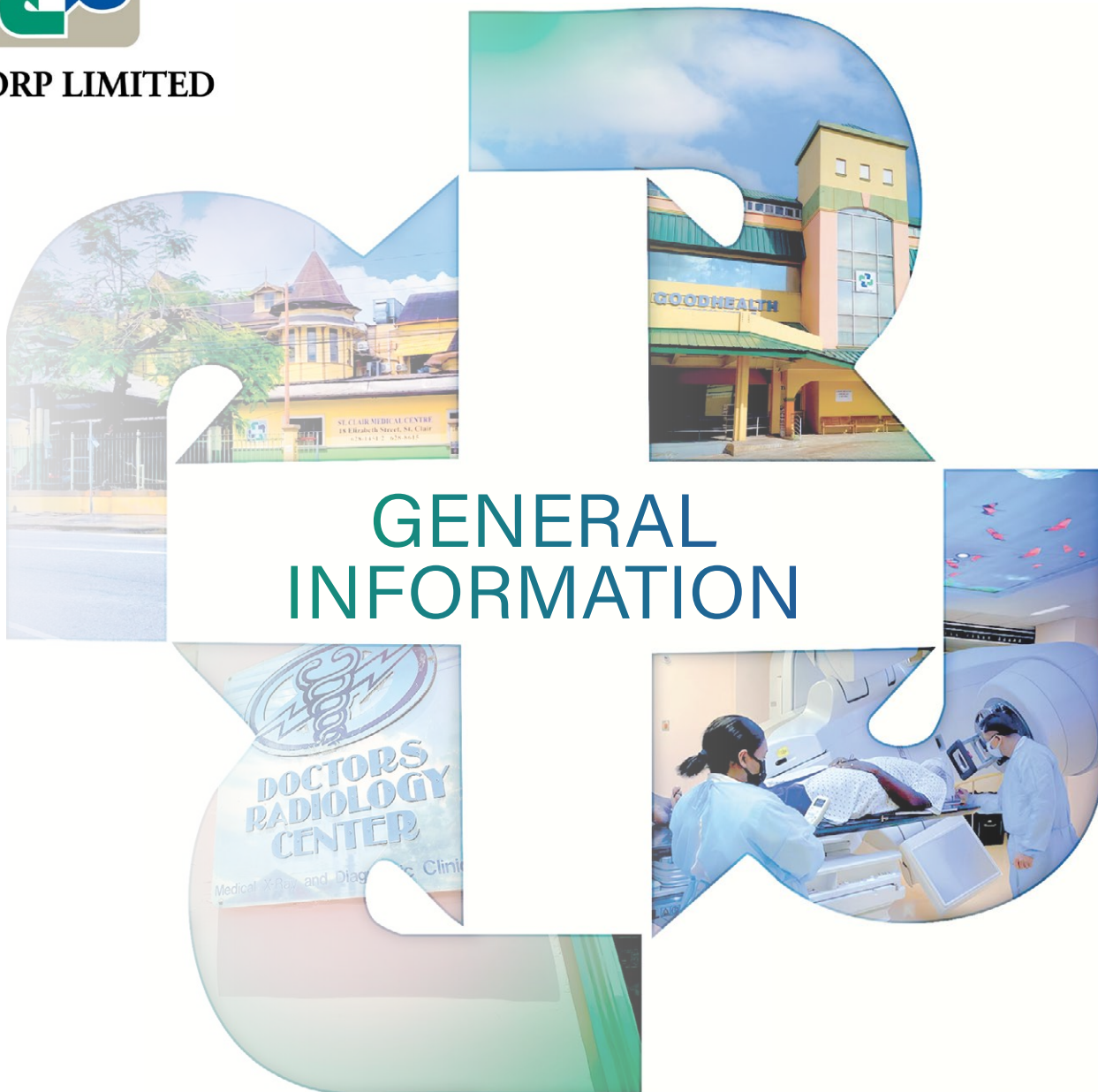
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**MEDCORP LIMITED**



## 1.1 CORPORATE DIRECTORY

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### MEDCORP LIMITED

|                                                 |                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chairman of the Board</b>                    | Dr. Kongshiek Achong Low                                                                                                                                                                                                                                                               |
| <b>Chief Accountant</b>                         | Ms Vera Mangal                                                                                                                                                                                                                                                                         |
| <b>Registered Office</b>                        | 18 Elizabeth Street<br>St. Clair<br>Tel: (868) 628 1451<br>Website: <a href="http://www.medcorpltd.com">www.medcorpltd.com</a>                                                                                                                                                         |
| <b>Auditor</b>                                  | <a href="#">BDO Trinity Limited</a><br>122-124 Frederick Street<br>2 <sup>nd</sup> Floor, CIC Building<br>Port of Spain, 100825<br>Tel: (868) 625 8662<br>Website: <a href="https://www.bdo.tt/en-gb/locations/trinidad-tobago">https://www.bdo.tt/en-gb/locations/trinidad-tobago</a> |
| <b>Bankers and<br/>Lead Investment Advisers</b> | <a href="#">Republic Bank Limited</a><br>9-17 Park Street<br>Port of Spain<br>Tel: (868) 625 3617<br>Website: <a href="https://republictt.com">https://republictt.com</a>                                                                                                              |
| <b>Mentor</b>                                   | Mr. Vaughn Welsh                                                                                                                                                                                                                                                                       |

# 1. GENERAL INFORMATION

## LISTING OF PERSONS INVOLVED IN THE INVITATION

### Lead Investment Advisers

**Republic Bank Limited**  
9-17 Park Street  
Port of Spain  
Tel: (868) 625 3617  
Website: <https://republictt.com>

### Lead Stockbroker

**Republic Wealth Management Limited**  
8 Rapsey Street  
Ellerslie Plaza  
Maraval  
Tel: (868) 625 3617  
Website: <https://republicwealthmanagement.com/>

### Attorneys-at-Law

**M. Hamel-Smith & Co.**  
Eleven Albion  
Corner Dere & Albion Streets  
Port of Spain  
Tel: (868) 299 0981  
Website: [www.trinidadlaw.com](http://www.trinidadlaw.com)

### Registrar

**Trinidad and Tobago Central Depository Limited**  
10<sup>th</sup> Floor, Nicholas Tower  
63-65 Independence Square  
Port of Spain  
Tel: (868) 625-5107-9

### Auditor

**BDO Trinity Limited**  
122-124 Frederick Street  
2<sup>nd</sup> Floor, CIC Building  
Port of Spain, 100825  
Tel: (868) 625 8662  
Website: <https://www.bdo.tt/en-gb/locations/trinidad-tobago>

### Stock Exchange

**Trinidad and Tobago Stock Exchange Limited**  
10<sup>th</sup> Floor, Nicholas Tower  
63-65 Independence Square  
Port of Spain  
Tel: (868) 625 5107-9  
Fax: (868) 623 0089  
Website: [www.stockex.co.tt](http://www.stockex.co.tt)

## 1.2 INFORMATION SUMMARY

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**This information summary highlights key information contained in the Prospectus and may not contain all the information that may be important to prospective purchasers. Readers are advised to read the entire Prospectus prior to deciding whether to invest in the shares being distributed.**

### Overview of the Company

Medcorp Limited was founded on 31<sup>st</sup> December 1993 as a limited liability company. Established by a group of physicians, the Company's primary purpose was to acquire Parks Nursing Home, the longest established private hospital in Trinidad and Tobago, now known as St. Clair Medical Centre. On 25<sup>th</sup> March 1999, Medcorp Limited was continued under the Companies Act, Chapter 81:01, of the Laws of the Republic of Trinidad and Tobago.

Prior to 1<sup>st</sup> October 2024, Medcorp Limited was the sole shareholder of Cancer Centre of the Caribbean Limited and Medical X-Ray and Diagnostic Clinic Limited and was a 50% shareholder in Caribbean Heart Care — Medcorp Limited. Medcorp's capital comprised of 7,479,977 ordinary shares representing \$33,409,119 in stated capital. On 1<sup>st</sup> October 2024, Medcorp Limited amalgamated with

its wholly-owned subsidiaries and continued as one amalgamated company, which is the issuer of the Invitation. As a result of the amalgamation, the number of shares in issue by Medcorp remained the same and its stated capital was reduced to \$7,479,977.00.

Currently, Medcorp is owned by a group of 70 shareholders. Of Medcorp's 70 shareholders, there are 4 shareholders who are deemed to be 'connected persons' for the purpose of the Securities Act and such persons jointly control 65.51% of the Company's issued Ordinary Shares.

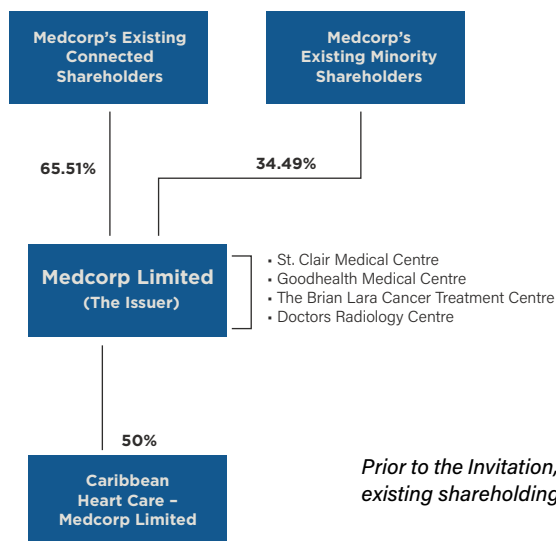
Further information relating to Medcorp's corporate structure, shareholding and business is set out in the following page.

# 1. GENERAL INFORMATION

## Corporate Structure

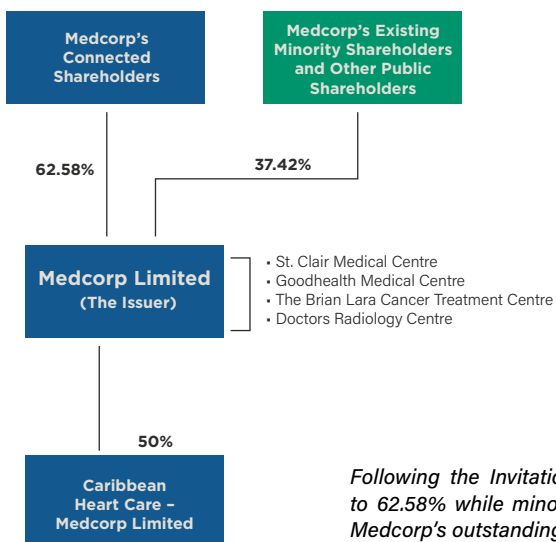
The following diagrams illustrate the corporate structure of the Company before and after giving effect to the completion of the Invitation.

### BEFORE THE INVITATION



*Prior to the Invitation, Medcorp is wholly owned by its existing shareholders; 65.51% of Medcorp's existing shareholding comprise Connected Shareholders.*

### AFTER THE INVITATION



*Following the Invitation, Connected Shareholders' shareholding in Medcorp will be reduced to 62.58% while minority shareholders (including participants in the IPO) will hold 37.42% of Medcorp's outstanding Ordinary Shares.*

## Overview of Principal Activities

The Company's principal activity is the operation of private healthcare facilities in Trinidad and Tobago. Medcorp's strategic network encompasses three campuses across North-West Trinidad, providing a comprehensive range of medical services.

Medcorp's facilities are as follows:

- St. Clair Medical Centre (for acute care and specialized facilities);
- Goodhealth Medical Centre (for preventative and ambulatory care);
- The Brian Lara Cancer Treatment Centre (for oncology, radiotherapy and chemotherapy); and
- Doctors Radiology Centre (for diagnostic imaging).

The Company is also a 50% shareholder in a joint venture, Caribbean Heart Care — Medcorp Limited, which operates Caribbean Heart Care Medcorp, a full-service cardiovascular care centre.

Medcorp has emerged as one of the largest and

premier private healthcare facilities in the Republic of Trinidad and Tobago, setting the standard for medical excellence in the Caribbean region. The Company offers a wide array of specialized departments and services including but not limited to a 24-hour accident and emergency department, a critical care department, surgical suite facilities, and diagnostic services. Further information and a more comprehensive list of the services offered by the Company is set out under Section 3.3.

Over the last 30 years, Medcorp has evolved as one of the leading healthcare providers in Trinidad and Tobago and the Caribbean with its original vision remaining unchanged since its inception:

*"Striving for the highest quality of care to patients.  
Providing health services of excellent quality at an affordable cost.*

*Ensuring that the doctors working here have the desired environment to allow for the good practice of medicine.*

*With God's will, all shall be accomplished."*

## Board of Directors and Senior Officers

As at the date of this Prospectus, the Company's Board and senior management team are as follows:

### Board of Directors

**Dr. Kongshiek Achong Low**

Director & Executive Chairman

**Dr. Dinesh Mor**

Director & Deputy Chairman of the Board

**Ms Alyssa Achong Low**

Director & Company Secretary

**Mr. Gerrard Lee-Inniss**

Director - Independent Director

**Mr. John Tang Nian**

Director - Independent Director

**Dr. Boris Yufe**

Director

**Mr. Richard Yufe**

Director

### Senior Officers

**Ms Josanne Rocke-Pantin**

General Manager

**Mr. Renard Teelucksingh**

Nursing Administrator

**Ms Vera Mangal**

Chief Accountant



**MEDCORP LIMITED**



## 2. DETAILS OF THE INVITATION

### 2.1 KEY DATES

---

The following key dates with regard to the Invitation should be noted:

- |                                                                                                            |                             |
|------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1. Commencement date of the Invitation                                                                     | 27 <sup>th</sup> May, 2025  |
| 2. Closing Date by which all Applications must be submitted<br>(or later at the discretion of the Company) | 13 <sup>th</sup> June, 2025 |
| 3. Expected notification of allotment of securities                                                        | 27 <sup>th</sup> June, 2025 |
| 4. Expected electronic transfer of refunds via Automated Clearing House ("ACH")                            | 4 <sup>th</sup> July, 2025  |
| 5. Expected listing date                                                                                   | 7 <sup>th</sup> July, 2025  |

The Invitation will open on 27<sup>th</sup> May, 2025 at 9 a.m., and will close at 4 p.m. on 13<sup>th</sup> June, 2025 or later, at the discretion of the Company. However, the Closing Date shall in no case be later than one

(1) year and twenty (20) days from the effective date of the distribution statement relating to it in accordance Section 83(4)(a) of the Securities Act, 2012 as amended.

### 2.2 PURPOSE OF THE INVITATION

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The purpose of the Invitation is to raise capital to provide Medcorp with financial resources and flexibility to execute its strategic initiatives and enhance its market position, to drive the Company's growth and expansion plans, while providing an opportunity to the public to invest in the private healthcare services sector, and to improve the liquidity of the Ordinary Shares. The Management Discussion & Analysis at Section 7.2 contains a discussion of Medcorp's strategic plans.

In circumstances where the volume of subscriptions received is less than \$4,200,000.00 or otherwise would result in the Company being unable to satisfy the thresholds required to list the Ordinary Shares on the SME Market of the TTSE, the Company will return all subscriptions to the respective applicants together with any payments made pursuant thereto.

## 2. DETAILS OF THE INVITATION

### 2.3 SECURITIES AVAILABLE FOR SUBSCRIPTION

The Invitation is for subscriptions for Ordinary Shares up to 350,000 at a price per share of \$48.00, payable in full on application.

| Number of Invitation Shares | Class of Invitation Shares | Price per Share | Aggregate Proceeds | Percentage represented by Invitation Shares |
|-----------------------------|----------------------------|-----------------|--------------------|---------------------------------------------|
| 350,000                     | Ordinary Shares            | \$48.00         | \$16,800,000.00    | 4.47%                                       |

The Invitation is being offered to individual investors, institutional investors, trust funds, mutual funds, credit unions and co-operatives, and companies.

The basis of allocation in the event of an oversubscription is detailed in Section 11.5 (Subscription Information).

## Share Capital

Prior to the Invitation, the Company's issued shares consist of 7,479,977 Ordinary Shares. The Company's ten most significant shareholders and their relationship to the Company is as follows:

| Shareholders         | Relationship to the Company                   | Ordinary Shares | % Interest |
|----------------------|-----------------------------------------------|-----------------|------------|
| Boris Yufe           | Director/Connected Person                     | 1,747,135       | 23.36%     |
| Kongshiek Achong Low | Director/Connected Person                     | 1,328,164       | 17.76%     |
| Dinesh Mor           | Director/Connected Person                     | 1,165,416       | 15.58%     |
| Alyssa Achong Low    | Corporate Secretary/Director/Connected Person | 659,225         | 8.81%      |
| Kwong-Mun Achong Low | None                                          | 659,225         | 8.81%      |
| Arlene Yufe          | None                                          | 470,875         | 6.30%      |
| Stephen Kaufman      | None                                          | 139,301         | 1.86%      |
| Mary Ahow            | None                                          | 112,115         | 1.50%      |
| John Woo             | None                                          | 112,115         | 1.50%      |
| Kieron Fung Kee Fung | None                                          | 102,500         | 1.37%      |

As a result of the Invitation, the Company will issue an additional 350,000 Ordinary Shares, resulting in an increase in its share capital.

## 2. DETAILS OF THE INVITATION

Upon completion of the Invitation and assuming full subscription of the Invitation, the Company's effective share ownership will be as follows:

| Shareholders                             | Ordinary Shares  | % Interest   |
|------------------------------------------|------------------|--------------|
| Connected Shareholders <sup>1</sup>      | 4,899,940        | 62.58%       |
| Other existing Shareholders <sup>2</sup> | 2,580,037        | 32.95%       |
| <b>Public Investors</b>                  | <b>350,000</b>   | <b>4.47%</b> |
| <b>Total shares</b>                      | <b>7,829,977</b> |              |

## Material attributes and characteristics of the shares to be distributed

### *Voting Rights*

Any shareholder of the Company is entitled to vote at all meetings of shareholders except meetings at which only holders of a specified class of shares, other than such shareholder's class of shares, are entitled to vote.

### *Dividend and Distribution Rights*

Any shareholder of the Company has the right to receive dividends declared and payable by the Company as well as any other return of capital or distribution of assets by the Company.

### *Right to appoint the Company's directors*

The Companies Act, sub-section 109, states the directors of a company shall call an annual meeting of shareholders, not later than eighteen months after the company comes into existence, and subsequently not later than fifteen months after holding the last preceding annual meeting.

According to the Company's By-Laws:

- Annual Meetings — The annual meeting of shareholders shall be held at such time in each year within Trinidad & Tobago (whether or not participation by the shareholders shall be wholly or in part by telephonic, electronic or other communication facilities pursuant to these By-laws, as the Board may by resolution determine) for the purpose of considering the Financial Statements and reports required by

the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

- Term and Appointment of Directors — Directors are generally appointed for a term expiring on the close of the 3<sup>rd</sup> annual general meeting of the Company following his/her election.

### *Rights upon dissolution or winding-up*

The Company's Articles provide that if it is wound up, its surplus assets available for distribution among the shareholders shall be applied towards repaying the amount paid up on the shares then in issue by the Company to its respective shareholders. Where assets are more than sufficient to repay the whole amount paid up on such shares, the surplus shall be distributed among the Company's shareholders in like proportion.

### *Pre-Emption Rights applicable to the Ordinary Shares*

There will be no rights of pre-emption applicable to the Ordinary Shares. The Board of Directors are authorised pursuant to the Company's Articles to issue new shares (including new Ordinary Shares) from time to time, without the prior consent of the shareholders of the Company. The Company has an unlimited authorised share capital.

<sup>1</sup>See the table immediately above for a listing of the Company's Connected Shareholders

<sup>2</sup>None of these shareholders are Connected Shareholders

## 2. DETAILS OF THE INVITATION

### 2.4 PRICING

The price per Ordinary Share of the Company is \$48.00, payable in full at the time of application. In determining the Invitation Price, the Company and the brokers considered several factors, including:

- The information set forth in this Prospectus and otherwise available to the brokers;
- The Company's prospects for future financial performance;
- The general condition of the securities markets, and the offering market in particular, at the time of the offering; and
- Other factors deemed relevant by the Company and the brokers.

Medcorp's book value per share based on its audited financial statements for the year ended 31<sup>st</sup> December, 2024 was \$9.61 per share.

The Invitation Price for the Invitation Shares reflects Medcorp's strong market position, growth potential and unique value proposition and is supported by several key factors:

1. **Market Leadership:** Medcorp stands as one of the largest and premier private healthcare facilities in the Republic of Trinidad and Tobago, setting the standard for medical excellence in the Caribbean region. This dominant position provides a strong foundation for sustained growth and profitability.

2. **Unique Investment Opportunity:** As the first healthcare enterprise to be listed on the TTSE (subject to approval by the TTSE of Medcorp's application to list the Ordinary Shares), Medcorp offers investors an exclusive opportunity to gain exposure to the healthcare sector in this market.
3. **Comprehensive Service Offering:** Medcorp provides a broad range of medical services, allowing for diversified revenue streams and reduced dependency on any single medical specialty. This comprehensive approach enhances the company's resilience and growth prospects.
4. **Economic Resilience:** An investment in Medcorp offers portfolios the opportunity to gain exposure to the healthcare sector, which has historically seen stable levels of demand. The essential nature of healthcare services is likely to provide a buffer against market fluctuations, offering investors the potential for growth and relative economic stability.

Neither the Company nor the brokers can assure Investors that an active trading market will develop for the Ordinary Shares after the initial public offer, or that these shares will trade in the public market at or above the Invitation Price.

## 2. DETAILS OF THE INVITATION

### 2.5 USE OF PROCEEDS

The gross cash proceeds from the distribution will be \$16,800,000.00. After deducting expenses relating to the distribution and commissions and brokerage fees, Medcorp intends to utilize the estimated net cash proceeds of the distribution of \$15,000,000.00 to fuel its strategic growth initiatives and enhance its market position. The Management Discussion & Analysis at Section 7.2 contains a discussion of Medcorp's strategic plans. Any remaining funds will be reserved for general corporate purposes, providing financial flexibility to capitalize on

unforeseen opportunities and navigate potential challenges in the dynamic healthcare sector.

Medcorp estimates that the proceeds from the distribution will be fully utilized within 18 months.

The anticipated fees for the Invitation and listing of Invitation Shares on the SME are estimated to be to \$104,083.89. This amount covers the following initial fees:

|                                          |                    |
|------------------------------------------|--------------------|
| <b>Fees paid or payable to the TTSEC</b> | <b>\$64,083.89</b> |
| <b>Fees paid or payable to the TTCD</b>  | <b>\$30,000.00</b> |
| <b>Fees paid or payable to the TTSE</b>  | <b>\$10,000.00</b> |

The allocation of net proceeds described above represents Medcorp's current intentions based on its present plans and business conditions. The amounts and timing of its actual expenditure may vary significantly depending on numerous factors,

including its operating costs; evolving market conditions; the progress of its expansion efforts, and strategic priorities. As a result, the Board will retain broad discretion over the allocation of the net proceeds from this Invitation.

### 2.6 COMPANY POLICIES RELEVANT TO THE INVITATION

The following are relevant policies in relation to an investment in the Ordinary Shares.

#### **Dividend Policy**

Medcorp's dividend policy is to distribute to its ordinary shareholders a percentage of the funds which exceeds the operating, capital and strategic requirements of the Company as determined by the Board from time to time. The annual targeted dividend payout ranges from 30% to 70% of net

profit after tax. The target percentage set out above will not be changed without the prior approval of the Board. The Company intends to declare dividends twice per year, subject to the above-noted requirements. An interim dividend for the financial year is intended to be paid based on the six (6) months financial results to 30<sup>th</sup> June, with the final dividend being paid following the approval of the audited Financial Statements of that financial year.



**MEDCORP LIMITED**

# CORPORATE INFORMATION



### 3.1 HISTORICAL INFORMATION

Medcorp Limited was founded on 31<sup>st</sup> December 1993 as a limited liability company. Established by a group of physicians, the Company's primary purpose was to acquire Parks Nursing Home, the longest established private hospital in Trinidad and Tobago, now known as St. Clair Medical Centre ('SCMC'). On 25<sup>th</sup> March 1999, Medcorp Limited was continued under the Companies Act, Chapter 81:01 of the Laws of the Republic of Trinidad and Tobago.

From its inception, Medcorp's identity, purpose and direction have been shaped by its mission and vision statements. The mission, articulated by its founding shareholders and Board, is

*"to be the No. 1 provider of tertiary health care services in the Caribbean."*

This is complemented by the vision statement that emphasizes:

*"Striving for the highest quality of care to patients. Providing health services of excellent quality at an affordable cost.*

*Ensuring that the doctors working here have the desired environment to allow for the good practice of medicine.*

*With God's will, all shall be accomplished."*

For over three decades, these core principles have guided Medcorp to establish itself as one of the leading private healthcare institutions in Trinidad and Tobago and the wider Caribbean. The Company's commitment to excellence is reflected in key areas. Medcorp has created an infrastructure of top-tier facilities that support independent medical professionals across a wide range of specialties, enabling comprehensive, high standard patient care. Additionally, the Company consistently invests in cutting-edge, cost-effective medical technologies that keep it at the forefront of medical advancements

while maintaining affordability for patients. Through these efforts, Medcorp is dedicated to maintaining patients' good health and delivers exceptional care, ensuring both optimal health outcomes and patient satisfaction.

Since its inception, Medcorp has consistently set new benchmarks in private healthcare delivery in Trinidad and Tobago. Within its first year of operation, Medcorp rapidly elevated its services to international standards, effectively reversing the trend of upper-middle-class clients seeking healthcare abroad in North America particularly with the majority of those clients instead having their medical and surgical procedures performed at Medcorp. This swift market penetration was achieved through the strategic introduction of pioneering services previously unavailable in the local private healthcare sector, including a 24-hour Accident and Emergency department, a state-of-the-art diagnostic imaging centre, an endoscopy centre, a dialysis unit, and facilities to support comprehensive laparoscopic surgery services. Medcorp strategically positioned itself to address the most pressing healthcare challenges of our time: cardiac conditions, neurological disorders, and oncologic diseases – the triad of critical medical concerns that dominate modern healthcare. The Company implemented a forward-thinking plan to create a robust platform for delivering optimal treatment across these crucial areas, simultaneously enhancing its capacity to manage a wide spectrum of other medical conditions.

This approach not only established Medcorp as a leader in comprehensive healthcare delivery but also demonstrated the Company's ability to identify and capitalize on unmet market needs, setting a strong foundation for sustained growth and market leadership.

### 3. CORPORATE INFORMATION

Medcorp's strategic growth trajectory has been marked by a series of calculated initiatives that have solidified its position as a pioneer in specialized medical care within the Caribbean region:

1. **Neurosurgical Excellence:** In 1994, Medcorp successfully created an environment that attracted Trinidad and Tobago's leading independent neurosurgeons, establishing a foundation for advanced neurological care within its facilities.
2. **Critical Care Innovation:** In 1999, Medcorp unveiled Trinidad and Tobago's first Intensive Care Unit (ICU). This state-of-the-art facility not only set new standards for private healthcare but also served as a prototype for ICU development in the public health sector, demonstrating Medcorp's influence on national healthcare infrastructure.
3. **Cardiovascular Leadership:** In 2000, Medcorp entered into a strategic joint venture with Caribbean Heart Care, the region's leading cardiovascular surgical service provider. This joint venture resulted in the formation of Caribbean Heart Care-Medcorp Limited (CHCM), positioning Medcorp's facilities at the forefront of cardiac care infrastructure.
4. **Surgical Innovation and World-Class Outcomes:** These strategic investments enabled Medcorp to provide cutting edge facilities for neurosurgeons to perform a comprehensive range of neurosurgical procedures. Additionally, since 1999, open-heart surgeries have become routine operations at Medcorp's St. Clair Medical Centre, a capability unmatched by other private or public healthcare facilities in the region. The surgical and medical outcomes achieved at CHCM consistently meet or exceed global benchmarks, underscoring Medcorp's commitment to providing world-class healthcare.

This unparalleled combination of advanced facilities and superior outcomes underscores Medcorp's commitment to excellence and positions the Company as the preferred choice for both practitioners and patients seeking world-class healthcare in the Caribbean.

Medcorp's commitment to excellence and innovation is exemplified further by its additional strategic expansions:

1. **Executive Health Services:** In 2002, Medcorp established a state-of-the-art department for annual Executive Health Medicals which balanced cost-efficiency with premium quality, setting the industry standard for executive health medicals in Trinidad and Tobago.
2. **The Brian Lara Cancer Treatment Centre:** In 2007, Medcorp pioneered the first modern radiotherapy centre in Trinidad and Tobago. This ground-breaking facility was conceptualized, developed and implemented entirely through Medcorp's own resources and vision, without reliance on external subsidies or support, underscoring Medcorp's capacity for innovation and self-reliance. The Brian Lara Cancer Treatment Centre houses an advanced Linear Accelerator, which delivers cutting-edge radiation treatment for various types of cancer. Similar to CHCM's outcomes that meet or exceed the global benchmarks, the Brian Lara Cancer Treatment Centre has achieved globally competitive success rates in treating various types of cancer.
3. **Continuous Reinvestment Strategy:** These expansions highlight the group's consistent reinvestment initiatives which have enabled Medcorp to deliver comprehensive, state-of-the-art healthcare services. The success of these expansion initiatives reinforces Medcorp's position as the Caribbean's premier healthcare provider.

### 3. CORPORATE INFORMATION

Additionally, in 2015, St. Clair Medical Centre achieved a significant milestone by earning a certificate of preliminary accreditation from QHA Trent, a globally recognized accreditation scheme that validated its healthcare facilities as safe and fit for purpose. Building on this success, SCMC further solidified its position in 2018 by obtaining full QHA Trent accreditation. This achievement marked SCMC as a pioneer, being the first hospital in the Caribbean to receive this distinction. This international certification had far-reaching implications, attracting attention from various stakeholders: domestic patients seeking world-class healthcare; medical tourists looking for high-quality, accredited facilities; health insurance companies seeking to engage with certified institutions; multi-national companies ensuring top-tier medical care for their overseas operations; universities interested in affiliations with premier medical institutions; and governments seeking connections with reliable healthcare providers. This accreditation firmly established SCMC as the preeminent medical institution within the Caribbean and the sole internationally accredited admitting healthcare institution in the English-speaking Caribbean. Such distinction elevated SCMC's status on both regional and global stages. Even before attaining the QHA Trent Accreditation, SCMC's reputation for excellence was evident. The hospital has long been the preferred choice for medical oversight of visiting

heads of state to Trinidad and Tobago, underscoring its commitment to providing exceptional care at the highest levels. This combination of international accreditation and a track record of serving distinguished clientele positions SCMC at the forefront of healthcare delivery in the Caribbean, making it an attractive prospect for investors.

As Medcorp's reputation for excellence and financial performance grew, the Company attracted investor interest from physicians, particularly those practising at Medcorp's facilities. This led to private market transactions, resulting in a diverse and professionally aligned shareholder base. Medcorp is now owned by a group of 70 shareholders. Of Medcorp's 70 shareholders, 4 shareholders jointly control 65.51% of the Company's issued Ordinary Shares and are considered Connected Shareholders.

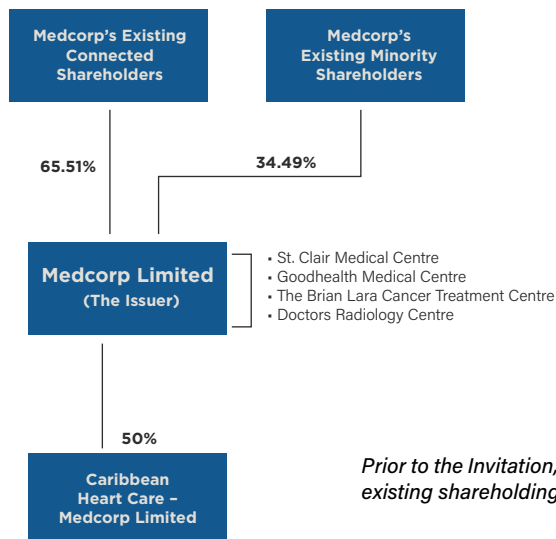
Prior to 1<sup>st</sup> October 2024, Medcorp Limited was the sole shareholder of Cancer Centre of the Caribbean Limited and Medical X-Ray and Diagnostic Clinic Limited and was a 50% shareholder in Caribbean Heart Care - Medcorp Limited. On 1<sup>st</sup> October 2024, Medcorp Limited amalgamated with its wholly-owned subsidiaries and continued as one amalgamated company, which is the issuer of the Invitation.

## 3. CORPORATE INFORMATION

### 3.2 CORPORATE STRUCTURE

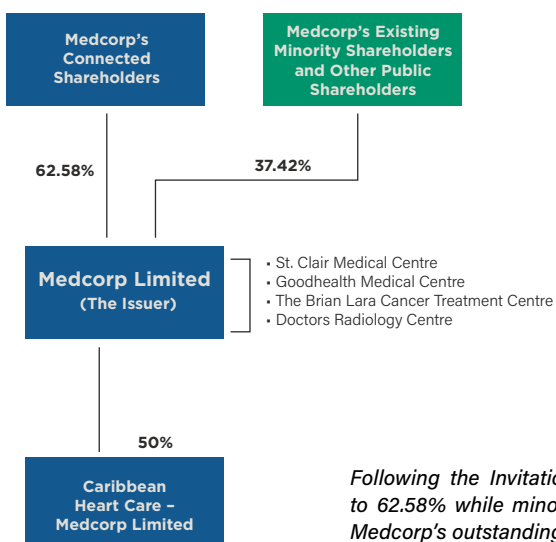
The following diagrams illustrate the corporate structure of the Company before and after giving effect to the completion of the Invitation.

#### BEFORE THE INVITATION



*Prior to the Invitation, Medcorp is wholly owned by its existing shareholders; 65.51% of Medcorp's existing shareholding comprise Connected Shareholders.*

#### AFTER THE INVITATION



*Following the Invitation, Connected Shareholders' shareholding in Medcorp will be reduced to 62.58% while minority shareholders (including participants in the IPO) will hold 37.42% of Medcorp's outstanding Ordinary Shares.*

### 3.3 MEDCORP'S BUSINESS

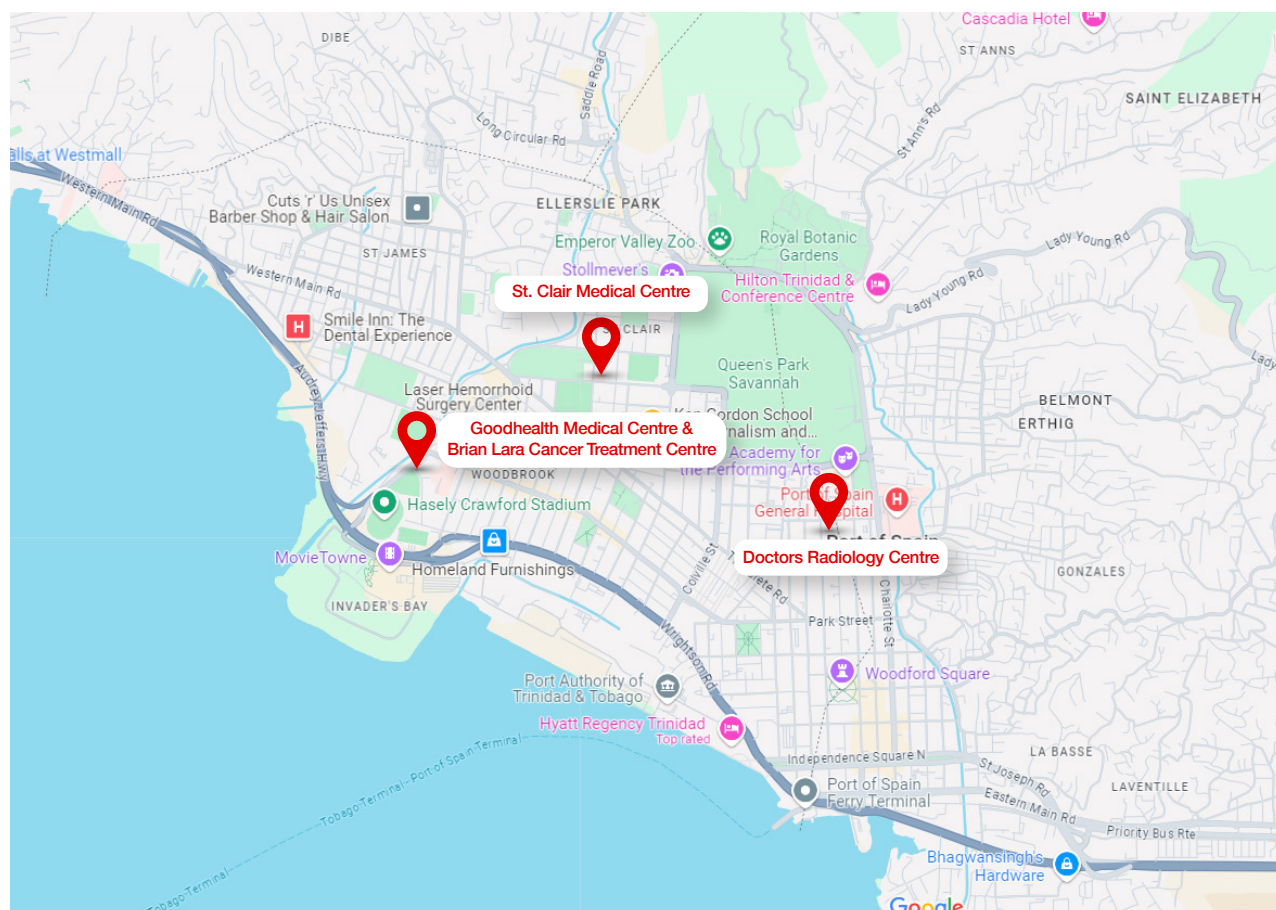
#### Overview of Medcorp's Business

Established in 1993, Medcorp has emerged as the largest and premier private healthcare facility in the Republic of Trinidad and Tobago, setting the standard for medical excellence in the Caribbean region. With a mission to be the most trusted name in healthcare, Medcorp has consistently pioneered innovations in patient care, offering world-class

infrastructure, services, and support for both private patients and those referred through the public healthcare system.

Medcorp's strategic network encompasses three campuses across North-West Trinidad, providing a comprehensive range of medical services.

MAP OF PORT OF SPAIN SHOWING MEDCORP'S CAMPUS LOCATIONS



### 3. CORPORATE INFORMATION

At the heart of this network lies the flagship facility, St. Clair Medical Centre, a testament to Medcorp's commitment to acute care excellence.



#### St. Clair Medical Centre | Acute Care and Specialized Facilities

##### Located at Elizabeth Street, St. Clair

St. Clair Medical Centre is a full-service private hospital, boasting a total capacity of sixty (60) beds. This includes fifty (50) inpatient beds distributed across specialized wards for medical, surgical, maternity, intensive care (ICU), and intermediate care (IMCU) needs. Additionally, the facility features a seven-bed 24/7 accident and emergency department ensuring round-the-clock care for patients with urgent medical needs. There are three (3) beds in SCMC's recovery room.

As of the date of this Prospectus, SCMC offers a wide array of specialized departments and services, each designed to provide optimal care:

**Emergency Care:** The 24-hour Accident & Emergency Department delivers timely, compassionate care for acute, often life-threatening conditions, 24 hours a day, 365 days a year.

**Critical Care:** The Intensive Care Unit provides a full spectrum of medical services to critically ill patients, catering to those with vitally distressing conditions requiring constant attention.

**Diagnostic Services:** State-of-the-art Radiology and CT Scan Imaging services are available on-site. Further, laboratory services are provided on location

by St. Augustine Medical Laboratory Limited, the first medical laboratory in the Caribbean to achieve accreditation to the International Organisation for Standardisation (ISO) medical laboratory standard, ISO 15189.

**Surgical Services:** The facility houses two (2) major modern operating theaters and one (1) minor operating theater where various surgical procedures can be performed.



### 3. CORPORATE INFORMATION

#### St. Clair Medical Centre | Acute Care and Specialized Facilities

Located at Elizabeth Street, St. Clair

**Endoscopy Services:** These services, which are important for diagnosing and screening gastroenterology issues and concerns, are performed in the minor operating theatre.

**Dialysis Services:** A dedicated dialysis department featuring eight (8) dialysis machines offers personalized care and education under the supervision of an independent specialist doctor and nurses, complete with patient amenities such as cable television and WiFi access.

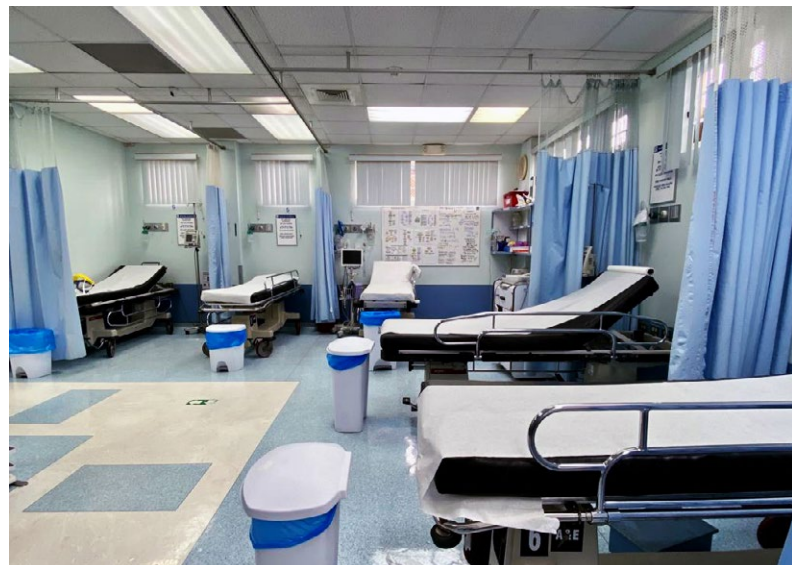
**Maternity & Neonatal Care:** The Maternity Ward includes a well-equipped nursery with two (2) incubators, bassinets, an ultraviolet light platform for neonatal jaundice treatment, and other equipment to ensure care for newborns.

**Nursing Care:** Professional nursing staff provide care throughout patients' hospital stays, guided by tailored patient care plans that have been directed by the patients' independent medical practitioners.

**Pharmacy Services:** A full-service pharmacy caters to both inpatient and outpatient prescription and over-the-counter health needs as well as those of the general public.

**Billing Services:** The hospital ensures prompt preparation of bills, available within one hour of physician's discharge orders for admitted patients, and immediately for outpatient services.

**Support Services:** A range of ancillary services including customer service, an on-site chapel and housekeeping contribute to a comfortable and supportive patient experience.



While St. Clair Medical Centre stands as the cornerstone of Medcorp's healthcare offerings, it is but one facet of Medcorp's comprehensive healthcare ecosystem. Medcorp's commitment to providing a full spectrum of services extends beyond acute care, encompassing preventative

care, specialized oncology treatments and advanced diagnostic imaging. This holistic approach is further exemplified by three additional state-of-the-art facilities, each playing a crucial role in Medcorp's goal to deliver unparalleled healthcare services across Trinidad.



## Goodhealth Medical Centre ('Goodhealth Medical') | Preventative and Ambulatory Care

Located at Fitzblackman Drive, Woodbrook

Goodhealth Medical Centre serves as Medcorp's hub for preventative care and ambulatory services, offering a comprehensive approach to health maintenance and minor surgical interventions. The facility's key features include:

**Executive Health Assessment:** The core of Goodhealth Medical's preventative care offering, these detailed health evaluations cater to corporate and institutional client's employees. The assessments encompass comprehensive medical examinations evaluating eyes, ears, lungs, heart, kidneys, vascular system, and gastrointestinal tract. Diagnostic investigations are intended to screen for heart conditions, cancer, and other potential health concerns that may be identified during medical history reviews and examination.

**Same Day Surgical Services:** Goodhealth Medical has two (2) operating theaters for same-day surgeries. These facilities enable cost-effective minor surgical interventions and minimize patient stay duration thereby increasing accessibility for a wide range of patients requiring minor procedures.

**Diagnostic Service:** Laboratory services are provided on site by St. Augustine Medical Laboratory Limited.

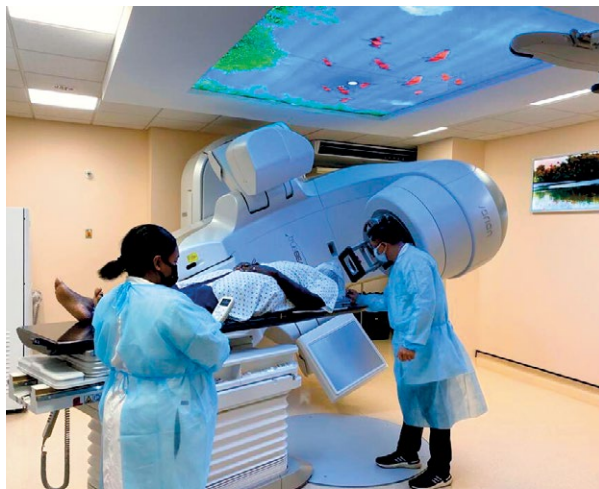
**Offices of Independent Medical Professionals:** Additionally, the facility contains contemporary medical office spaces to facilitate private clinic consultations between independent medical practitioners and their patients.





## The Brian Lara Cancer Treatment Centre ('Brian Lara Cancer Centre') | Oncology, Radiotherapy and Chemotherapy

Located at Fitzblackman Drive, Woodbrook



The Brian Lara Cancer Treatment Centre provides comprehensive advanced cancer care facilities where an interdisciplinary team of experienced practitioners provide services including diagnosis,



staging and treatment. The multidisciplinary team's decision-making ensures that each patient receives a tailored treatment plan, leveraging chemotherapy and/or radiotherapy using advanced equipment.



### Doctors Radiology Centre ('Doctors Radiology') | Diagnostic Imaging

#### Located at Pembroke Street, Port of Spain

Doctors Radiology Centre provides premium outpatient radiological investigation services. This facility is equipped with the latest in digital imaging technology including digital X-rays and mammograms. Additionally, Doctors Radiology

offers fluoroscopic examinations, bone densitometry, and ultrasounds. Doctors Radiology plays a crucial role in offering early detection of health issues and accurate diagnosis.

In addition to its array of wholly-owned operations, Medcorp expands its reach in specialized care through a strategic joint venture: Caribbean Heart Care Medcorp.

### Caribbean Heart Care Medcorp | Cardiovascular Care

#### Located at Elizabeth Street, St. Clair

CHCM is a full-service cardiovascular care centre and the only centre in Trinidad and Tobago whose services, include 24-hour emergency cardiovascular care services including heart attack and heart surgery services. It is also the only centre in Trinidad and Tobago to perform elective heart surgery on children including cardiac catheterization.

CHCM's full spectrum service includes preventative cardiology care, diagnostic testing, interventional heart and vascular procedures, electrophysiology (adult and paediatric), pacemakers, structural heart disease, cryoablation and echocardiography services. From diagnosing heart conditions in their earliest stages to providing comprehensive

treatment and ongoing support, CHCM is dedicated to meeting the evolving needs of its patients and ensuring that they receive the highest standard of care at every step of their journey.

Caribbean Heart Care Medcorp is operated by Caribbean Heart Care-Medcorp Limited, the joint venture company that is 50% owned by Medcorp. On 1<sup>st</sup> September 2000, Caribbean Heart Care-Medcorp Limited was incorporated under the Companies Act, Chapter 81:01 of the Laws of the Republic of Trinidad and Tobago. As of the date of the Prospectus, the issued and paid-up capital of Caribbean Heart Care-Medcorp Limited is \$6.00.

# Overview of Medcorp's Business Continued

## Human Resources

As at 30<sup>th</sup> April 2025, the Company employs a diverse and skilled workforce of 228 employees in a non-unionized environment. Medcorp's team encompasses essential healthcare functions, including nursing and specialized roles such as imaging technologists, radiation therapists and medical dosimetrists, which are necessary for its diagnostic services and advanced treatment capabilities. The Company's operational excellence is supported by dedicated teams in finance (accounting, billing and collections), administration, catering, customer service, oversight of medical equipment, facility maintenance and security, housekeeping, information technology, medical records, pharmacy administration, purchasing and stores. Additionally, Medcorp has a dedicated human resources department. This comprehensive organizational structure facilitates seamless coordination across all aspects of its healthcare delivery system. By integrating these various functions, Medcorp ensures smooth operations, maintains high standards of patient care and satisfaction and upholds its commitment to operational efficiency and financial stability.

It is important to note that while Medcorp provides employment for these diverse roles, it does not employ physicians. Instead, it offers state-of-the-art facilities and comprehensive support services for independent medical practitioners across various specialties to deliver high quality care to their patients. This model allows Medcorp to maintain its focus on creating an optimal healthcare environment while supporting the autonomy and expertise of the independent medical professionals who choose to practise at its facilities.

## Equipment and Technology

Medcorp's commitment to advancing healthcare solutions is reflected in its strategic investment in state-of-the-art medical equipment. Its facilities feature advanced diagnostic imaging systems, enabling precise and rapid diagnoses, ultimately

improving patient outcomes. This technological infrastructure not only meets the evolving needs of independent physicians attending to their patients but also drives Medcorp's competitive edge, increasing revenue potential. Additionally, Medcorp has also invested in state-of-the-art treatment technologies, including targeted radiation delivery systems at The Brian Lara Cancer Treatment Centre. Medcorp uses advanced intensive care monitoring equipment to enhance patient safety and allow for real-time data analysis to optimize patient care.

## Properties

As mentioned above, Medcorp operates its health care facilities from three campuses located at:

1. Elizabeth Street, St. Clair (St. Clair Medical Centre)
2. Fitzblackman Drive, Woodbrook (Goodhealth Medical Centre and The Brian Lara Cancer Treatment Centre)
3. Pembroke Street, Port of Spain (Doctors Radiology Centre)

Further, it offers living quarters to certain non-national nursing staff at a house located in St. James. Medcorp has entered into an occupancy agreement with a company that shares common control (that is, a company the shares of which are held by substantively similar shareholders as Medcorp) (the "Related Party"). The Related Party is the ultimate parent of the entities that own these four properties occupied by Medcorp. Under the terms of the occupancy agreement, Medcorp services certain lending facilities made available to the Related Party and pays all costs related to the occupancy of the properties, including utilities, insurance, and maintenance.

As of the date of this Prospectus, the monthly loan instalments paid by Medcorp pursuant to the occupancy agreement total TT\$1,087,866.00. The current term of the occupancy agreement extends until August 2035, aligning with the end of the last loan facility related to the agreement.

### 3. CORPORATE INFORMATION

#### Quality Management Procedures

Medcorp's unwavering commitment to excellence in healthcare is embodied in its robust quality management system. This comprehensive framework encompasses a series of interconnected committees and processes designed to ensure the highest standards of patient care and safety. Medcorp's quality control procedures are meticulously aligned with international best practices and seek to comply with all applicable local regulations. This approach not only guarantees that patients receive appropriate, safe and effective care but also positions Medcorp as a leader in healthcare quality assurance. The following key components form the core of its quality management strategy.

#### Adverse events committee

An adverse event is any damage or complication, whether planned or unintentional, that causes a major injury, prolonged hospital stay, disability, or death. The Company's adverse event reporting system and process identify, investigate, report, manage, monitor and evaluate adverse events. The goal is to ensure that all unfavourable incidents are reported, documented and preventable negative outcomes do not reoccur. The committee meets monthly and consists of the Executive Chairman, Medical Chief of Staff, Nursing Administrator and Pharmacist.

#### Quality control committee

Using department audits and patient/customer feedback, performance is compared to predefined standards and action is taken to correct discrepancies between standards and performance. The committee collects the information to ascertain if the standard has been satisfied. If the requirement is not satisfied, educational or corrective action is then taken. The committee usually employs the root cause analysis procedure to ascertain the reason for the non-attainment of the standard and provides employee counselling as deemed fit. Data gathering, investigation, identification and reporting of root causes, execution of corrective measures and monitoring for sustainability are all steps in the root cause analysis process. This method assists Medcorp in determining not only what and how

an event occurred, but also why it occurred. The Quality Control Committee consists of the General Manager, Nursing Administrator, Trainee Junior Managers, Nursing Supervisors, Dietary Supervisor, Housekeeping Supervisor, Pharmacist and Infection and Risk Officer.

#### Patient/client feedback coordinator

Customer satisfaction surveys are used to determine the extent to which customers' needs are being met. The results of the survey help to identify strengths and weaknesses within the hospital and subsequently inform decision makers about how they can further improve the service delivery to the patients/clients. Currently there is a verbal and written feedback process. The former is solicited by the audit coordinator who visits the patients daily and emails a report of the visit to internal stakeholders to share the findings. The aim is to ensure feedback is being captured, address concerns promptly and analyse the information in order to examine and evaluate the care, process, structure and environment to optimize service excellence.

#### Suppliers

Medcorp's major suppliers provide medication and medical supplies; medical equipment; and janitorial supplies. Further, Medcorp also has major providers of bio-medical equipment service and maintenance. The Company sources its medical and non-medical supplies and equipment from international and domestic suppliers. Medcorp selects its suppliers based on factors such as product quality, industry reputation, reliability, competitive pricing and cost effectiveness, contract terms, delivery times, customer service and support, and compliance with healthcare regulations and industry standards.

#### Competition

Trinidad and Tobago has a two-tier healthcare system, consisting of both public and private facilities. The Government of Trinidad and Tobago provides free public healthcare for residents of the country. Despite the existence of the free public health service, those who can afford private healthcare often opt for care in private facilities,

despite the higher costs involved, because of the limitations that they perceive in the public healthcare system.

Medcorp has established itself as a dominant force in the private healthcare sector of Trinidad and Tobago, holding the distinction of being the largest private healthcare facility in the country. The Company's position in the market is characterized by both its comprehensive service offerings and its relatively substantial operational scale. While the private healthcare landscape in Trinidad comprises 14 facilities including Medcorp, it is important to note that there are significant disparities in service breadth and operational capacity among these entities. Of these 14 facilities, only one (1) other hospital offers a range of services comparable to Medcorp's comprehensive healthcare portfolio. Less than five (5) additional facilities provide services that approach, but do not fully match, Medcorp's extensive offerings. The majority of the remaining facilities operate on a considerably smaller scale, with limited bed capacity and resources.

This competitive landscape underscores Medcorp's strong market position. While acknowledging the presence of competition, particularly from the more comprehensive service providers, Medcorp believes it maintains one of the leading positions in the industry, rooted in the Company's unique combination of comprehensive service offerings, substantial operational scale and well-established market presence. The Company remains vigilant to competitive pressures but is confident in its ability to leverage its strengths to maintain and potentially expand its market leadership in Trinidad and Tobago's private healthcare sector.

For the risk associated with the competition for Medcorp please see, Section 6 Risk Factors.

#### Marketing

Medcorp employs a multi-faceted marketing strategy that leverages its strengths and reaches its target audience through various channels:

1. **Word of Mouth Excellence:** Medcorp's primary marketing tool is the positive experiences of patients. It has built a strong reputation based on its operational expertise, which naturally leads to patient referrals and recommendations. This organic growth is a testament to the quality of care provided at Medcorp's facilities and the trust that it has earned in the community.
2. **Strategic Outdoor Advertising:** Additionally, Medcorp utilizes billboards strategically placed on highways and other high-traffic roads to increase brand visibility and awareness. These eye-catching displays help the Company to reach a broad audience and reinforce its presence in the healthcare landscape.
3. **Digital Presence, Engagement and Marketing:** Medcorp maintains an active online presence through its website and key social media platforms. Further, the Company employs targeted digital advertising campaigns to promote specific services or specialties using social media advertising.
4. **Print Media Advertising:** From time to time, Medcorp strategically places advertisements in specific print publications, such as magazines. This targeted approach allows the Company to reach niche audiences and reinforce brand presence in relevant markets.
5. **Direct Marketing:** As part of its business development efforts, Medcorp engages in direct marketing campaigns with potential corporate clients.

6. **Indirect Marketing:** Medcorp occasionally leverages indirect marketing techniques such as participating in television programming, where it will have the opportunity to promote the brand, facilities, services and commitment to patient care in a more organic, content-driven format.
7. **Global Network Expansion:** Medcorp has forged strategic relationships with leading insurance providers and third-party administrators globally, significantly expanding its reach and patient base to encompass a diverse array of insured individuals from around the world.
8. **Community Engagement and Corporate Social Responsibility:** Medcorp actively fosters enduring relationships with the community through a multi-faceted approach. For example, the Company engages in strategic outreach by distributing informative promotional materials at health and wellness events, which raises awareness about Medcorp's services while improving community health literacy.

Additionally, Medcorp demonstrates its commitment to social responsibility through various programs such as its 'candy striper' program, which offers young community members (typically high school students) the opportunity to volunteer within the hospital facilities to gain valuable experience in a healthcare environment, cultivating future healthcare professionals and strengthening community ties. Also, the Company provides donations to select Not for Profit organizations whose missions align with Medcorp's dedication to health and well-being.

These diverse marketing strategies, utilizing a combination of traditional and modern marketing techniques, have contributed to Medcorp's strong market position and brand recognition as well as continued growth.

#### Key Customers

Medcorp's customers include the Government of Trinidad and Tobago, financial and insurance entities, corporate entities and private self-paying patients.



**MEDCORP LIMITED**



## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT

The Board and Senior Management team as at the date of the Prospectus are set out in more detail below.

### 4.1 BOARD OF DIRECTORS

The Directors of the Company, their positions and independence of the Board is set out below:

| Name                     | Position                                |
|--------------------------|-----------------------------------------|
| Dr. Kongshiek Achong Low | Director & Executive Chairman           |
| Dr. Dinesh Mor           | Director & Deputy Chairman of the Board |
| Ms Alyssa Achong Low     | Director & Company Secretary            |
| Mr. Gerrard Lee-Inniss   | Director — Independent Director         |
| Mr. John Tang Nian       | Director — Independent Director         |
| Dr. Boris Yufe           | Director                                |
| Mr. Richard Yufe         | Director                                |

As a company listed on the SME Market, the Board will be required to comprise a minimum of three and maximum of nine Directors, at least two of whom will be required to be Independent Directors.

Dr. Kongshiek Achong Low, Dr. Dinesh Mor, Ms Alyssa Achong Low, and Dr. Boris Yufe hold Ordinary Shares in the Company, as set out in Section 2.3. No other directors hold Ordinary Shares in the Company.

The credentials of the Company's directors are summarized as follows:



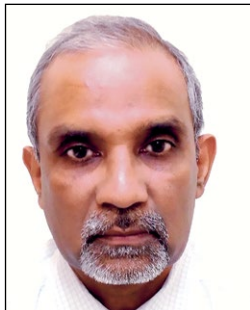
**Kongshiek Achong Low**  
Executive Chairman, Medcorp Limited  
Chairman, Caribbean Heart Care-Medcorp Limited

Dr. Kongshiek Achong Low has been the Chairman of the Board since 2000, and he has been the Executive Chairman of Medcorp Limited since 2010. He co-founded Medcorp Limited in 1993.

Dr. Achong Low has practised Obstetrics and Gynaecology for more than 40 years. He began his practice in Trinidad and Tobago after completing his Bachelor of Science degree in Genetics and specialist medical training at McGill University in Montreal, Canada. Dr. Achong Low has a Medical Doctor and Master of Surgery degree and is a Fellow of the Royal College of Surgeons of Canada. He successfully delivered the only surviving conjoined twins born in Trinidad and Tobago.

In addition to his professional work in Obstetrics and Gynaecology and his oversight of the hospital administration of Medcorp Limited, Dr. Achong Low has many interests in real estate development as well as in the hospitality industry. Dr. Achong Low is also the Vice President of The Children's Ark, a registered non-profit organization dedicated to improving the lives of marginalized children.

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT



***Dinesh Mor***

Deputy Chairman, Medcorp Limited

Director, Caribbean Heart Care-Medcorp Limited

Dr. Dinesh Mor has been a Consultant Radiologist for the last 40 years. He is a graduate of G. R. Medical College, one of Central India's most venerable medical institutions. After graduation, Dr. Mor practised for a few months in New Delhi, India. In 1982, he joined the San Fernando General Hospital in Trinidad and Tobago as a Radiologist. He was appointed as one of the youngest Consultant Radiologists at the Port of Spain General Hospital in 1986. He currently oversees the radiology operations of Medcorp and practises as a Radiologist at Doctors Radiology Centre.

Dr. Mor is a founding shareholder and the Deputy Chairman of the Board. Aside from attending to his medical practice, Dr. Mor is an entrepreneur who has established and/or invested in several other businesses in the medical industry and in real estate. He is the Honorary Consul of Uganda in Trinidad and Tobago. Dr. Mor is married, with three children who all follow in his footsteps as physicians.



***Alyssa Achong Low***

Director and Company Secretary, Medcorp Limited

Director, Caribbean Heart Care-Medcorp Limited

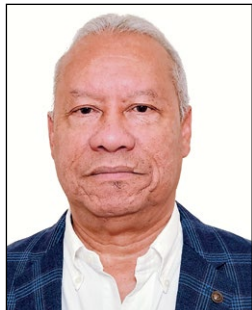
Ms Alyssa Achong Low has been a Director and the Company Secretary of Medcorp Limited since 2010. She is an attorney-at-law who has been admitted to both the Bar of Ontario, Canada and to the Bar of Trinidad and Tobago.

Ms Achong Low began her legal career at a prestigious national Canadian law firm in Toronto, where she specialized in corporate and commercial law. Her primary focus areas included mergers and acquisitions, banking transactions and public and private placements of securities. During this time, she worked as an associate on significant acquisition and financing transactions, involving billions of Canadian dollars. This experience exposed her to intricate, large-scale business matters, providing a solid foundation for her understanding of complex corporate transactions and financial structures.

Upon returning to Trinidad and Tobago, Ms Achong Low established her own general legal practice, expanding her expertise to include litigation. Her practice encompassed medical negligence, insurance and commercial matters, further broadening her legal acumen and problem-solving skills.

Ms Achong Low holds a Bachelor of Commerce degree, with Distinction, from the University of Toronto and a Bachelor of Laws degree from Queen's University in Kingston, Ontario, Canada. She was a recipient of a Trinidad and Tobago National Open Scholarship in Business Studies.

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT



**Gerrard A. Lee-Inniss**

Independent Director, Medcorp Limited

Mr. Lee-Inniss has been a Director of Medcorp since 2001. He is a retired Fellow of The Association of Certified Chartered Accountants, UK, having being a member since 1988. After a period of five years with PriceWaterhouse and having work experience in both the UK and the USA, he was recognized for his strategic ability to manage the expansion of a UK insurance subsidiary based in Trinidad and Tobago. Mr. Lee-Inniss led the subsidiary to become wholly owned, privately, by local Trinidad and Tobago shareholders; and expanded its operations into 25 English-speaking Caribbean countries; the UK; Europe; and the USA.

Following his appointment as CEO of the said UK insurance subsidiary Mr. Lee-Inniss was invited to serve as a non-executive director on the boards of a number of private and publicly listed companies in the Caribbean and internationally, including that of Medcorp. On his formal retirement from executive functions, he served for a short period as the CEO of Medcorp Limited, which included project management for the completion of The Brian Lara Cancer Treatment Centre.



**John Tang Nian**

Independent Director, Medcorp Limited

A career banker with over 42 continuous years' experience with Republic Bank Limited, Mr. John Tang Nian retired in 2010. Over the course of his career, he held many senior management positions at the bank. Prior to his retirement, he was General Manager — Corporate Operations and Process Improvement, a key member of the executive management team with responsibility for the bank's operational risk management and other key operational/administrative functions. This responsibility also included the group's AML/CFT Compliance. Mr. Tang Nian also served as General Manager — Corporate Business Division, with overall responsibility for the management of the Bank's Corporate Credit and Business Banking Division. As a member of Republic Bank Limited's Executive Management Team, Mr. Tang Nian gained valuable skills in Strategic Planning and Enterprise Risk Management. He is also a skilled practitioner in Financial and Credit Analysis and Management Accounting.

Mr. Tang Nian holds a Diploma in Business Management from The University of the West Indies/Institute of Business and over the years he has solidified his expertise with significant overseas training, notably at the Manchester Business School, UK, and the International Banking Summer School in Dublin, Ireland.

Currently Mr. Tang Nian serves as an independent director on the boards of Jamaica Money Market Brokers (Trinidad and Tobago) Limited, JMMB Bank (T&T) Limited, JMMB Express Finance (T&T) Limited and Endeavour Holdings Limited. He is also the Chairman of the boards of directors of The Export Import Bank of Trinidad and Tobago Limited (EXIMBANK) and The Trinidad and Tobago Tourism Business Development Limited (TTTBDL).

Mr. Tang Nian is an avid golf enthusiast.

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT



**Boris Yufe**

Director, Medcorp Limited

Dr. Boris Yufe was born in Trinidad and Tobago in May 1947. At the age of 16, he entered McGill University in Montreal, Canada and attained a Bachelor of Science degree with Honours in Genetics in 1967. He obtained a Medical Doctor and Master of Surgery degree in 1971. Dr. Yufe completed his residency in Obstetrics and Gynaecology at McGill University's main teaching hospital. He became a certified specialist in the province of Quebec and a Fellow of the Royal College of Surgeons of Canada in 1975. Dr. Yufe was an attending Obstetrician and Gynaecologist at the

Royal Victoria Hospital and an Assistant Professor at McGill University from 1975 to 1995, while in private practice in Montreal, Canada.

Dr. Yufe is a founding shareholder of Medcorp Limited and has been a Director of Medcorp Limited since 2001. He is also the Chairman of the board of directors of Solomon Yufe and Company Limited, the largest distributor and retailer of textiles and home furnishing products in the West Indies. He has been involved in various real estate developments from inception to completion, as owner, in the U.S.A., Canada and Trinidad and Tobago from 1978 to the present time. He has been married to Arlene Diane Marco since 1969 and they have three children who hold dual citizenship in Trinidad and Tobago and Canada.



**Richard Yufe**

Director, Medcorp Limited

Born in the Canadian city of Montreal, Richard Yufe is a member in good standing with the Barreau du Quebec (Quebec Law Society) and serves as a director for several corporations as well as the Honorary Consul for the Republic of Trinidad & Tobago in Quebec. Mr. Yufe received a Bachelor of Engineering degree from McGill University, and a Bachelor of Laws degree from the Universite de Montreal. Mr. Yufe also attended the Desautels Faculty of Management at McGill University where he studied for an MBA.

Mr. Yufe has been active in real estate management and development as well as in public market investing, having held several designations with the Investment Industry Regulatory Organization of Canada (IIROC).

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT

### 4.2 SENIOR MANAGEMENT

Medcorp's senior management and their positions are set out below:

| Name                     | Position              |
|--------------------------|-----------------------|
| Dr. Kongshiek Achong Low | Executive Chairman    |
| Ms Josanne Roche-Pantin  | General Manager       |
| Mr. Renard Teelucksingh  | Nursing Administrator |
| Ms Vera Mangal           | Chief Accountant      |

None of the Company's senior management hold Ordinary Shares in the Company other than Dr. Achong Low whose shareholding is set out in Section 2.3.

Further details about the qualifications and experience of Medcorp's senior management team are set out below:

#### ***Kongshiek Achong Low***

##### ***Executive Chairman***

In addition to his responsibilities in chairing the Board and overseeing the Board's activities, Dr. Achong Low is also responsible for the overall management of the day-to-day operations of the organization and the execution of strategy.

Dr. Achong Low leads the following senior managers who have extensive experience in the healthcare industry and are long serving, with an aggregate of 35 years of dedicated service to Medcorp.

#### ***Josanne Roche-Pantin***

##### ***General Manager***

Ms Josanne Roche-Pantin has been the General Manager of Medcorp Limited since May 2023. She advanced to that position from her prior position as the Nursing Administrator of Medcorp Limited, which she had held since 2016. After completing her Bachelor of Nursing degree at the University of Manitoba, Canada, in 1994, Ms Roche-Pantin worked as a Registered Nurse at St. Clair Medical Centre between 1995 to 2003. Thereafter, Ms Pantin had a successful career as a Pharmaceutical Sales Representative with Servier Caribbean Limited and Merck Sharp & Dohme I.A. Corp. She was the Zone Manager of the Eastern Caribbean of Merck Sharp & Dohme I.A. Corp between 2011 and 2014. Thereafter, Ms Roche-Pantin was the Program Manager for the Family Planning Association of Trinidad and Tobago for more than a year before she returned to Medcorp Limited as its Nursing Administrator. She holds a Master of Science degree in Health Administration from the University of Trinidad and Tobago.

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT

### *Renard Teelucksingh*

#### *Nursing Administrator*

Mr. Renard Teelucksingh was appointed the Nursing Administrator in December 2023 after holding the position of Interim Nursing Administrator since May 2023. In 2015, Mr. Teelucksingh commenced his nursing career as a Registered Nurse in the Accident and Emergency Department at St. Clair Medical Centre after graduating Magna Cum Laude with a Bachelor of Science Degree in General Nursing, from the College of Science Technology and Applied Arts of Trinidad and Tobago (COSTAATT). For four years until 2019, he also worked as a Part-Time Registered Nurse on the Medical and Surgical Wards at the Eric Williams Medical Sciences Complex. In 2022, Mr. Teelucksingh was promoted to Nursing Supervisor at St. Clair Medical Centre and he was assigned the concurrent position of Operating Theatre Supervisor in early 2023, which two roles he held until he was promoted to Interim Nursing Administrator.

Mr. Teelucksingh has remained committed to continuing education during his career. In 2021, he became the first male graduate to complete the Bachelor of Science Degree in Midwifery at COSTAATT, graduating Cum Laude and thus becoming the third male Licensed Midwife in Trinidad and Tobago. He has a postgraduate diploma in District Health Visiting.

### *Vera Mangal*

#### *Chief Accountant*

Ms Vera Mangal is a current member of both the Association of Chartered Certified Accountants (UK) and The Institute of Chartered Accountants of Trinidad and Tobago (ICATT). She is a Fellow of the Chartered Certified Accountants. She has more than 20 years of experience in finance and accounting. Ms Mangal has been working with Medcorp Limited since 2006 and was appointed as its Chief Accountant in 2010. During this tenure, she completed her Masters in Business Administration with Anglia Ruskin University. She also earned an Advanced Diploma in Computer Management from The Gemini – India, completing the requirements to be recognized as an Enterprise Resource Planning – Health Information System Specialist. With this training, Ms Mangal subsequently managed the implementation of The Gemini Health Information System at St. Clair Medical Centre. Ms Mangal is a member of the Trinidad and Tobago Chamber of Industry and Commerce's Employment and Labour Relations Committee.

### 4.3 OTHER MATTERS REGARDING DIRECTORS AND OFFICERS

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#### Remuneration of directors and officers

The Board is responsible for setting the remuneration payable to its directors from time to time. The Board endeavours to align such remuneration with prevailing market rates at the relevant time.

#### Indemnification

Under the Companies Act, directors and officers may be indemnified by the Company for any liability incurred by them for any acts they take (or do not take) in the performance of their duties unless such liability is the result of wilful neglect or failure to act on the part of the relevant director or officer.

### 4.4 CORPORATE GOVERNANCE

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As at the date of this Prospectus, the Board has instituted one standing committee, the Audit and Compliance Committee.

#### Audit and Compliance Committee

The audit and compliance committee will assist the Board in monitoring:

- the integrity of the Company's Financial Statements and public disclosures;
- the Company's compliance with all applicable legal and regulatory requirements;
- the adequacy and effectiveness of corporate governance, internal control systems and risk management processes and the Company's compliance therewith; and
- the Company's internal and external auditing, accounting and financial reporting procedures.

Key responsibilities and powers of the audit and compliance committee include:

- recommending the appointment of the external auditors, pre-approving the scope of any work to be performed by the external auditors, including conduct of the annual audit, and determining compensation for such services;

- examining audit findings, addressing any issues or disagreements between management and external auditors and discussing annual audited Financial Statements with both parties;
- reviewing, enhancing and overseeing the implementation of accounting policies, internal control systems, and financial reporting procedures;
- evaluating and strengthening governance frameworks to maintain ongoing compliance with relevant legal and regulatory requirements;
- initiating and overseeing investigations into any matters within its scope of responsibility, including the engagement of independent accounting, legal or other advisors as necessary;
- conducting meetings with the Company's officers, auditors, and outside counsel, as required;
- reporting regularly to the Board about committee activities, issues and related recommendations; and
- fulfilling other responsibilities as delegated to the audit and compliance committee by the Board from time to time.

## 4. INFORMATION ON DIRECTORS AND KEY MANAGEMENT

### Meetings and Quorum

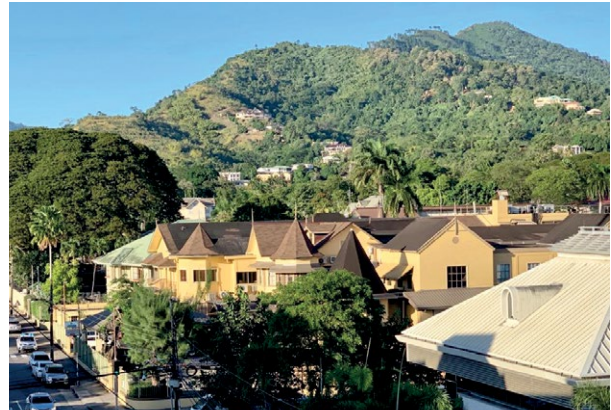
- The audit and compliance committee is authorized to convene meetings, as circumstances require but shall meet at least four (4) times a year.
- Minutes shall be prepared for each audit and compliance committee meeting.
- Two (2) members of the audit and compliance committee shall constitute a quorum.

### Members of the Audit and Compliance Committee

In compliance with the Securities Act and the Companies Act, the Company's audit and compliance committee must be composed of not less than three (3) directors of the Company, the majority of whom are not officers or employees of the Company or any of its Affiliates.

In accordance with the foregoing, the Company's audit and compliance committee consists of the following members as at the date of this Prospectus:

- Mr. Gerrard Lee Inniss
- Mr. John Tang Nian
- Mr. Richard Yufe





**MEDCORP LIMITED**

# REGULATORY ENVIRONMENT

## 5. REGULATORY ENVIRONMENT

The private healthcare industry within which the Company operates is highly regulated and requires it to obtain, renew and maintain statutory and regulatory licences and to comply with applicable health, safety, environmental, labour and other governmental regulations.

The following is an indicative summary of certain relevant industry specific laws, regulations and policies which are applicable to the Company's business and operations in Trinidad and Tobago. The statements below are based on the current provisions of the laws of Trinidad and Tobago, which are subject to amendments or modifications.

### Required licences/approvals under industry specific legislation

#### **Private Hospitals Act Ch. 29:03 and the Private Hospitals Regulations (the 'Private Hospital Rules')**

The Private Hospital Act and Rules govern the laws and regulations surrounding private hospitals. The regulations impose significant conditions concerning the requirements for hospital management, administration, surgical procedures, and accommodation and require any building providing medical or surgical care to persons to obtain a licence which must be renewed annually.

St. Clair Medical Centre has paid the licence fee for the year 2024 and been duly registered as a Private Hospital under the Private Hospitals Act Ch. 29.03, licensed under the Second Schedule as a 'Medical, Surgical and Maternity Hospital.'

Goodhealth Medical Centre has paid the licence fee for the year 2024 and been duly registered as a Private Hospital under the Private Hospitals Act Ch. 29.03, licensed under the Second Schedule as a 'Medical or Surgical Hospital.'

St. Clair Medical Centre and Goodhealth Medical Centre have also paid the respective licence fees for the year 2025 and each awaits the issuance of the respective certificate of registration.

#### **Pharmacy Board Act Ch. 29:52**

The Pharmacy Board Act regulates the distribution of drugs (any substance or mixture of substances manufactured, sold or represented for use in the diagnosis, treatment, mitigation or prevention of diseases, disorders or abnormal physical states, or to restore, correct or modify organic functions in humans and animals). Under this legislation, a licence is required, commercially or otherwise, to dispense and distribute pharmaceutical drugs and prescriptions.

#### **Antibiotics Act Ch. 30:02**

The Antibiotics Act regulates the import, export, storage and dispensation of antibiotics. Under this legislation, a licence is required, commercially or otherwise, to distribute and dispense antibiotics.

#### **Food and Drugs Act Ch. 30:01 and the Food and Drugs Regulations (the 'Food and Drugs Rules')**

The Food and Drugs Rules specify the conditions for grant of a licence for the distribution and dispensation of 'controlled drugs' (as defined in Division 2 of the Food and Drug Rules) and the said licence must be renewed. It further mandates the conditions that licensed dealers must adhere to and which include a requirement that licensed dealers such as pharmacists in control of a place of business shall keep bills and invoices of all purchases or consignments of all controlled drugs they receive, records of the name, quantity, and form of any controlled drug sold or supplied, as well as these particulars for whom it was sold or supplied to.

#### **Dangerous Drugs Act Ch. 11:25**

The Dangerous Drugs Act makes provision for the control of narcotic drugs (as listed in the First Schedule of the act) and psychotropic substances and regulates operations relating to such substances. Under this legislation, the Minister (to whom responsibility for the administration of Health is assigned) may make regulations prescribing the dangerous drugs and form of prescription that may be administered by medical practitioners and pharmacists. It is a requirement of the act that any person who has a licence to deal in any dangerous

## 5. REGULATORY ENVIRONMENT

drug shall not supply it to any person except as specifically provided in the legislation.

### ***Nursing Personnel Act Ch. 29:53 and the Nursing Personnel Regulations (the 'Nursing Rules')***

Under the Nursing Rules, advance practice nurses, midwives, nurses, nurse interns, and nursing assistants are required to hold recognized qualifications (as prescribed in the Nursing Personnel Act) for enrolment in the registers and rolls created by the Nursing Council of Trinidad and Tobago. Medcorp requires its nursing staff to be duly registered with the Nursing Council of Trinidad and Tobago as is applicable.

### ***Medical Board Act Ch. 29:50***

The Medical Board Act creates a Medical Board of Trinidad and Tobago that is responsible for creating and enforcing requirements on medical practitioners, including in relation to good professional conduct, the maintenance of a register of medical practitioners, and general fitness to practise medicine. All medical practitioners must be duly registered with the Medical Board of Trinidad and Tobago. While physicians are not employees of Medcorp, all physicians with admitting privileges at Medcorp's facilities must be duly registered with the Medical Board of Trinidad and Tobago.

### **Key labour-related legislation**

The various labour and employment related legislation that may apply to the Company's operations would include the following:

- (i) Minimum Wage Act Ch. 88:04, which establishes the minimum wage that employers must pay to their employees. It sets a legal floor on wages to

ensure that workers receive fair compensation for their labour and to prevent exploitation.

- (ii) Industrial Relations Act Ch. 88:01, which governs the relationships between employers, employees, and trade unions. It outlines procedures for collective bargaining, dispute resolution, and industrial action.
- (iii) Maternity Protection Act Ch. 45:57, which protects the rights of pregnant employees and new mothers in the workplace. It establishes provisions for maternity leave and job security during pregnancy and maternity leave, and prohibits discrimination against women based on pregnancy or childbirth.
- (iv) Occupational Safety and Health Act Ch. 88:08, which aims to ensure the safety and health of workers in the workplace. It sets out regulations and standards for workplace safety, including requirements for employers to provide a safe working environment, training for employees on occupational health and safety, and measures to prevent workplace accidents and occupational diseases.

### **Other applicable legislation**

#### ***Data Protection Act Ch. 22:04***

The Data Protection Act applies to both public bodies and private organizations that processes personal data within Trinidad and Tobago and has been partially enacted. It regulates the collection, storage, processing, use, disclosure and disposal of personal data. This legislation outlines several general privacy principles that data controllers must adhere to.



**MEDCORP LIMITED**



# RISK FACTORS

## 6. RISK FACTORS

The Company faces a variety of risks. Some of these risks are related to the nature of the Company. Other risks are related to the nature of the Invitation. Before deciding on whether to invest in the Invitation Shares, potential Investors should carefully examine the information provided in this Prospectus but should also consider the fact that this Prospectus does not necessarily include all information required by the potential Investor to make an informed decision on the purchase of the Invitation Shares.

The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with,

the detailed information appearing elsewhere in this Prospectus. These risks and uncertainties are not the only ones facing the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, financial condition, financial performance or cash flow of the Company. Potential Investors should carefully consider these risks before investing in the Invitation Shares.

### 6.1 RISKS RELATING TO AN INVESTMENT IN THE COMPANY

#### 1. Concentrated Ownership by the Company's Connected Shareholders

The Connected Shareholders own approximately 65.51% of the Company's Ordinary Shares and, if the Invitation is fully subscribed, these shareholders will continue to hold a majority stake of 62.58% of the Company's Ordinary Shares. Accordingly, the Connected Shareholders, by virtue of their majority shareholding, have effective control over the composition and decisions of the Board. Shareholders other than the Connected Shareholders will have restricted ability to influence significant corporate decisions, save and except in respect of decisions which, pursuant to the Company's Articles and the Companies Act, require the approval by a special majority of the Company's shareholders.

#### 2. Financial Reporting and Other Public Company Requirements

Maintaining effective internal controls is important for the Company and its service providers. Failure to do so could result in the inability of the Company to meet its reporting

obligations; material misstatements in its Financial Statements; and/or increase the risk of fraud or financial irregularities. Inadequate internal controls may lead to inability to provide reliable financial reports; potential harm to the Company's reputation and operating results; loss of investor confidence; and/or a possible reduction in the trading price of the shares.

The Securities Act, 2012 (as amended) governs capital markets transactions in Trinidad and Tobago, including the distribution of shares. The TTSEC is empowered to oversee, regulate and enforce the provisions of such Act.

Upon completion of the Invitation, the Company will become registered as a reporting issuer under the Securities Act and will be subject to the regulatory oversight of the TTSEC. Further, it will have obligations under the Securities Act, 2012 (as amended) and the rules of the TTSE. These reporting and other obligations will place significant demands on the Company's management, administrative, operational and accounting resources.

## 6. RISK FACTORS

### 3. Highly regulated industry

Healthcare providers in Trinidad and Tobago, including Medcorp, operate in a highly regulated environment subject to a wide variety of governmental laws and regulations. Medcorp is required to obtain and periodically renew several approvals, licences, registrations and permits from governmental and regulatory authorities. These are essential for the operation of the Company's facilities. In particular, Medcorp is required to obtain licences for carrying on business as a private hospital from the Ministry of Health. For a more detailed description of the approvals and licences obtained by the Company, see "Regulatory Environment" under Section 5.

The regulatory licences that the Company requires are typically granted for a limited term and require renewal. Medcorp cannot guarantee that the approvals, licences, registrations and permits issued to it will be renewed. Failure to renew expired approvals licences, registrations or permits, or any suspension or revocation of existing ones for non-compliance or alleged non-compliance with any terms or conditions thereof, or as a result of regulatory action, may impede Medcorp's operations and may have an adverse effect on its business, financial condition and results of operations.

Medcorp may incur substantial costs to comply with current or future laws, rules and regulations. Despite its best efforts, the Company may not always be able to maintain full compliance with such laws, rules and regulations. These regulatory requirements may also impede Medcorp's operations and impact its continued growth. Any non-compliance may subject Medcorp to regulatory action, including penalties and other civil or criminal proceedings, potentially causing material and adverse effects on Medcorp's business, prospects and reputation.

While Medcorp strives to maintain compliance with all applicable legislation and regulations, there can be no assurance that Medcorp will not be subject to regulatory actions in the future. Such actions could materially and adversely affect Medcorp's business, prospects and reputation.

### 4. Dependency on Market Demand

The success and financial performance of Medcorp is heavily dependent on the continued demand for its services within the community it serves. Fluctuations in market demand could significantly impact the Company's revenue and profitability. Factors that might affect demand, many of which are not in the Company's control, include changes in population demographics, shifts in healthcare preferences, emergence of alternative healthcare providers, public health emergencies or pandemics, changes in government healthcare policies and reimbursement rates, macroeconomic factors affecting patients' ability to pay for services, and modifications to patients' insurance coverage policies.

Any substantial decrease in the demand for Medcorp's services, whether due to these factors or unforeseen factors, could adversely affect its financial condition, results of operations, and future growth prospects. Medcorp continuously monitors market trends and adapts its service offerings but there can be no assurance that it will be able to maintain or increase demand for its services in the face of these potential challenges.

### 5. Competition in the healthcare industry

Medcorp operates in a competitive healthcare market, facing competition from hospitals, specialized clinics and diagnostic centres, and government-owned and managed healthcare facilities. The Company's competitive position is influenced by several factors. Medcorp competes based on breadth and quality of services, pricing and affordability, technology, patient satisfaction, brand and reputation.

## 6. RISK FACTORS

Key risks in this competitive environment include pricing pressure potentially impacting revenue and profitability; challenges in attracting and retaining top talent; the need for continuous investment in technology and infrastructure to remain competitive; and potential loss of market share to other healthcare providers.

Competitors may offer services at lower prices than Medcorp, potentially pressuring the Company's pricing strategy and profit margins. Medcorp faces competition for attracting and retaining skilled nursing and other non-physician healthcare professionals, which could impact its service quality and operational efficiency. The rapidly evolving healthcare technology landscape presents both opportunities and challenges. While Medcorp strives to adopt cutting-edge medical technologies, some competitors may invest in newer and more advanced equipment.

To mitigate these risks, Medcorp focuses on staff development and training, enhancing service quality, expanding its services, investing in advanced medical technologies and strengthening its brand through marketing. However, if it fails to effectively compete, its market position, financial condition and operational results could be materially and adversely affected.

### 6. Independent Physicians

Medcorp operates under an independent physician model, where doctors providing medical services are not employees of the hospital. While this model offers certain advantages, it also presents specific risks such as:

**Physician Retention and Loyalty:** There is no assurance that Medcorp will be able to attract or retain independent physicians. Physicians may work at other hospitals or medical practices that compete with Medcorp. The Company cannot guarantee that physicians will continue to attend to patients at Medcorp's facilities

or devote all their time to seeing patients at Medcorp's facilities.

**Impact on Patient Volume and Revenue:** The loss of high-profile or high-volume physicians could adversely affect Medcorp's patient volume, revenue and profitability. Physicians can choose to allocate their time and resources to other healthcare institutions.

**Conflict of Interest:** Independent physicians who have an interest in other healthcare institutions may have a conflict of interest, where they direct patients away from Medcorp facilities, which could impact patient referrals and loyalty to Medcorp. These conflicts may also affect the physicians' decision-making regarding patient care and resource utilization within Medcorp facilities.

### 7. Litigation Risks

As a healthcare provider, Medcorp is exposed to various litigation risks that could materially and adversely affect its business, financial condition, results of operations and prospects.

While physicians attending to patients at Medcorp's facilities are not employees of the Company, the Company may still face claims from patients or third parties alleging medical malpractice, negligence or misconduct by these independent physicians practising at its facilities. Additionally, Medcorp may face legal challenges related to other aspects of its operations, including the use of medical consumables, equipment and hazardous materials in its facilities.

The costs of defending against such lawsuits, even if ultimately unsuccessful, can be significant. Moreover, any negative publicity resulting from litigation, regardless of the outcome, could harm Medcorp's brand and ability to attract patients and qualified medical professionals. Successful claims against Medcorp may result in substantial damages and other consequences that could materially and

## 6. RISK FACTORS

adversely affect its brand, business, reputation, financial condition and results of operations. As Medcorp expands its operations, its exposure to potential litigation may increase, potentially impacting its growth strategies and financial performance.

To mitigate these risks, Medcorp maintains strict quality control measures and adheres to best practices in patient care protocols. Further, Medcorp continuously invests in state-of-the-art medical equipment and technology to minimize the risk of adverse events. Despite these precautions, Medcorp cannot assure that such instances will not occur in the future or guarantee that it will not be liable for fines, penalties or legal action resulting from medical negligence.

### 8. Financial Risk Factors

Medcorp is exposed to various financial risks inherent in its operations, including credit risk and liquidity risk. To mitigate these risks, Medcorp's finance department implements risk management policies and procedures approved by the Board. The Company does not currently face exposure to fair value interest rate risk or price risk, as it does not hold financial instruments carried at fair value. Additionally, there is no exposure to cash flow interest rate risk due to the absence of financial instruments with variable rates. There have been no material changes to these policies and procedures compared to the prior year.

### 9. Foreign Exchange Risk

While the Company primarily operates within Trinidad and Tobago and conducts most of its transactions in Trinidad and Tobago dollars, it is indirectly exposed to foreign exchange risk. This exposure arises from dependence on imported medical equipment which requires foreign currency for procurement. Although the Company's financial assets, financial liabilities and revenue are predominantly denominated in Trinidad and Tobago dollars, the availability of foreign currency within the local banking

system is crucial for maintaining and upgrading medical equipment. To date, the Company has not encountered any significant challenges in acquiring foreign currency to support its needs.

This stability is partly due to the Company's established relationships with suppliers who have extended flexible payment terms, helping to mitigate potential foreign currency sourcing issues. However, the Company acknowledges that any future changes in foreign currency availability or exchange rates could impact its ability to import necessary medical equipment. The Company continuously monitors foreign exchange markets and maintains relationships with financial institutions to ensure access to foreign currency when needed.

### 10. Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers, including outstanding receivables and committed transactions. With respect to banks and financial institutions, Medcorp exclusively engages with reputable local institutions to mitigate risk. Credit exposure to customers is actively managed through a credit assessment process, the setting of credit limits, and the continuous monitoring of customer accounts. Medcorp does not expect any significant losses from non-performance by these creditors. However, the Company acknowledges that adverse changes in economic conditions could potentially impact the credit risk profile of its customers. Medcorp follows a policy for managing and writing off irrecoverable bad debts that aligns with Trinidad and Tobago's taxation laws and accounting best practices.

### 11. Liquidity Risk

Effective liquidity risk management is crucial for Medcorp's financial stability and operational continuity. It involves maintaining an optimal balance of cash and access to committed credit facilities. The healthcare industry's dynamic nature necessitates a flexible approach to

## 6. RISK FACTORS

liquidity management, which Medcorp aims to achieve by maintaining a cash reserve to cover short-term obligations; establishing and maintaining committed lines of credit

with financial institutions; and implementing effective accounts receivable management to optimize cash flow from operations.

### 6.2 RISKS RELATING TO THE INVITATION

#### 1. Dilution

The number of shares that the Company is authorized to issue is unlimited. The Board may, in its sole discretion, issue additional shares from time to time (including pursuant to any employee incentive compensation plan that may be introduced in the future), and the interests of shareholders may be diluted thereby. If the Company issues additional shares in the future, such issuance may have a dilutive effect on the interests of shareholders.

#### 2. Absence of a Prior Public Market

There is currently no public market for the shares. The Invitation Price of the shares offered hereunder has been set by the board of directors of the Company. The Company cannot predict at what price the shares will trade upon closing the Invitation and there can be no assurance that an active trading market will develop after closing or, if developed, that such a market will be sustained at the price level of the Invitation. In addition, if an active public market does not develop or is not maintained, investors may have difficulty selling their shares.

#### 3. Potential Volatility of Share Prices

The market price for shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers, directors and other key personnel; (v) sales or perceived sales of additional shares or securities convertible

into shares; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Another factor that may influence the market price of the shares is the annual yield on the shares. An increase in market interest rates may lead purchasers of shares to demand a higher annual yield, which accordingly could materially adversely affect the market price of the shares.

Accordingly, the market price of the shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental and governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the shares by those institutions, which could materially adversely affect the trading price of the shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility continue for a protracted period, the Company's operations could be materially adversely impacted, and the trading price of the shares may be materially adversely affected.



**MEDCORP LIMITED**



# FINANCIAL INFORMATION



## **Medcorp Limited**

### **Audited Financial Statements**

For the year ended December 31, 2024

## Medcorp Limited

### Audited Financial Statements

For the year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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## Independent Auditors' Report

To the Shareholders of  
Medcorp Limited

### Opinion

We have audited the financial statements of Medcorp Limited (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including a summary material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 Auditors' Report (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 auditors' 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 Group 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 achieves fair presentation.

We communicate with those charged with governance 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.

April 4, 2025

Port of Spain,  
Trinidad, West Indies

## Medcorp Limited

### Statement of Financial Position

As at December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

|                                                   | Notes | 2024                 | 2023                 |
|---------------------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                                     |       |                      |                      |
| <b>Non-current assets</b>                         |       |                      |                      |
| Property, plant and equipment                     | 5     | 156,379,541          | 168,388,144          |
| Investment in joint venture                       | 6     | 10,410,959           | 7,554,467            |
| <b>Total non-current assets</b>                   |       | <b>166,790,500</b>   | <b>175,942,611</b>   |
| <b>Current assets</b>                             |       |                      |                      |
| Inventories                                       | 7     | 7,596,745            | 6,763,369            |
| Trade and other receivables                       | 8     | 26,943,609           | 29,856,936           |
| Taxation recoverable                              |       | 5,909,445            | 1,615,027            |
| Due from related party                            | 9     | 4,857,944            | 4,843,344            |
| Cash and cash equivalents                         |       | 18,640,128           | 37,624,569           |
| <b>Total current assets</b>                       |       | <b>63,947,871</b>    | <b>80,703,245</b>    |
| <b>Total assets</b>                               |       | <b>\$230,738,371</b> | <b>\$256,645,856</b> |
| <b>Shareholders' equity</b>                       |       |                      |                      |
| Stated capital                                    | 10    | 7,479,977            | 33,409,119           |
| Retained earnings                                 |       | 64,377,229           | 52,989,573           |
| <b>Total shareholders' equity</b>                 |       | <b>71,857,206</b>    | <b>86,398,692</b>    |
| <b>Liabilities</b>                                |       |                      |                      |
| <b>Non-current liabilities</b>                    |       |                      |                      |
| Borrowings                                        | 11    | 151,363              | 2,845,956            |
| Lease liability                                   | 12    | 98,045,844           | 107,246,223          |
| Deferred tax liability                            | 13    | 5,520,581            | 4,657,339            |
| <b>Total non-current liabilities</b>              |       | <b>103,717,788</b>   | <b>114,749,518</b>   |
| <b>Current liabilities</b>                        |       |                      |                      |
| Bank overdraft                                    | 14    | 7,289,841            | 6,837,229            |
| Borrowings                                        | 11    | 2,707,793            | 5,704,724            |
| Lease liability                                   | 12    | 8,479,943            | 8,533,766            |
| Trade payables and accruals                       | 15    | 23,589,603           | 20,906,347           |
| Taxation payable                                  |       | 1,876,231            | 6,614,531            |
| Due to related parties                            | 9     | 11,219,966           | 6,901,049            |
| <b>Total current liabilities</b>                  |       | <b>55,163,377</b>    | <b>55,497,646</b>    |
| <b>Total liabilities</b>                          |       | <b>158,881,165</b>   | <b>170,247,164</b>   |
| <b>Total shareholders' equity and liabilities</b> |       | <b>\$230,738,371</b> | <b>\$256,645,856</b> |

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

On April 4, 2025, the Board of Directors of Medcorp Limited authorised these financial statements for issue.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**Statement of Comprehensive Income**  
Year ended December 31, 2024  
*(Expressed in Trinidad and Tobago Dollars)*

|                                                                             | Notes | 2024                | 2023                |
|-----------------------------------------------------------------------------|-------|---------------------|---------------------|
| Revenue                                                                     | 16    | 122,235,092         | 127,015,249         |
| Cost of sales                                                               | 17    | (57,211,542)        | (52,777,673)        |
| Gross profit                                                                |       | 65,023,550          | 74,237,576          |
| Other income                                                                |       | 2,332,477           | 3,346,418           |
|                                                                             |       | 67,356,027          | 77,583,994          |
| <b>Expenses</b>                                                             |       |                     |                     |
| Administrative expenses                                                     | 18    | (41,114,163)        | (36,461,407)        |
| Other expenses                                                              | 20    | (2,881,453)         | (1,688,439)         |
|                                                                             |       | (43,995,616)        | (38,149,846)        |
| <b>Operating profit</b>                                                     |       | 23,360,411          | 39,434,148          |
| Dividends waived                                                            | 9     | -                   | 30,694,185          |
| Shareholder liability waived                                                | 10    | 25,929,142          | -                   |
| Share of profit of joint venture                                            | 6     | 4,828,424           | 4,978,510           |
| Finance costs                                                               |       | (5,947,796)         | (3,212,896)         |
| <b>Profit before taxation</b>                                               |       | 48,170,181          | 71,893,947          |
| Taxation charge                                                             | 21    | (6,862,617)         | (14,824,829)        |
| <b>Total comprehensive income for the year attributable to shareholders</b> |       | <b>\$41,307,564</b> | <b>\$57,069,118</b> |

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

## Medcorp Limited

### Statement of Changes in Equity

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

|                                                         | Stated<br>capital   | Retained<br>earnings | Total               |
|---------------------------------------------------------|---------------------|----------------------|---------------------|
| <b>Year ended December 31, 2024</b>                     |                     |                      |                     |
| Balance as at January 1, 2024                           | 33,409,119          | 52,989,573           | 86,398,692          |
| <b>Comprehensive income for the year</b>                |                     |                      |                     |
| Total comprehensive income attributable to shareholders | -                   | 41,307,564           | 41,307,564          |
| <b>Total comprehensive income</b>                       | -                   | <b>41,307,564</b>    | <b>41,307,564</b>   |
| <b>Transactions with owners</b>                         |                     |                      |                     |
| Stated capital reduction (Note 10)                      | (25,929,142)        | -                    | -                   |
| Dividends paid                                          | -                   | (29,919,908)         | (29,919,908)        |
| <b>Total transactions with owners</b>                   | <b>(25,929,142)</b> | <b>(29,919,908)</b>  | <b>(55,849,050)</b> |
| <b>Balance as at December 31, 2024</b>                  | <b>\$7,479,977</b>  | <b>\$64,377,229</b>  | <b>\$71,857,206</b> |
| <b>Year ended December 31, 2023</b>                     |                     |                      |                     |
| Balance as at January 1, 2023                           | 33,409,119          | 3,400,432            | 36,809,551          |
| <b>Comprehensive income for the year</b>                |                     |                      |                     |
| Total comprehensive income attributable to shareholders | -                   | 57,069,118           | 57,069,118          |
| <b>Total comprehensive income</b>                       | -                   | <b>57,069,118</b>    | <b>57,069,118</b>   |
| <b>Transactions with owners</b>                         |                     |                      |                     |
| Dividends paid                                          | -                   | (7,479,977)          | (7,479,977)         |
| <b>Total transactions with owners</b>                   | -                   | <b>(7,479,977)</b>   | <b>(7,479,977)</b>  |
| <b>Balance as at December 31, 2023</b>                  | <b>\$33,409,119</b> | <b>\$52,989,573</b>  | <b>\$86,398,692</b> |

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

**Statement of Cash Flows**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*

|                                                                               | 2024                | 2023                |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                                   |                     |                     |
| Profit before taxation                                                        | 48,170,181          | 71,893,947          |
| Adjustments to reconcile profit to net cash provided by operating activities: |                     |                     |
| Loss/(gain) on disposal of property, plant and equipment                      | -                   | 2                   |
| Bad debts (reversal)/expense                                                  | (1,399,359)         | 772,314             |
| Lease interest                                                                | 4,946,842           | 2,583,600           |
| Depreciation                                                                  | 16,579,489          | 10,989,360          |
| Shareholder liability waived                                                  | (25,929,142)        | -                   |
| Share of profit of joint venture                                              | (4,828,424)         | (4,978,510)         |
| Property, plant and equipment adjustment                                      | -                   | (974)               |
| Interest expense                                                              | 1,000,954           | 611,210             |
|                                                                               | 38,540,541          | 81,870,949          |
| Changes in operating assets/liabilities:                                      |                     |                     |
| (Increase)/decrease in inventories                                            | (833,376)           | 444,388             |
| Decrease/(increase) in trade and other receivables                            | 4,312,686           | (17,142,142)        |
| (Increase)/decrease in due from related party                                 | (14,600)            | 23,017              |
| Increase in trade payables and accruals                                       | 2,683,256           | 962,986             |
| Decrease in due to related parties                                            | (6,901,049)         | (23,793,136)        |
| <b>Cash provided by operations</b>                                            | 37,787,458          | 42,366,062          |
| Taxes paid                                                                    | (13,060,161)        | (8,059,627)         |
| <b>Net cash provided by operating activities</b>                              | <b>24,727,297</b>   | <b>34,306,435</b>   |
| <b>Cash flows from investing activities</b>                                   |                     |                     |
| Purchase of property, plant and equipment                                     | (4,602,886)         | (5,600,151)         |
| Dividends received from joint venture                                         | -                   | 4,500,000           |
| Proceeds from disposal of property, plant and equipment                       | 32,000              | -                   |
| <b>Net cash used in investing activities</b>                                  | <b>(4,570,886)</b>  | <b>(1,100,151)</b>  |
| <b>Cash flows from financing activities</b>                                   |                     |                     |
| Lease payments                                                                | (14,201,044)        | (11,047,580)        |
| Repayment of borrowings                                                       | (5,691,524)         | (5,589,124)         |
| Interest paid                                                                 | (1,000,954)         | (611,210)           |
| Dividends paid                                                                | (18,699,942)        | (7,479,977)         |
| <b>Net cash used in financing activities</b>                                  | <b>(39,593,464)</b> | <b>(24,727,891)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                   | <b>(19,437,053)</b> | <b>8,478,393</b>    |
| <b>Cash and cash equivalents</b>                                              |                     |                     |
| As at beginning of year                                                       | 30,787,340          | 22,308,947          |
| <b>As at end of year</b>                                                      | <b>\$11,350,287</b> | <b>\$30,787,340</b> |
| <b>Represented by:</b>                                                        |                     |                     |
| Cash at bank and in hand                                                      | 18,640,128          | 37,624,569          |
| Bank overdraft                                                                | (7,289,841)         | (6,837,229)         |
|                                                                               | <b>\$11,350,287</b> | <b>\$30,787,340</b> |

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

**Notes to the Financial Statements**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*

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**1. General information**

Medcorp Limited was incorporated in the Republic of Trinidad and Tobago by way of continuance on March 25, 1999. On October 1, 2024, the Medcorp Limited was amalgamated with its 100% owned subsidiaries, Medical X-Ray and Diagnostic Clinic Limited (incorporated in the Republic of Trinidad and Tobago on June 29, 2000) and Cancer Centre of the Caribbean Limited (incorporated in the Republic of Trinidad and Tobago on May 23, 2003) to form one company, Medcorp Limited (the "Company").

The Company's main business is the operation of a private hospital, the provision of radiology services and the provision of cancer treatment services. Its registered office is located at 18 Elizabeth Street, St Clair, Port of Spain, Trinidad and Tobago.

The investment in joint venture represents a 50% shareholding in Caribbean Heart Care Medcorp Limited, which is incorporated in the Republic of Trinidad and Tobago and is involved in performing open-heart surgeries.

The comparative information disclosed for the year ended December 31, 2023, were extracted from the consolidated financial statements of the Company for the year ended December 31, 2023. The comparative information disclosed is considered comparable.

**2. Material accounting policies**

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

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") under the historical cost convention.

The preparation of financial statements in conformity with IFRS Accounting Standards require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are the determination of depreciation rates and the provision for impairment of financial assets measured at amortised costs.

- (i) Standards, amendments and interpretations to existing Standards applicable to the Company in the current year which were adopted by the Company

The Company adopted the following new amendments with a transition date of January 1, 2024. There were no significant changes made to these financial statements resulting from the adoption of these new amendments:

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

- (i) Standards, amendments and interpretations to existing Standards applicable to the Company in the current year which were adopted by the Company (continued)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

- (ii) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Company's future financial statements in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the note below.

On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

- Derecognition of financial liabilities settled through electronic transfers.
- Elements of interest in a basic lending arrangement (the solely payments of principal and interest assessment - 'SPPI test')
- Contractual terms that change the timing or amount of contractual cash flows
- Financial assets with non-recourse features
- Investments in contractually linked instruments
- Disclosures in investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

- (ii) New standards, amendments and interpretations issued but not effective and not early adopted (continued)

The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18, which was published by the IASB on April 9, 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

- (iii) Standards, amendments and interpretations to existing standards early adopted by the Company

The Company did not early adopt any new revised or amended standards.

**2.2 Investment in Joint Venture**

The Company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Company classifies its interests in joint arrangements as either:

- (i) *Joint ventures*: where the Company has rights to only the net assets of the joint arrangement
- (ii) *Joint operations*: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.2 Joint arrangements (continued)**

In assessing the classification of interests in joint arrangements, the Company considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).
- The Group accounts for its interests in Caribbean Heart Care Medcorp Limited as a joint venture.

Joint ventures are initially recognised in the statement of financial position at cost. Subsequently, joint ventures are accounted for using the equity method, where the Company's share of post-acquisition profits and losses and other comprehensive income is recognised in the statement of other comprehensive income (except for losses in excess of the Company's investment in the joint venture unless there is an obligation to make good those losses). Distributions received from a joint venture reduce the carrying amount of the investment.

Profits and losses arising from transactions between the Company and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for a joint venture above the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

**2.3 Foreign currency**

*(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Such balances are translated at year-end exchange rates.

**2.4 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

## Notes to the Financial Statements

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

### 2. Material accounting policies (continued)

#### 2.4 Property, plant and equipment (continued)

Depreciation is calculated using the reducing balance method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

|                                |                   |
|--------------------------------|-------------------|
| Leasehold improvements         | 2%                |
| Medical and surgical equipment | 10% - 20%         |
| Fixtures and fittings          | 25%               |
| Computer equipment             | 50%               |
| Motor vehicles                 | 33⅓%              |
| Right of use asset             | Over lease period |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the results for the year.

#### 2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

#### 2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment charges are included in the profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

#### 2.7 Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

##### *Fair value through profit or loss*

This category comprises of an investment held in a mutual fund. It is carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the other income or other expense line.

##### *Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.7 Financial assets (continued)**

*Amortised cost (continued)*

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since the initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Company's financial assets measured at amortised cost comprise trade and other receivables, due from related parties and cash and cash equivalents in the statement of financial position.

Trade receivables are amounts due from customers for the sale of goods and provision of services in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, for the purpose of the statement of cash flows, bank overdrafts.

**2.8 Current and deferred income taxes**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax charge is calculated on the basis of the tax laws enacted at the year-end.

Corporation tax is charged at 30% of all chargeable income.

Business levy and green fund levy are computed at the rate of 0.6% and 0.3% respectively on gross income.

**Notes to the Financial Statements**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*

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**2. Material accounting policies (continued)**

**2.8 Current and deferred income taxes (continued)**

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference will be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses.

**2.9 Stated capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Transfers to stated capital for which shares have not yet been issued are reflected as contributed capital.

**2.10 Borrowings**

Borrowings are recognised initially at the proceeds received net of transaction costs incurred. Borrowings are subsequently recognised net of loan repayments. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed.

**2.11 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.12 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

**Notes to the Financial Statements**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*

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**2. Material accounting policies (continued)**

**2.13 Leases**

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from the use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from the use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.13 Leases (continued)**

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

**2.14 Revenue recognition**

Revenue is derived from the provision of services with revenue recognised at a point in time. This is because the Company provides, and the customer accepts the services simultaneously. Revenue is derived from fixed-price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit ordered in such contracts.

**2.15 Expenses**

Expenses are recognised on an accrual basis in the reporting period during which the related income is earned.

**2.16 Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors of the Company.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**3. Financial risk management**

**3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Management seeks to minimise potential adverse effects on the financial performance of the Company by applying procedures to identify, evaluate and manage these risks:

*(i) Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has a significant concentration of credit risk attached to receivables from one major customer, but the recoverability of these receivables is not in doubt. The Company has policies in place to ensure that sales are made to customers with an appropriate credit history. Receivable balances are shown net of provision for impairment for doubtful debts. Credit risk disclosures are included in Note 8.

Cash and deposits are held with reputable financial institutions.

*(ii) Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the Company aims at maintaining flexibility in funding by keeping committed lines of credit available.

The table below analyses the Company's financial liabilities based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                | Less than<br>1 year | Over 1 year          |
|--------------------------------|---------------------|----------------------|
| <b>As at December 31, 2024</b> |                     |                      |
| Bank overdraft                 | 7,289,841           | -                    |
| Borrowings                     | 2,707,793           | 151,363              |
| Lease liability                | 8,479,943           | 98,045,844           |
| Trade payables and accruals    | 23,589,603          | -                    |
| Due to related parties         | 11,219,966          | -                    |
|                                | <b>\$53,287,146</b> | <b>\$98,197,207</b>  |
| <b>As at December 31, 2023</b> |                     |                      |
| Bank overdraft                 | 6,837,229           | -                    |
| Borrowings                     | 5,704,724           | 2,845,956            |
| Lease liability                | 8,533,766           | 107,246,223          |
| Trade payables and accruals    | 20,906,347          | -                    |
| Due to related parties         | 6,901,049           | -                    |
|                                | <b>\$48,883,115</b> | <b>\$110,092,179</b> |

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

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**3. Financial risk management (continued)**

**3.1 Financial risk factors (continued)**

*(iii) Market risk*

*(a) Cash flow and fair value interest rate risk*

Other than cash and cash equivalents, which is not significantly exposed to interest rate risk, the Company has no significant floating interest-bearing assets or liabilities. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

*(b) Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and when recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

The Company monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure the appropriate instrument is used.

At December 31, 2024, if the TT dollar had weakened/ strengthened by 5% against the US dollar with all other variables held constant, post-tax profit/loss for the year would have been \$221,801 (2023: \$239,156) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated cash and cash equivalents and borrowings.

**3.2 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**3. Financial risk management (continued)**

**3.2 Capital risk management (continued)**

The gearing ratios at December 31, 2024, and 2023 are as follows:

|                                                      | 2024         | 2023         |
|------------------------------------------------------|--------------|--------------|
| Total lease liability, borrowings and bank overdraft | 116,674,784  | 131,167,898  |
| Less: cash and cash equivalents                      | (18,640,128) | (37,624,569) |
| Net debt                                             | \$98,034,656 | \$93,543,329 |
| Total equity                                         | \$71,857,206 | \$86,398,692 |
| Gearing ratio                                        | 136%         | 108%         |

**3.3 Fair value estimation**

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, trade and other receivables, due from related party, trade payables and accruals, bank overdraft, borrowings and due to related party are reasonable estimates of their fair values because of the short-term maturity of these instruments.

The fair value measurement of the Company's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

**4. Financial instruments by category**

The accounting policies for financial instruments have been applied to the line items below:

|                                                      | Amortised cost<br>2024 | 2023                |
|------------------------------------------------------|------------------------|---------------------|
| <b>Assets as per statement of financial position</b> |                        |                     |
| Trade and other receivables                          | 26,046,888             | 29,600,718          |
| Due from related party                               | 4,857,944              | 4,843,344           |
| Cash and cash equivalents                            | 18,640,128             | 37,624,569          |
|                                                      | <b>\$49,544,960</b>    | <b>\$72,068,631</b> |

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**4. Financial instruments by category (continued)**

|                                                           | Amortised cost       |                      |
|-----------------------------------------------------------|----------------------|----------------------|
|                                                           | 2024                 | 2023                 |
| <b>Liabilities as per statement of financial position</b> |                      |                      |
| Bank overdraft                                            | 7,289,841            | 6,837,229            |
| Borrowings                                                | 2,859,156            | 8,550,680            |
| Lease liability                                           | 106,525,787          | 115,779,989          |
| Trade payables and accruals                               | 23,589,603           | 20,906,347           |
| Due to related parties                                    | 11,219,966           | 6,901,049            |
|                                                           | <b>\$151,484,353</b> | <b>\$158,975,294</b> |

## Medcorp Limited

### Notes to the Financial Statements Year ended December 31, 2024 (Expressed in Trinidad and Tobago Dollars)

#### 5. Property, plant and equipment

|                                               | Right of use<br>asset | Leasehold<br>improvements | Medical and<br>surgical<br>equipment | Fixtures and<br>fittings | Computer<br>equipment | Motor<br>vehicles | Work-in-<br>progress | Total                |
|-----------------------------------------------|-----------------------|---------------------------|--------------------------------------|--------------------------|-----------------------|-------------------|----------------------|----------------------|
| <b>Year ended December 31, 2024</b>           |                       |                           |                                      |                          |                       |                   |                      |                      |
| <b>Cost</b>                                   |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2024                 | 144,761,384           | 7,323,335                 | 104,698,109                          | 4,883,465                | 7,734,870             | 1,152,001         | -                    | 270,553,164          |
| Additions                                     | -                     | 644,525                   | 3,761,816                            | 54,567                   | 61,978                | 80,000            | -                    | 4,602,886            |
| Disposals                                     | -                     | -                         | -                                    | -                        | -                     | (155,000)         | -                    | (155,000)            |
| Balance as at December 31, 2024               | 144,761,384           | 7,967,860                 | 108,459,925                          | 4,938,032                | 7,796,848             | 1,077,001         | -                    | 275,001,050          |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2024                 | (19,202,029)          | (1,606,914)               | (68,726,933)                         | (4,457,229)              | (7,019,914)           | (1,152,001)       | -                    | (102,165,020)        |
| Depreciation charge                           | (11,386,885)          | (121,464)                 | (4,545,395)                          | (84,294)                 | (418,427)             | (23,024)          | -                    | (16,579,489)         |
| Disposals                                     | -                     | -                         | -                                    | -                        | -                     | 123,000           | -                    | 123,000              |
| Balance as at December 31, 2024               | (30,588,914)          | (1,728,378)               | (73,272,328)                         | (4,541,523)              | (7,438,341)           | (1,052,025)       | -                    | (118,621,509)        |
| <b>Net book value as at December 31, 2024</b> | <b>\$114,172,470</b>  | <b>\$6,239,482</b>        | <b>\$35,187,597</b>                  | <b>\$396,509</b>         | <b>\$358,507</b>      | <b>\$24,976</b>   | <b>\$-</b>           | <b>\$156,379,541</b> |
| <b>Year ended December 31, 2023</b>           |                       |                           |                                      |                          |                       |                   |                      |                      |
| <b>Cost</b>                                   |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2023                 | 44,305,470            | 7,230,602                 | 97,108,929                           | 4,736,819                | 7,257,958             | 1,152,001         | 2,706,120            | 164,497,899          |
| Additions                                     | -                     | 92,733                    | 4,883,060                            | 147,446                  | 476,912               | -                 | -                    | 5,600,151            |
| Disposals                                     | -                     | -                         | -                                    | (800)                    | -                     | -                 | -                    | (800)                |
| Transfer                                      | -                     | -                         | 2,706,120                            | -                        | -                     | -                 | (2,706,120)          | -                    |
| Lease modification                            | 100,455,914           | -                         | -                                    | -                        | -                     | -                 | -                    | 100,455,914          |
| Balance as at December 31, 2023               | 144,761,384           | 7,323,335                 | 104,698,109                          | 4,883,465                | 7,734,870             | 1,152,001         | -                    | 270,553,164          |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2023                 | (13,395,988)          | (1,491,478)               | (64,303,375)                         | (4,339,610)              | (6,494,980)           | (1,152,001)       | -                    | (91,177,432)         |
| Depreciation charge                           | (5,806,041)           | (115,436)                 | (4,423,558)                          | (119,391)                | (524,934)             | -                 | -                    | (10,989,360)         |
| Disposals                                     | -                     | -                         | -                                    | 798                      | -                     | -                 | -                    | 798                  |
| Adjustment                                    | -                     | -                         | -                                    | 974                      | -                     | -                 | -                    | 974                  |
| Balance as at December 31, 2023               | (19,202,029)          | (1,606,914)               | (68,726,933)                         | (4,457,229)              | (7,019,914)           | (1,152,001)       | -                    | (102,165,020)        |
| <b>Net book value as at December 31, 2023</b> | <b>\$125,559,355</b>  | <b>\$5,716,421</b>        | <b>\$35,971,176</b>                  | <b>\$426,236</b>         | <b>\$714,956</b>      | <b>\$-</b>        | <b>\$-</b>           | <b>\$168,388,144</b> |

**Notes to the Financial Statements**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*
**6. Investment in joint venture**

|                            | 2024                | 2023               |
|----------------------------|---------------------|--------------------|
| As at beginning of year    | 7,554,467           | 8,959,995          |
| Dividends received         | -                   | (4,500,000)        |
| Share of profit before tax | 4,828,424           | 4,978,510          |
| Share of tax               | (1,971,932)         | (1,884,038)        |
| As at end of year          | <b>\$10,410,959</b> | <b>\$7,554,467</b> |

The Company has a 50% (2023: 50%) interest in Caribbean Heart Care Medcorp Limited. The primary activity of Caribbean Heart Care Medcorp Limited is the provision of cardiac surgery and cardiology services.

The contractual arrangement of the joint venture provides the Company with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Caribbean Heart Care Medcorp Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the financial statements using the equity method.

Summarised financial information in relation to the joint venture is presented below:

|                               | 2024         | 2023         |
|-------------------------------|--------------|--------------|
| <b>As at 31 December</b>      |              |              |
| Current assets                | \$36,942,933 | \$39,666,974 |
| Non-current assets            | \$18,926,044 | \$19,168,930 |
| Current liabilities           | \$24,048,548 | \$32,192,839 |
| Non-current liabilities       | \$9,451,742  | \$9,987,363  |
| <b>Year ended 31 December</b> | <b>2024</b>  | <b>2023</b>  |
| Revenue                       | \$72,547,607 | \$79,293,742 |
| Total comprehensive income    | \$5,712,985  | \$6,188,945  |

**7. Inventories**

|                                 | 2024               | 2023               |
|---------------------------------|--------------------|--------------------|
| Medication and medical supplies | <b>\$7,596,745</b> | <b>\$6,763,369</b> |

**8. Trade and other receivables**

|                                     | 2024                | 2023                |
|-------------------------------------|---------------------|---------------------|
| Trade receivables                   | 26,813,500          | 31,330,863          |
| Less: impairment for doubtful debts | (1,082,189)         | (2,481,548)         |
| Trade receivables - net             | 25,731,311          | 28,849,315          |
| Other receivables                   | 315,577             | 751,403             |
| Prepayments                         | 896,721             | 256,218             |
|                                     | <b>\$26,943,609</b> | <b>\$29,856,936</b> |

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

**Notes to the Financial Statements**

Year ended December 31, 2024

*(Expressed in Trinidad and Tobago Dollars)*
**8. Trade and other receivables (continued)**

The expected loss rates are based on the Company's historical credit losses experienced over the three-year period prior to the period's end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product ("GDP"), unemployment rate and inflation rate as the key macroeconomic factors.

At December 31, 2024 and 2023, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                                | Current     | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total        |
|--------------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| <b>As at December 31, 2024</b> |             |                               |                               |                               |              |
| Expected loss rate             | 1%          | 2%                            | 9%                            | 4%                            |              |
| Gross carrying amount          | 4,025,963   | 3,784,777                     | 2,137,768                     | 16,864,992                    | \$26,813,500 |
| Loss provision                 | 83,254      | 120,287                       | 142,085                       | 736,563                       | \$1,082,189  |
| <b>As at December 31, 2023</b> |             |                               |                               |                               |              |
| Expected loss rate             | 6%          | 7%                            | 10%                           | 10%                           |              |
| Gross carrying amount          | \$5,898,735 | \$2,938,569                   | \$757,295                     | \$21,736,264                  | \$31,330,863 |
| Loss provision                 | \$234,228   | \$104,932                     | \$28,487                      | \$2,113,901                   | \$2,481,548  |

Movement on the provision for impairment of trade receivables is as follows:

|                                  | 2024               | 2023               |
|----------------------------------|--------------------|--------------------|
| As at January 1                  | 2,481,548          | 1,200,177          |
| Provision for the year           | -                  | 772,314            |
| Bad debts (reversed)/written off | (1,399,359)        | 509,057            |
| As at December 31                | <b>\$1,082,189</b> | <b>\$2,481,548</b> |

The other receivables and prepayments do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

**9. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

|                                                 | 2024               | 2023               |
|-------------------------------------------------|--------------------|--------------------|
| (i) Key management compensation                 |                    |                    |
| Salaries and other short-term employee benefits | <b>\$1,294,000</b> | <b>\$1,004,100</b> |
| Directors' fees                                 | <b>\$1,632,500</b> | <b>\$1,668,779</b> |

Notes to the Financial Statements

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

9. Related party transactions (continued)

|                                                                                                                                                                                                                                                                | 2024                  | 2023                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| (ii) Year-end balances arising from purchases of services:                                                                                                                                                                                                     |                       |                      |
| <b>Due from related party:</b>                                                                                                                                                                                                                                 |                       |                      |
| <u>Current</u>                                                                                                                                                                                                                                                 |                       |                      |
| Joint Venture                                                                                                                                                                                                                                                  | 4,857,944             | 4,843,344            |
|                                                                                                                                                                                                                                                                | <b>\$4,857,944</b>    | <b>\$4,843,344</b>   |
| <b>Due to related parties</b>                                                                                                                                                                                                                                  |                       |                      |
| <u>Current</u>                                                                                                                                                                                                                                                 |                       |                      |
| Shareholders                                                                                                                                                                                                                                                   | (11,219,966)          | -                    |
| Other entity with common control                                                                                                                                                                                                                               | -                     | (6,901,049)          |
|                                                                                                                                                                                                                                                                | <b>\$(11,219,966)</b> | <b>\$(6,901,049)</b> |
| <i>Dividend waived</i>                                                                                                                                                                                                                                         |                       |                      |
| During the year ended December 31, 2023, certain shareholders to whom dividends were owed amounting to \$30,694,185, irrevocably waived their right to receive the outstanding dividends. This was treated as income in the statement of comprehensive income. |                       |                      |
| (iii) Transactions with entity with joint control                                                                                                                                                                                                              |                       |                      |
| Joint Venture - income earned                                                                                                                                                                                                                                  | <b>\$10,454,444</b>   | <b>\$11,341,537</b>  |
| (iv) Transactions with other related parties                                                                                                                                                                                                                   |                       |                      |
| Professional fees paid                                                                                                                                                                                                                                         | <b>\$950,000</b>      | <b>\$890,100</b>     |
| Payments to related party pursuant to occupancy agreement                                                                                                                                                                                                      | <b>\$10,862,016</b>   | <b>\$11,047,582</b>  |
| <i>Right of use asset</i>                                                                                                                                                                                                                                      |                       |                      |
| Other entity with common control                                                                                                                                                                                                                               | <b>\$114,172,470</b>  | <b>\$125,559,356</b> |
| <i>Lease liability</i>                                                                                                                                                                                                                                         |                       |                      |
| Other entity with common control                                                                                                                                                                                                                               | <b>\$106,525,787</b>  | <b>\$115,779,989</b> |

10. Stated capital

|                                                        | 2024               | 2023                |
|--------------------------------------------------------|--------------------|---------------------|
| <b>Authorised</b>                                      |                    |                     |
| An unlimited number of ordinary shares of no par value |                    |                     |
| <b>Issued and fully paid</b>                           |                    |                     |
| 7,479,977 ordinary shares of no par value              | <b>\$7,479,977</b> | <b>\$33,409,119</b> |

On October 1, 2024, Medcorp Limited was amalgamated with its 100% owned subsidiaries, Medical X-Ray and Diagnostic Clinic Limited and Cancer Centre of the Caribbean Limited to form one company, Medcorp Limited, in accordance with the terms and conditions of an amalgamation agreement dated October 1, 2024, which provided for a reduction in the Company's stated capital by the sum of \$25,929,142. As a result, the stated capital attributable to the Company's ordinary shares as at October 1, 2024 is \$7,479,977. The shareholders subsequently irrevocably waived their right to receive the full amount by which the stated capital was reduced and agreed to have this credited to the amalgamated company's profit or loss. The reduction of share capital is intended to improve the flexibility in the Company's capital structure and facilitate future capital needs and returns to shareholders.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**11. Borrowings**

|                       | 2024               | 2023               |
|-----------------------|--------------------|--------------------|
| <b>Non-current</b>    |                    |                    |
| Republic Bank Limited | 151,363            | 2,131,734          |
| Scotiabank Limited    | -                  | 714,222            |
|                       | <b>\$151,363</b>   | <b>\$2,845,956</b> |
| <b>Current</b>        |                    |                    |
| Republic Bank Limited | 1,993,571          | 3,821,057          |
| Scotiabank Limited    | 714,222            | 1,883,667          |
|                       | <b>\$2,707,793</b> | <b>\$5,704,724</b> |

*Loan - Republic Bank Limited*

The loan outstanding represents a credit facility offered by the Bank via a letter of credit. Additional withdrawals were made to this facility during the financial year resulting in a balance of \$9,551,915 as at year-end. This loan bears interest at a fixed rate of 5.70% and matures in June 2025.

The following security is held by the Bank for the above loan:

- Letter of undertaking restricting dividends to no more than 70% of profits in any one year.
- Chattel mortgage over medical equipment stamped to cover \$17,600,000.
- Insurance coverage over medical equipment for \$12,916,000 with the Bank's interest noted.
- Loan agreement stamped to cover \$17,600,000.

*Loan - Scotiabank Limited*

The loans outstanding represent the balance on \$3,828,000 and \$2,142,000 loans which were taken out on November 18, 2021, and November 17, 2022, respectively. This loans bear interest at a fixed rate of 3.75%. The loans are repayable in monthly instalments of \$106,333 and \$59,500, inclusive of interest and matured on November 30, 2024, and matures on November 30, 2025, respectively.

The following security is held by the Bank for the above loan:

- Authority to hold funds in the amount of \$60,000.
- Debenture stamped to cover \$10,000,000.
- Assignment of fire insurance with Norman Gabriel Insurance Brokers Limited, in the amount of \$92,276,056.

**12. Lease liability**

The Company entered into an agreement with an entity with common control for the occupancy of properties located at 10 Luckput Street, 7 Fitzblackman Drive, 18 Elizabeth Street and 70 Pembroke Street, Port of Spain. The said entity with common control took a loan to the value of \$100,000,000 and the Company pays the loan instalments in lieu of rental payments. The Company is a guarantor of this loan.

Notes to the Financial Statements

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

12. Lease liability (continued)

|                         | 2024                 | 2023                 |
|-------------------------|----------------------|----------------------|
| Opening lease liability | 115,779,989          | 23,788,055           |
| Lease modification      | -                    | 100,455,914          |
| Lease payments made     | (14,201,044)         | (11,047,580)         |
| Interest expense        | 4,946,842            | 2,583,600            |
| Closing lease liability | <b>\$106,525,787</b> | <b>\$115,779,989</b> |
| Current liability       | 8,479,943            | 8,533,766            |
| Non-current liability   | 98,045,844           | 107,246,223          |
|                         | <b>\$106,525,787</b> | <b>\$115,779,989</b> |

*Lease modification*

During the year ended December 31, 2023, the said agreement between the Company and the company with common control was modified whereby the monthly payments increased by \$890,168 and the term was extended to August 2035.

The securities on this lease liability are as follows:

- Deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 made among the Company, Hashingbrown Limited, Goodhealth Investment Limited and Perudway, stamped to secure \$40,000,000 over the properties as follows:
  - First demand mortgage over property located at 18 Elizabeth Street, Port of Spain.
  - First demand mortgage over property located at 1-7 Fitzblackman Drive, Woodbrook.
  - First demand mortgage over property located at 21 and 23 Pembroke Street, Port of Spain.
  - Assignment of fire insurance with Faber Global Limited, policy number 1841F16-069 (local broker Norman Gabriel Limited Insurance Brokers) over the above properties with RBC Royal Bank (Trinidad and Tobago) Limited noted as the first mortgagee, in the amount of \$86,175,000.
- Guarantees and postponement of a claim for the following principals totalling \$49,500,000 and stamped collateral to the above mortgages as follows:
  - Guarantee and postponement of claim dated November 11, 2013, signed by a related party with common control for \$40,000,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by three key management personnel for \$9,500,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**13. Deferred taxation**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The following is the movement for the year:

|                                             | 2024               | 2023               |
|---------------------------------------------|--------------------|--------------------|
| Balance as at the beginning of the year     | 4,657,339          | 3,316,898          |
| Charge to statement of comprehensive income | 863,242            | 1,340,441          |
| Balance as at the end of the year           | <b>\$5,520,581</b> | <b>\$4,657,339</b> |

The deferred tax liability arose from the accelerated tax wear and tear allowance on property, plant and equipment.

**14. Bank overdraft**

The Company has an overdraft facility of \$3,000,000 with Republic Bank Limited. Interest is charged at the bank's Trinidad and Tobago Dollar Base Lending Rate which was 7.5% (2023: 7.5%) at year-end.

**15. Trade payables and accruals**

|                           | 2024                | 2023                |
|---------------------------|---------------------|---------------------|
| Trade payables            | 10,944,841          | 9,202,804           |
| Accruals                  | 4,199,114           | 4,724,240           |
| Stale dated cheques       | 4,091,560           | 4,124,597           |
| Insurance premium accrual | 3,750,000           | 2,500,000           |
| Payroll liabilities       | 604,088             | 354,706             |
|                           | <b>\$23,589,603</b> | <b>\$20,906,347</b> |

**16. Revenue**

|                                 | 2024                 | 2023                 |
|---------------------------------|----------------------|----------------------|
| Inpatient services              | 74,915,750           | 65,636,460           |
| Outpatient services             | 25,921,635           | 33,178,686           |
| Radiation/chemotherapy services | 21,397,707           | 28,200,103           |
|                                 | <b>\$122,235,092</b> | <b>\$127,015,249</b> |

**17. Cost of sales**

|                               | 2024                | 2023                |
|-------------------------------|---------------------|---------------------|
| Professional fees             | 16,313,235          | 16,741,041          |
| Direct wages                  | 11,317,138          | 11,270,059          |
| Laboratory expenses           | 10,879,464          | 5,919,912           |
| Supplies consumed             | 14,136,879          | 13,994,999          |
| Surgical and testing expenses | 3,039,010           | 3,169,990           |
| Other patient supplies        | 1,525,816           | 1,681,672           |
|                               | <b>\$57,211,542</b> | <b>\$52,777,673</b> |

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**18. Administrative expenses**

|                                            | 2024                | 2023                |
|--------------------------------------------|---------------------|---------------------|
| Depreciation                               | 16,579,489          | 10,989,360          |
| Staff costs (Note 19)                      | 14,933,276          | 14,192,570          |
| Repairs and maintenance expense            | 2,471,955           | 3,217,455           |
| Professional fees                          | 1,596,843           | 694,884             |
| General insurance                          | 1,507,412           | 681,867             |
| Cleaning and pest control                  | 1,361,977           | 1,480,659           |
| Utilities                                  | 1,184,421           | 1,230,576           |
| Security                                   | 839,627             | 959,072             |
| Printing and stationery                    | 643,506             | 607,190             |
| Administration costs                       | 622,797             | 887,868             |
| Telephone                                  | 375,704             | 422,288             |
| Advertising                                | 238,130             | 167,385             |
| Rental equipment                           | 92,166              | 78,408              |
| Travel and transport                       | 66,219              | 79,511              |
| Provision for bad debts, net of recoveries | (1,399,359)         | 772,314             |
|                                            | <b>\$41,114,163</b> | <b>\$36,461,407</b> |

**19. Staff costs**

|                    | 2024                | 2023                |
|--------------------|---------------------|---------------------|
| Salaries           | 9,949,586           | 9,432,955           |
| Directors' fees    | 1,632,500           | 1,668,779           |
| Staff bonus        | 1,318,675           | 849,232             |
| Health insurance   | 726,512             | 672,965             |
| Pension expense    | 713,928             | 42,288              |
| National insurance | 366,380             | 698,839             |
| Uniform            | 161,691             | 5,346               |
| Staff welfare      | 33,408              | 822,166             |
| Staff training     | 30,596              | -                   |
|                    | <b>\$14,933,276</b> | <b>\$14,192,570</b> |

**20. Other expenses**

|                                                   | 2024               | 2023               |
|---------------------------------------------------|--------------------|--------------------|
| Miscellaneous expenses                            | 1,802,056          | 592,981            |
| Bank charges                                      | 1,065,060          | 1,086,493          |
| Donations                                         | 10,980             | 1,104              |
| Entertainment                                     | 3,357              | -                  |
| Internet                                          | -                  | 7,859              |
| Loss on disposal of property, plant and equipment | -                  | 2                  |
|                                                   | <b>\$2,881,453</b> | <b>\$1,688,439</b> |

**Notes to the Financial Statements**

Year ended December 31, 2024

(Expressed in Trinidad and Tobago Dollars)

**21. Taxation**

|                                    | 2024               | 2023                |
|------------------------------------|--------------------|---------------------|
| Corporation tax                    | 4,611,972          | 9,321,965           |
| Green fund levy                    | 373,703            | 392,197             |
| Deferred taxation charge (Note 13) | 863,242            | 1,340,441           |
| Business levy                      | -                  | 12,688              |
| Prior year (over)/under provision  | (958,232)          | 1,873,500           |
| Share of joint venture tax         | 1,971,932          | 1,884,038           |
| <b>Taxation charge</b>             | <b>\$6,862,617</b> | <b>\$14,824,829</b> |

The tax on the Company's profit differs from the theoretical amount that would arise using the basic tax rate as follows:

|                                   | 2024               | 2023                |
|-----------------------------------|--------------------|---------------------|
| Adjusted profit before taxation   | 17,412,615         | 66,915,435          |
| Tax calculated at statutory rate  | 5,223,785          | 20,074,631          |
| Non-deductible expenses           | 6,764,802          | 5,363,225           |
| Income not taxable and allowances | (7,376,615)        | (16,176,748)        |
| Green fund levy                   | 373,703            | 392,197             |
| Business levy                     | -                  | 12,688              |
| Tax losses carried forward        | -                  | 60,857              |
| Deferred tax charge               | 863,242            | 1,340,441           |
| Prior year (over)/under provision | (958,232)          | 1,873,500           |
| Share of joint venture tax        | 1,971,932          | 1,884,038           |
| <b>Taxation charge</b>            | <b>\$6,862,617</b> | <b>\$14,824,829</b> |

**22. Contingent liabilities**

(i) The Company has been named as the first defendant in High Court Action 2022-01302. The respective claimant has made claims for the damages and loss suffered as a result of the alleged negligence by the Company. No determination that an unfavourable outcome is either probable or remote can be made at this time. Similarly, no accurate estimate of any potential loss can be made at this time. Hence, no provision has been made for these costs in these financial statements.

(ii) Bonds

|                               | 2024      | 2023      |
|-------------------------------|-----------|-----------|
| Ministry of National Security | \$275,000 | \$275,000 |

A term deposit of \$275,000 (2023: \$275,000) is held as security against the Ministry of National Security Bonds.

**23. Subsequent events**

Management has evaluated the possibility of subsequent events existing in the Company's financial statements from January 1, 2025, through April 4, 2025, the date the financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements other than the below.

The Company has been registered as a reporting issuer under the Securities Act, 2012 (as amended) and has applied to the Trinidad and Tobago Stock Exchange Limited for the listing of its ordinary shares on the Small to Medium Market of the Trinidad and Tobago Stock Exchange.



**Medcorp Limited and its Subsidiaries**  
**Audited Consolidated Financial Statements**  
For the year ended December 31, 2023



# Medcorp Limited and its Subsidiaries

## Audited Consolidated Financial Statements

For the year ended December 31, 2023

*(Expressed in Trinidad and Tobago Dollars)*

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## Independent Auditors' Report

To the Shareholders of  
Medcorp Limited and its Subsidiaries

### Opinion

We have audited the consolidated financial statements of Medcorp Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

### 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

### Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



## Independent Auditors' Report (continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

We communicate with those charged with governance 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.

June 6, 2024

Port of Spain,  
Trinidad, West Indies

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Financial Position

As at December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

|                                                   | Notes | 2023                 | 2022                 |
|---------------------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                                     |       |                      |                      |
| <b>Non-current assets</b>                         |       |                      |                      |
| Property, plant and equipment                     | 5     | 168,388,144          | 73,320,467           |
| Investment in joint venture                       | 6     | 7,554,467            | 8,959,995            |
| <b>Total non-current assets</b>                   |       | <b>175,942,611</b>   | <b>82,280,462</b>    |
| <b>Current assets</b>                             |       |                      |                      |
| Inventories                                       | 7     | 6,763,369            | 7,207,757            |
| Trade and other receivables                       | 8     | 29,856,936           | 13,487,108           |
| Taxation recoverable                              |       | 1,615,027            | 1,938,054            |
| Due from related party                            | 9     | 4,843,344            | 4,866,361            |
| Cash and cash equivalents                         |       | 37,624,569           | 28,045,963           |
| <b>Total current assets</b>                       |       | <b>80,703,245</b>    | <b>55,545,243</b>    |
| <b>Total assets</b>                               |       | <b>\$256,645,856</b> | <b>\$137,825,705</b> |
| <b>Shareholders' equity</b>                       |       |                      |                      |
| Stated capital                                    | 10    | 33,409,119           | 33,409,119           |
| Accumulated earnings                              |       | 52,989,573           | 3,400,432            |
| <b>Total shareholder's equity</b>                 |       | <b>86,398,692</b>    | <b>36,809,551</b>    |
| <b>Liabilities</b>                                |       |                      |                      |
| <b>Non-current liabilities</b>                    |       |                      |                      |
| Borrowings                                        | 11    | 2,845,956            | 8,568,897            |
| Lease liability                                   | 12    | 107,246,223          | 17,483,852           |
| Deferred tax liability                            | 13    | 4,657,339            | 3,316,898            |
| <b>Total non-current liabilities</b>              |       | <b>114,749,518</b>   | <b>29,369,647</b>    |
| <b>Current liabilities</b>                        |       |                      |                      |
| Bank overdraft                                    | 14    | 6,837,229            | 5,737,016            |
| Borrowings                                        | 11    | 5,704,724            | 5,570,907            |
| Lease liability                                   | 12    | 8,533,766            | 6,304,203            |
| Trade payables and accruals                       | 15    | 20,906,347           | 19,943,361           |
| Taxation payable                                  |       | 6,614,531            | 3,396,835            |
| Due to related parties                            | 9     | 6,901,049            | 30,694,185           |
| <b>Total current liabilities</b>                  |       | <b>55,497,646</b>    | <b>71,646,507</b>    |
| <b>Total liabilities</b>                          |       | <b>170,247,164</b>   | <b>101,016,154</b>   |
| <b>Total shareholders' equity and liabilities</b> |       | <b>\$256,645,856</b> | <b>\$137,825,705</b> |

The accompanying notes form an integral part of these consolidated financial statements.

On June 6, 2024, the Board of Directors of Medcorp Limited authorised these consolidated financial statements for issue.

  
Director

  
Director

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Comprehensive Income

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

|                                                                                              | Notes | 2023                | 2022                |
|----------------------------------------------------------------------------------------------|-------|---------------------|---------------------|
| Revenue                                                                                      | 16    | 127,015,249         | 122,222,125         |
| Cost of sales                                                                                | 17    | (52,777,673)        | (57,827,722)        |
| Gross profit                                                                                 |       | 74,237,576          | 64,394,403          |
| Other income                                                                                 |       | 3,346,418           | 5,943,742           |
|                                                                                              |       | 77,583,994          | 70,338,145          |
| <b>Expenses</b>                                                                              |       |                     |                     |
| Administrative expenses                                                                      | 18    | (36,461,407)        | (36,057,038)        |
| Other expenses                                                                               | 20    | (1,688,439)         | (2,639,955)         |
|                                                                                              |       | (38,149,846)        | (38,696,993)        |
| <b>Operating profit</b>                                                                      |       | 39,434,148          | 31,641,152          |
| Dividends waived                                                                             | 9     | 30,694,185          | -                   |
| Share of profit of joint venture                                                             | 6     | 4,978,510           | 1,719,045           |
| Finance costs                                                                                |       | (3,212,896)         | (2,449,276)         |
| <b>Profit before taxation</b>                                                                |       | 71,893,947          | 30,910,921          |
| Taxation charge                                                                              | 21    | (14,824,829)        | (6,783,208)         |
| <b>Total comprehensive income for the year attributable to parent company's shareholders</b> |       | <b>\$57,069,118</b> | <b>\$24,127,713</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Changes in Equity

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

|                                                                          | Stated<br>capital   | Accumulated<br>earnings | Total               |
|--------------------------------------------------------------------------|---------------------|-------------------------|---------------------|
| <b>Year ended December 31, 2023</b>                                      |                     |                         |                     |
| Balance as at January 1, 2023                                            | 33,409,119          | 3,400,432               | 36,809,551          |
| <b>Comprehensive income for the year</b>                                 |                     |                         |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 57,069,118              | 57,069,118          |
| <b>Total comprehensive income</b>                                        | -                   | <b>57,069,118</b>       | <b>57,069,118</b>   |
| <b>Transactions with owners</b>                                          |                     |                         |                     |
| Dividends paid                                                           | -                   | (7,479,977)             | (7,479,977)         |
| <b>Total transactions with owners</b>                                    | -                   | <b>(7,479,977)</b>      | <b>(7,479,977)</b>  |
| <b>Balance as at December 31, 2023</b>                                   | <b>\$33,409,119</b> | <b>\$52,989,573</b>     | <b>\$86,398,692</b> |
| <b>Year ended December 31, 2022</b>                                      |                     |                         |                     |
| Balance as at January 1, 2022                                            | 33,409,119          | 8,167,129               | 41,576,248          |
| <b>Comprehensive income for the year</b>                                 |                     |                         |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 24,127,713              | 24,127,713          |
| <b>Total comprehensive income</b>                                        | -                   | <b>24,127,713</b>       | <b>24,127,713</b>   |
| <b>Transactions with owners</b>                                          |                     |                         |                     |
| Dividends paid                                                           | -                   | (28,894,410)            | (28,894,410)        |
| <b>Total transactions with owners</b>                                    | -                   | <b>(28,894,410)</b>     | <b>(28,894,410)</b> |
| <b>Balance as at December 31, 2022</b>                                   | <b>\$33,409,119</b> | <b>\$3,400,432</b>      | <b>\$36,809,551</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Cash Flows

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

|                                                                               | 2023                | 2022                |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                                   |                     |                     |
| Profit before taxation                                                        | 71,893,947          | 30,910,921          |
| Adjustments to reconcile profit to net cash provided by operating activities: |                     |                     |
| Loss/(gain) on disposal of property, plant and equipment                      | 2                   | (117,181)           |
| Bad debts expense                                                             | 772,314             | 1,057,629           |
| Lease interest                                                                | 2,583,600           | 1,528,305           |
| Depreciation                                                                  | 10,989,360          | 8,156,909           |
| Share of profit of joint venture                                              | (4,978,510)         | (1,719,045)         |
| Property, plant and equipment adjustment                                      | (974)               | -                   |
| Interest expense                                                              | 611,210             | 901,528             |
|                                                                               | 81,870,949          | 40,719,066          |
| Changes in operating assets/liabilities:                                      |                     |                     |
| Decrease/(increase) in inventories                                            | 444,388             | (118,371)           |
| (Increase)/decrease in trade and other receivables                            | (17,142,142)        | 8,387,156           |
| Decrease/(increase) in due from related party                                 | 23,017              | (3,831,633)         |
| Increase in trade payables and accruals                                       | 962,986             | 7,701,649           |
| Decrease in due to related parties                                            | (23,793,136)        | -                   |
| <b>Cash provided by operations</b>                                            | 42,366,062          | 52,857,867          |
| Taxes paid                                                                    | (8,059,627)         | (8,947,687)         |
| <b>Net cash provided by operating activities</b>                              | <b>34,306,435</b>   | <b>43,910,180</b>   |
| <b>Cash flows from investing activities</b>                                   |                     |                     |
| Purchase of property, plant and equipment                                     | (5,600,151)         | (18,496,831)        |
| Dividends received from joint venture                                         | 4,500,000           | 4,650,000           |
| Proceeds from disposal of investment                                          | -                   | 681,298             |
| Proceeds from disposal of property, plant and equipment                       | -                   | 521,610             |
| <b>Net cash used in investing activities</b>                                  | <b>(1,100,151)</b>  | <b>(12,643,923)</b> |
| <b>Cash flows from financing activities</b>                                   |                     |                     |
| Lease payments                                                                | (11,047,580)        | (7,486,910)         |
| Net proceeds from borrowings                                                  | (5,589,124)         | 4,530,739           |
| Interest paid                                                                 | (611,210)           | (901,528)           |
| Dividends paid                                                                | (7,479,977)         | (28,894,410)        |
| <b>Net cash used in financing activities</b>                                  | <b>(24,727,891)</b> | <b>(32,752,109)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                   | <b>8,478,393</b>    | <b>(1,485,852)</b>  |
| <b>Cash and cash equivalents</b>                                              |                     |                     |
| As at beginning of year                                                       | 22,308,947          | 23,794,799          |
| <b>As at end of year</b>                                                      | <b>\$30,787,340</b> | <b>\$22,308,947</b> |
| <b>Represented by:</b>                                                        |                     |                     |
| Cash at bank and in hand                                                      | 37,624,569          | 28,045,963          |
| Bank overdraft                                                                | (6,837,229)         | (5,737,016)         |
|                                                                               | <b>\$30,787,340</b> | <b>\$22,308,947</b> |

The accompanying notes form an integral part of these consolidated financial statements.

### Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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#### 1. General information

Medcorp Limited (the “Company”) was incorporated in the Republic of Trinidad and Tobago by way of continuance on March 25, 1999. The Company’s main business is the operation of a private hospital. Its registered office is located at 18 Elizabeth Street, St Clair, Port of Spain, Trinidad and Tobago.

The subsidiary, Medical X-Ray and Diagnostic Clinic Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago. Its principal activity is the provision of radiology services.

The subsidiary, Cancer Centre of the Caribbean Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago and is involved in the provision of cancer treatment services.

The joint venture, Caribbean Heart Care Medcorp Limited is 50% owned, incorporated in the Republic of Trinidad and Tobago and is involved in performing open-heart surgeries.

The Company and its subsidiaries and joint venture are together referred to as the Group.

#### 2. Material accounting policies

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

##### 2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are the determination of depreciation rates and the provision for impairment of financial assets measured at amortised costs.

- (i) Standards, amendments and interpretations to existing Standards applicable to the Group in the current year which were adopted by the Group

The Group adopted the following new amendments with a transition date of January 1, 2023. There were no significant changes made to these consolidated financial statements resulting from the adoption of these new amendments:

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from ‘material accounting policies’ to ‘material accounting policy information’. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

**Notes to the Consolidated Financial Statements**

Year ended December 31, 2023

*(Expressed in Trinidad and Tobago Dollars)*

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**2. Material accounting policies (continued)**

**2.1 Basis of preparation (continued)**

- (ii) New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these consolidated financial statements, will or may have an effect on the Group's future financial statements in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the note below.

The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2024.

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

On August 15, 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

**2.1 Basis of preparation (continued)**

- (iii) Standards, amendments and interpretations to existing standards early adopted by the Group

The Group did not early adopt any new revised or amended standards.

### Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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## 2. Material accounting policies (continued)

### 2.2 Basis of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Group considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

### 2.3 Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- (i) *Joint ventures*: where the group has rights to only the net assets of the joint arrangement
- (ii) *Joint operations*: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).
- The Group accounts for its interests in Caribbean Heart Care Medcorp Limited as a joint venture.

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

2. Material accounting policies (continued)

2.3 Joint arrangements (continued)

Joint ventures are initially recognised in the consolidated statement of financial position at cost. Subsequently, joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of other comprehensive income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses). Distributions received from a joint venture reduce the carrying amount of the investment.

Profits and losses arising from transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

2.4 Foreign currency

(i) *Functional and presentation currency*

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Such balances are translated at year-end exchange rates.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the reducing balance method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

|                                |                   |
|--------------------------------|-------------------|
| Leasehold improvements         | 2%                |
| Medical and surgical equipment | 10% - 20%         |
| Fixtures and fittings          | 25%               |
| Computer equipment             | 50%               |
| Motor vehicles                 | 33⅓%              |
| Right of use asset             | Over lease period |

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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**2. Material accounting policies (continued)**

**2.5 Property, plant and equipment (continued)**

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the results for the year.

**2.6 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

**2.7 Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment charges are included in the profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

**2.8 Financial assets**

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

*Fair value through profit or loss*

This category comprises of an investment held in a mutual fund. It is carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the other income or other expense line.

*Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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2. Material accounting policies (continued)

2.8 Financial assets (continued)

*Amortised cost (continued)*

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since the initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables, due from related parties and cash and cash equivalents in the statement of financial position.

Trade receivables are amounts due from customers for the sale of goods and provision of services in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, for the purpose of the statement of cash flows, bank overdrafts.

2.9 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax charge is calculated on the basis of the tax laws enacted at the year-end.

Corporation tax is charged at 30% of all chargeable income.

Business levy and green fund levy are computed at the rate of 0.6% and 0.3% respectively on gross income.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference will be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses.

**Notes to the Consolidated Financial Statements**

Year ended December 31, 2023

*(Expressed in Trinidad and Tobago Dollars)*

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**2. Material accounting policies (continued)**

**2.10 Stated capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Transfers to stated capital for which shares have not yet been issued are reflected as contributed capital.

**2.11 Borrowings**

Borrowings are recognised initially at the proceeds received net of transaction costs incurred. Borrowings are subsequently recognised net of loan repayments. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed.

**2.12 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.13 Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

**2.14 Leases**

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from the use of the asset; and
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from the use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

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2. Material accounting policies (continued)

2.14 Leases (continued)

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

**Notes to the Consolidated Financial Statements**

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*(Expressed in Trinidad and Tobago Dollars)*

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**2. Material accounting policies (continued)**

**2.14 Leases (continued)**

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

**2.15 Revenue recognition**

Revenue is derived from the provision of services with revenue recognised at a point in time. This is because the Group provides, and the customer accepts the services simultaneously. Revenue is derived from fixed-price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit ordered in such contracts.

**2.16 Expenses**

Expenses are recognised on an accrual basis in the reporting period during which the related income is earned.

**2.17 Dividends**

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors of the Group.

**3. Financial risk management**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Management seeks to minimise potential adverse effects on the financial performance of the Group by applying procedures to identify, evaluate and manage these risks:

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has a significant concentration of credit risk attached to receivables from one major customer, but the recoverability of these receivables is not in doubt. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. Receivable balances are shown net of provision for impairment for doubtful debts. Credit risk disclosures are included in Note 8.

Cash and deposits are held with reputable financial institutions.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the Group aims at maintaining flexibility in funding by keeping committed lines of credit available.

The table below analyses the Group's financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                | Less than<br>1 year | Over 1 year          |
|--------------------------------|---------------------|----------------------|
| <b>As at December 31, 2023</b> |                     |                      |
| Bank overdraft                 | 6,837,229           | -                    |
| Borrowings                     | 5,704,724           | 2,845,956            |
| Lease liability                | 8,533,766           | 107,246,223          |
| Trade payables and accruals    | 20,906,350          | -                    |
| Due to related parties         | 6,901,049           | -                    |
|                                | <b>\$48,883,118</b> | <b>\$110,092,179</b> |
| <b>As at December 31, 2022</b> |                     |                      |
| Bank overdraft                 | 5,737,016           | -                    |
| Borrowings                     | 5,570,907           | 8,568,897            |
| Lease liability                | 6,304,203           | 17,483,852           |
| Trade payables and accruals    | 19,943,361          | -                    |
| Due to related parties         | 30,694,185          | -                    |
|                                | <b>\$68,249,672</b> | <b>\$26,052,749</b>  |

(iii) Market risk

(a) Cash flow and fair value interest rate risk

Other than cash and cash equivalents, which is not significantly exposed to interest rate risk, the Group has no significant floating interest-bearing assets or liabilities. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(iii) Market risk (continued)

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and when recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure the appropriate instrument is used.

At December 31, 2023, if the TT dollar had weakened/ strengthened by 5% against the US dollar with all other variables held constant, post-tax profit/loss for the year would have been \$239,156 (2022: \$285,814) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated cash and cash equivalents and borrowings.

(b) Price risk

The Group is exposed to price risk from its investments held at fair value through profit or loss. Had the price of the investment increased/decreased by 1%, profit for the year would have been \$nil (2022: \$nil) higher/lower respectively.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at December 31, 2023, and 2022 are as follows:

|                                                      | 2023         | 2022         |
|------------------------------------------------------|--------------|--------------|
| Total lease liability, borrowings and bank overdraft | 131,167,898  | 43,664,875   |
| Less: cash and cash equivalents                      | (37,624,569) | (28,045,963) |
| Net debt                                             | \$93,543,329 | \$15,618,912 |
| Total equity                                         | \$86,398,692 | \$36,809,551 |
| Gearing ratio                                        | 108%         | 42%          |

**Notes to the Consolidated Financial Statements**

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

**3. Financial risk management (continued)**

**3.3 Fair value estimation**

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, trade and other receivables, due from related party, trade payables and accruals, bank overdraft, borrowings and due to related party are reasonable estimates of their fair values because of the short-term maturity of these instruments.

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its investment at fair value. The fair value is determined by reference to the Net Asset Value of the mutual fund in which the investment is held.

**4. Financial instruments by category**

The accounting policies for financial instruments have been applied to the line items below:

|                                                                        | Amortised cost<br>2023 | 2022                |
|------------------------------------------------------------------------|------------------------|---------------------|
| <b>Assets as per consolidated statement of financial position</b>      |                        |                     |
| Trade and other receivables                                            | 29,600,718             | 13,427,963          |
| Due from related party                                                 | 4,843,344              | 4,866,361           |
| Cash and cash equivalents                                              | 37,624,569             | 28,045,963          |
|                                                                        | <b>\$72,068,631</b>    | <b>\$46,340,287</b> |
| <b>Liabilities as per consolidated statement of financial position</b> |                        |                     |
| Bank overdraft                                                         | 6,837,229              | 5,737,016           |
| Borrowings                                                             | 8,550,680              | 14,139,804          |
| Lease liability                                                        | 115,779,989            | 23,788,055          |
| Trade payables and accruals                                            | 20,906,351             | 19,943,361          |
| Due to related parties                                                 | 6,901,049              | 30,694,185          |
|                                                                        | <b>\$158,975,298</b>   | <b>\$94,302,421</b> |

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

#### 5. Property, plant and equipment

|                                               | Right of use<br>asset | Leasehold<br>improvements | Medical and<br>surgical<br>equipment | Fixtures and<br>fittings | Computer<br>equipment | Motor<br>vehicles | Work-in-<br>progress | Total                |
|-----------------------------------------------|-----------------------|---------------------------|--------------------------------------|--------------------------|-----------------------|-------------------|----------------------|----------------------|
| <b>Year ended December 31, 2023</b>           |                       |                           |                                      |                          |                       |                   |                      |                      |
| <b>Cost</b>                                   |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2023                 | 44,305,470            | 7,230,602                 | 97,108,929                           | 4,736,819                | 7,257,958             | 1,152,001         | 2,706,120            | 164,497,899          |
| Additions                                     | -                     | 92,733                    | 4,883,060                            | 147,446                  | 476,912               | -                 | -                    | 5,600,151            |
| Disposals                                     | -                     | -                         | -                                    | (800)                    | -                     | -                 | -                    | (800)                |
| Transfer                                      | -                     | -                         | 2,706,120                            | -                        | -                     | -                 | (2,706,120)          | -                    |
| Lease modification                            | 100,455,914           | -                         | -                                    | -                        | -                     | -                 | -                    | 100,455,914          |
| Balance as at December 31, 2023               | 144,761,385           | 7,323,335                 | 104,698,109                          | 4,883,465                | 7,734,870             | 1,152,001         | -                    | 270,553,164          |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2023                 | (13,395,988)          | (1,491,478)               | (64,303,375)                         | (4,339,610)              | (6,494,980)           | (1,152,001)       | -                    | (91,177,432)         |
| Depreciation charge                           | (5,806,041)           | (115,436)                 | (4,423,558)                          | (119,391)                | (524,934)             | -                 | -                    | (10,989,360)         |
| Disposals                                     | -                     | -                         | -                                    | 798                      | -                     | -                 | -                    | 798                  |
| Adjustment                                    | -                     | -                         | -                                    | 974                      | -                     | -                 | -                    | 974                  |
| Balance as at December 31, 2023               | (19,202,029)          | (1,606,914)               | (68,726,933)                         | (4,457,229)              | (7,019,914)           | (1,152,001)       | -                    | (102,165,020)        |
| <b>Net book value as at December 31, 2023</b> | <b>\$125,559,355</b>  | <b>\$5,716,421</b>        | <b>\$35,971,175</b>                  | <b>\$426,236</b>         | <b>\$714,956</b>      | <b>\$-</b>        | <b>\$-</b>           | <b>\$168,388,144</b> |
| <b>Year ended December 31, 2022</b>           |                       |                           |                                      |                          |                       |                   |                      |                      |
| <b>Cost</b>                                   |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2022                 | 44,305,470            | 5,276,662                 | 76,190,516                           | 4,507,445                | 6,900,197             | 1,370,995         | 8,486,042            | 147,037,327          |
| Additions                                     | -                     | 1,953,940                 | 13,249,636                           | 229,374                  | 357,761               | -                 | 2,706,120            | 18,496,831           |
| Disposals                                     | -                     | -                         | (817,265)                            | -                        | -                     | (218,994)         | -                    | (1,036,259)          |
| Transfer                                      | -                     | -                         | 8,486,042                            | -                        | -                     | -                 | (8,486,042)          | -                    |
| Balance as at December 31, 2022               | 44,305,470            | 7,230,602                 | 97,108,929                           | 4,736,819                | 7,257,958             | 1,152,001         | 2,706,120            | 164,497,899          |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                          |                       |                   |                      |                      |
| Balance as at January 1, 2022                 | (10,380,429)          | (1,384,830)               | (60,434,581)                         | (4,231,129)              | (5,850,389)           | (1,370,995)       | -                    | (83,652,353)         |
| Depreciation charge                           | (3,015,559)           | (106,648)                 | (4,281,630)                          | (108,481)                | (644,591)             | -                 | -                    | (8,156,909)          |
| Disposals                                     | -                     | -                         | 412,836                              | -                        | -                     | 218,994           | -                    | 631,830              |
| Balance as at December 31, 2022               | (13,395,988)          | (1,491,478)               | (64,303,375)                         | (4,339,610)              | (6,494,980)           | (1,152,001)       | -                    | (91,177,432)         |
| <b>Net book value as at December 31, 2022</b> | <b>\$30,909,482</b>   | <b>\$5,739,124</b>        | <b>\$32,805,554</b>                  | <b>\$397,209</b>         | <b>\$762,978</b>      | <b>\$-</b>        | <b>\$2,706,120</b>   | <b>\$73,320,467</b>  |

## Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

### 6. Investment in joint venture

|                            | 2023               | 2022               |
|----------------------------|--------------------|--------------------|
| As at beginning of year    | 8,959,995          | 12,641,804         |
| Dividends received         | (4,500,000)        | (4,650,000)        |
| Share of profit before tax | 4,978,510          | 1,719,045          |
| Share of tax               | (1,884,038)        | (750,854)          |
| As at end of year          | <b>\$7,554,467</b> | <b>\$8,959,995</b> |

The Group has a 50% (2022: 50%) interest in Caribbean Heart Care Medcorp Limited. The primary activity of Caribbean Heart Care Medcorp Limited is the provision of cardiac surgery and cardiology services.

The contractual arrangement of the joint venture provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Caribbean Heart Care Medcorp Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised financial information in relation to the joint venture is presented below:

|                               | 2023         | 2022         |
|-------------------------------|--------------|--------------|
| <b>As at 31 December</b>      |              |              |
| Current assets                | \$39,666,974 | \$43,179,852 |
| Non-current assets            | \$19,168,930 | \$20,044,650 |
| Current liabilities           | \$32,192,839 | \$32,849,764 |
| Non-current liabilities       | \$9,987,363  | \$10,907,981 |
| <b>Year ended 31 December</b> | <b>2023</b>  | <b>2022</b>  |
| Revenue                       | \$79,293,742 | \$71,953,855 |
| Total comprehensive income    | \$6,188,945  | \$1,936,382  |

### 7. Inventories

|                                 | 2023               | 2022               |
|---------------------------------|--------------------|--------------------|
| Medication and medical supplies | <b>\$6,763,369</b> | <b>\$7,207,757</b> |

### 8. Trade and other receivables

|                                     | 2023                | 2022                |
|-------------------------------------|---------------------|---------------------|
| Trade receivables                   | 31,330,863          | 13,506,487          |
| Less: impairment for doubtful debts | (2,481,548)         | (1,200,177)         |
| Trade receivables - net             | 28,849,315          | 12,306,310          |
| Other receivables                   | 751,403             | 901,793             |
| Prepayments                         | 256,218             | 279,005             |
|                                     | <b>\$29,856,936</b> | <b>\$13,487,108</b> |

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

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Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

8. Trade and other receivables (continued)

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period's end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product ("GDP"), unemployment rate and inflation rate as the key macroeconomic factors.

At December 31, 2023 and 2022, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                                | Current     | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total        |
|--------------------------------|-------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| <b>As at December 31, 2023</b> |             |                               |                               |                               |              |
| Expected loss rate             | 6%          | 7%                            | 10%                           | 10%                           |              |
| Gross carrying amount          | \$5,898,735 | \$2,938,569                   | \$757,295                     | \$21,736,264                  | \$31,330,863 |
| Loss provision                 | \$234,228   | \$104,932                     | \$28,487                      | \$2,113,901                   | \$2,481,548  |
| <b>As at December 31, 2022</b> |             |                               |                               |                               |              |
| Expected loss rate             | 6%          | 7%                            | 10%                           | 10%                           |              |
| Gross carrying amount          | \$1,836,943 | \$1,868,640                   | \$1,726,054                   | \$8,074,850                   | \$13,506,487 |
| Loss provision                 | \$116,416   | \$130,075                     | \$169,953                     | \$783,733                     | \$1,200,177  |

Movement on the provision for impairment of trade receivables is as follows:

|                                   | 2023               | 2022               |
|-----------------------------------|--------------------|--------------------|
| As at January 1                   | 1,200,177          | 2,617,748          |
| Provision for the year            | 772,314            | 1,057,629          |
| Bad debts reversed/ (written off) | 509,057            | (2,475,200)        |
| As at December 31                 | <b>\$2,481,548</b> | <b>\$1,200,177</b> |

The other receivables and prepayments do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

9. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

|                                                 | 2023               | 2022               |
|-------------------------------------------------|--------------------|--------------------|
| (i) Key management compensation                 |                    |                    |
| Salaries and other short-term employee benefits | <b>\$1,004,100</b> | <b>\$978,000</b>   |
| Directors' fees                                 | <b>\$1,668,779</b> | <b>\$1,887,180</b> |

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

9. Related party transactions (continued)

|                                                                                                                                                                                                                                                                                           | 2023                | 2022                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| (ii) Year-end balances arising from purchases of services:                                                                                                                                                                                                                                |                     |                     |
| <b>Due from related party:</b>                                                                                                                                                                                                                                                            |                     |                     |
| <u>Current</u>                                                                                                                                                                                                                                                                            |                     |                     |
| Joint Venture                                                                                                                                                                                                                                                                             | 4,843,344           | 4,866,361           |
|                                                                                                                                                                                                                                                                                           | <b>\$4,843,344</b>  | <b>\$4,866,361</b>  |
| <b>Due to related parties</b>                                                                                                                                                                                                                                                             |                     |                     |
| <u>Current</u>                                                                                                                                                                                                                                                                            |                     |                     |
| Other entity with common control                                                                                                                                                                                                                                                          | 6,901,049           | -                   |
| Directors/Shareholders                                                                                                                                                                                                                                                                    | -                   | 30,694,185          |
|                                                                                                                                                                                                                                                                                           | <b>\$6,901,049</b>  | <b>\$30,694,185</b> |
| <i>Dividend waived</i>                                                                                                                                                                                                                                                                    |                     |                     |
| During the year ended December 31, 2023, certain shareholders to whom dividends were owed amounting to \$30,694,185 (2022: \$Nil), irrevocably waived their right to receive the outstanding dividends. This was treated as income in the consolidated statement of comprehensive income. |                     |                     |
| (iii) Transactions with entity with joint control                                                                                                                                                                                                                                         |                     |                     |
| Joint Venture - income earned                                                                                                                                                                                                                                                             | 11,341,537          | 11,068,039          |
|                                                                                                                                                                                                                                                                                           | <b>\$11,341,537</b> | <b>\$11,068,039</b> |
| (iv) Transactions with other related parties                                                                                                                                                                                                                                              |                     |                     |
| Professional fees paid                                                                                                                                                                                                                                                                    | \$890,100           | \$1,083,180         |
| Rent paid to related party                                                                                                                                                                                                                                                                | \$11,047,582        | \$7,486,908         |
| <i>Right of use asset</i>                                                                                                                                                                                                                                                                 |                     |                     |
| Other entity with common control                                                                                                                                                                                                                                                          | \$125,559,356       | \$30,909,483        |
| <i>Lease liability</i>                                                                                                                                                                                                                                                                    |                     |                     |
| Other entity with common control                                                                                                                                                                                                                                                          | \$115,779,989       | \$23,788,055        |

10. Stated capital

|                                                        | 2023         | 2022         |
|--------------------------------------------------------|--------------|--------------|
| <b>Authorised</b>                                      |              |              |
| An unlimited number of ordinary shares of no par value |              |              |
| <b>Issued and fully paid</b>                           |              |              |
| 7,479,977 ordinary shares of no par value              | \$33,409,119 | \$33,409,119 |

Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

11. Borrowings

|                       | 2023               | 2022               |
|-----------------------|--------------------|--------------------|
| Non-current           |                    |                    |
| Republic Bank Limited | 2,131,734          | 5,971,008          |
| Scotiabank Limited    | 714,222            | 2,597,889          |
|                       | <b>\$2,845,956</b> | <b>\$8,568,897</b> |
| Current               |                    |                    |
| Republic Bank Limited | 3,821,057          | 3,580,907          |
| Scotiabank Limited    | 1,883,667          | 1,990,000          |
|                       | <b>\$5,704,724</b> | <b>\$5,570,907</b> |

*Loan - Scotiabank Limited*

The loans outstanding represent the balance on \$3,828,000 and \$2,142,000 loans which were taken out on November 18, 2021, and November 17, 2022, respectively. This loans bear interest at a fixed rate of 3.75%. The loans are repayable in monthly instalments of \$106,333 and \$59,500, inclusive of interest and matures on November 30, 2024, and November 30, 2025, respectively.

The following security is held by the Bank for the above loan:

- Authority to hold funds in the amount of \$60,000.
- Debenture stamped to cover \$10,000,000.
- Assignment of fire insurance with Norman Gabriel Insurance Brokers Limited, in the amount of \$48,829,000.

*Loan - Republic Bank Limited*

The loan outstanding represents a credit facility offered by the Bank via a letter of credit. Additional withdrawals were made to this facility during the financial year resulting in a balance of \$9,551,915 as at year-end. This loan bears interest at a fixed rate of 5.70%.

The following security is held by the Bank for the above loan:

- Letter of undertaking restricting dividends to no more than 70% of profits in any one year.
- Chattel mortgage over medical equipment stamped to cover \$17,600,000.
- Insurance coverage over medical equipment for \$12,916,000 with the Bank's interest noted.
- Loan agreement stamped to cover \$17,600,000.

12. Lease liability

The Company entered into an agreement with an entity with common control for the occupancy of properties located at 10 Luckput Street, 7 Fitzblackman Drive, 18 Elizabeth Street and 70 Pembroke Street Port of Spain. The said entity with common control took a loan to the value of \$100,000,000 and the Company pays the loan instalments in lieu of rental payments. The Company is a guarantor of this loan.

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(Expressed in Trinidad and Tobago Dollars)

12. Lease liability (continued)

|                         | 2023                 | 2022                |
|-------------------------|----------------------|---------------------|
| Opening lease liability | 23,788,055           | 29,746,660          |
| Lease modification      | 100,455,914          | -                   |
| Lease payments made     | (11,047,580)         | (7,486,910)         |
| Interest expense        | 2,583,600            | 1,528,305           |
| Closing lease liability | <b>\$115,779,989</b> | <b>\$23,788,055</b> |
| Current liability       | 8,533,766            | 6,304,203           |
| Non-current liability   | 107,246,223          | 17,483,852          |
|                         | <b>\$115,779,989</b> | <b>\$23,788,055</b> |

*Lease modification*

During the year ended December 31, 2023, the said agreement between the Company and the company with common control was modified whereby the monthly payments increased by \$890,168 and the term was extended to August 2035.

The securities on this lease liability are as follows:

- Deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 made among the Company, Hashingbrown Limited, Goodhealth Investment Limited and Perudway, stamped to secure \$40,000,000 over the properties as follows:
  - First demand mortgage over property located at 18 Elizabeth Street, Port of Spain.
  - First demand mortgage over property located at 1-7 Fitzblackman Drive, Woodbrook.
  - First demand mortgage over property located at 21 and 23 Pembroke Street, Port of Spain.
  - Assignment of fire insurance with Faber Global Limited, policy number 1841F16-069 (local broker Norman Gabriel Limited Insurance Brokers) over the above properties with RBC Royal Bank (Trinidad and Tobago) Limited noted as the first mortgagee, in the amount of \$86,175,000.
- Guarantees and postponement of a claim for the following principals totalling \$49,500,000 and stamped collateral to the above mortgages as follows:
  - Guarantee and postponement of claim dated November 11, 2013, signed by a related party with common control for \$40,000,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by three key management personnel for \$9,500,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.

**Notes to the Consolidated Financial Statements**

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

**13. Deferred taxation**

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The following is the movement for the year:

|                                             | 2023               | 2022               |
|---------------------------------------------|--------------------|--------------------|
| Balance as at the beginning of the year     | 3,316,898          | 1,623,301          |
| Charge to statement of comprehensive income | 1,340,441          | 1,693,597          |
| Balance as at the end of the year           | <b>\$4,657,339</b> | <b>\$3,316,898</b> |

The deferred income tax liability in the consolidated statement of financial position and the deferred tax charge in the consolidated statement of comprehensive income are attributable to the following items:

|                                     | 2022               | Charge to consolidated statement of comprehensive income | 2023               |
|-------------------------------------|--------------------|----------------------------------------------------------|--------------------|
| <b>Deferred tax liability</b>       |                    |                                                          |                    |
| Accelerated tax depreciation        | 3,316,898          | 1,340,441                                                | 4,657,339          |
| Net deferred tax liability          | <b>\$3,316,898</b> | <b>\$1,340,441</b>                                       | <b>\$4,657,339</b> |
|                                     |                    |                                                          |                    |
|                                     | 2021               | Charge to consolidated statement of comprehensive income | 2022               |
| <b>Deferred tax liability</b>       |                    |                                                          |                    |
| Accelerated accounting depreciation | -                  | 785,864                                                  | 785,864            |
| Accelerated tax depreciation        | 1,887,988          | 643,046                                                  | 2,531,034          |
|                                     | 1,887,988          | 1,428,910                                                | 3,316,898          |
| <b>Deferred tax asset</b>           |                    |                                                          |                    |
| Accelerated accounting depreciation | (264,687)          | 264,687                                                  | -                  |
|                                     | (264,687)          | 264,687                                                  | -                  |
| Net deferred tax liability          | <b>\$1,623,301</b> | <b>\$1,693,597</b>                                       | <b>\$3,316,898</b> |

**14. Bank overdraft**

The Group has an overdraft facility of \$3,000,000 with Republic Bank Limited. Interest is charged at the bank's TT Dollar Base Lending Rate which was 7.5% (2022: 7.5%) at year-end.

**15. Trade payables and accruals**

|                           | 2023                | 2022                |
|---------------------------|---------------------|---------------------|
| Trade payables            | 9,202,804           | 2,267,194           |
| Accruals                  | 4,724,240           | 9,609,355           |
| Stale dated cheques       | 4,124,597           | 4,878,220           |
| Insurance premium accrual | 2,500,000           | 2,760,369           |
| Payroll liabilities       | 354,706             | 428,223             |
|                           | <b>\$20,906,347</b> | <b>\$19,943,361</b> |

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

#### 16. Revenue

|                                 | 2023                 | 2022                 |
|---------------------------------|----------------------|----------------------|
| Inpatient services              | 65,636,460           | 64,731,806           |
| Outpatient services             | 33,178,686           | 33,788,127           |
| Radiation/chemotherapy services | 28,200,103           | 23,702,192           |
|                                 | <b>\$127,015,249</b> | <b>\$122,222,125</b> |

#### 17. Cost of sales

|                               | 2023                | 2022                |
|-------------------------------|---------------------|---------------------|
| Professional fees             | 16,741,041          | 15,090,047          |
| Supplies consumed             | 13,994,999          | 15,387,817          |
| Direct wages                  | 11,270,059          | 11,142,608          |
| Laboratory expenses           | 5,919,912           | 9,368,610           |
| Surgical and testing expenses | 3,169,990           | 3,392,249           |
| Other patient supplies        | 1,681,672           | 3,446,391           |
|                               | <b>\$52,777,673</b> | <b>\$57,827,722</b> |

#### 18. Administrative expenses

|                                            | 2023                | 2022                |
|--------------------------------------------|---------------------|---------------------|
| Staff costs (Note 19)                      | 13,442,991          | 13,910,993          |
| Depreciation                               | 10,989,360          | 8,156,909           |
| Repairs and maintenance expense            | 3,217,455           | 3,981,140           |
| Cleaning and pest control                  | 1,480,659           | 1,248,879           |
| Utilities                                  | 1,230,576           | 1,192,135           |
| Security                                   | 959,072             | 941,689             |
| Administration costs                       | 887,868             | 1,411,837           |
| Provision for bad debts, net of recoveries | 772,314             | 1,057,629           |
| Staff welfare                              | 749,579             | 314,269             |
| Professional fees`                         | 694,884             | 700,364             |
| General insurance                          | 681,867             | 1,584,523           |
| Printing and stationery                    | 607,190             | 587,498             |
| Telephone                                  | 422,288             | 406,741             |
| Advertising                                | 167,385             | 195,609             |
| Travel and transport                       | 79,511              | 291,301             |
| Rental equipment                           | 78,408              | 75,522              |
|                                            | <b>\$36,461,407</b> | <b>\$36,057,038</b> |

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

#### 19. Staff costs

|                        | 2023                | 2022                |
|------------------------|---------------------|---------------------|
| Salaries               | 9,432,955           | 9,533,903           |
| Directors' fees        | 1,668,779           | 1,887,180           |
| Staff bonus            | 849,232             | 997,370             |
| National insurance     | 698,839             | 710,754             |
| Health insurance       | 672,965             | 691,018             |
| Pension expense        | 42,288              | 49,390              |
| Staff welfare          | 71,087              | 41,378              |
| Uniform                | 5,346               | -                   |
| Pay-as-you-earn (PAYE) | 1,500               | -                   |
|                        | <b>\$13,442,991</b> | <b>\$13,910,993</b> |

#### 20. Other expenses

|                                                          | 2023               | 2022               |
|----------------------------------------------------------|--------------------|--------------------|
| Bank charges                                             | 1,086,493          | 977,659            |
| Miscellaneous expenses                                   | 592,981            | 1,449,272          |
| Internet                                                 | 7,859              | 7,859              |
| Donations                                                | 1,104              | 265,626            |
| Loss/(gain) on disposal of property, plant and equipment | 2                  | (117,181)          |
| Postage and stamps                                       | -                  | 41,720             |
| Entertainment                                            | -                  | 15,000             |
|                                                          | <b>\$1,688,439</b> | <b>\$2,639,955</b> |

#### 21. Taxation

|                                    | 2023                | 2022               |
|------------------------------------|---------------------|--------------------|
| Corporation tax                    | 9,321,965           | 5,785,543          |
| Green fund levy                    | 392,197             | 386,294            |
| Deferred taxation charge (Note 13) | 1,340,441           | 1,693,597          |
| Business levy                      | 12,688              | 13,407             |
| Prior year under/(over) provision  | 1,873,500           | (1,846,487)        |
| Share of joint venture tax         | 1,884,038           | 750,854            |
| <b>Taxation charge</b>             | <b>\$14,824,829</b> | <b>\$6,783,208</b> |

**Notes to the Consolidated Financial Statements**

Year ended December 31, 2023

(Expressed in Trinidad and Tobago Dollars)

**21. Taxation (continued)**

The tax on the Group's profit differs from the theoretical amount that would arise using the basic tax rate as follows:

|                                                                   | 2023                | 2022               |
|-------------------------------------------------------------------|---------------------|--------------------|
| Profit before taxation excluding share of profit of joint venture | 66,915,435          | 29,191,876         |
| Tax calculated at statutory rate                                  | 20,074,631          | 8,757,562          |
| Non-deductible expenses                                           | 5,363,225           | 2,741,369          |
| Income not taxable and allowances                                 | (16,176,748)        | (5,824,973)        |
| Green fund levy                                                   | 392,197             | 386,294            |
| Business levy                                                     | 12,688              | 13,407             |
| Tax losses carried forward                                        | 60,857              | 111,585            |
| Deferred tax charge                                               | 1,340,441           | 1,693,597          |
| Prior year under/ (over) provision                                | 1,873,500           | (1,846,487)        |
| Share of joint venture tax                                        | 1,884,038           | 750,854            |
| <b>Taxation charge</b>                                            | <b>\$14,824,829</b> | <b>\$6,783,208</b> |

**22. Contingent liabilities**

(i) The Company has been named as the first defendant in High Court Action 2022-01302. The respective claimant has made claims for the damages and loss suffered as a result of the alleged negligence by the Company. No determination that an unfavourable outcome is either probable or remote can be made at this time. Similarly, no accurate estimate of any potential loss can be made at this time. Hence, no provision has been made for these costs in these consolidated financial statements.

(ii) Bonds

|                               | 2023             | 2022             |
|-------------------------------|------------------|------------------|
| Ministry of National Security | <b>\$275,000</b> | <b>\$275,000</b> |

A term deposit of \$275,000 (2022: \$275,000) is held as security against the Ministry of National Security Bonds.

**23. Subsequent events**

Management has evaluated the possibility of subsequent events existing in the Group's consolidated financial statements from January 1, 2024, through June 6, 2024, the date the consolidated financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Group's consolidated financial statements.



**Medcorp Limited and its Subsidiaries**

**Audited Consolidated Financial Statements**

For the year ended December 31, 2022



# Medcorp Limited and its Subsidiaries

## Audited Consolidated Financial Statements For the year ended December 31, 2022

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## Independent Auditors' Report

To the Shareholders of  
Medcorp Limited and its Subsidiaries

### Opinion

We have audited the consolidated financial statements of Medcorp Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

### Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



## Independent Auditors' Report (continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

We communicate with those charged with governance 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.



December 19, 2023

Port of Spain,  
Trinidad, West Indies

# Medcorp Limited and its Subsidiaries

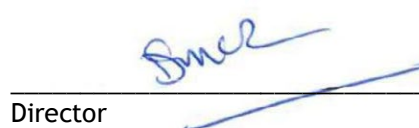
## Consolidated Statement of Financial Position As at December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

|                                                   | Notes | 2022                 | 2021                 |
|---------------------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                                     |       |                      |                      |
| <b>Non-current assets</b>                         |       |                      |                      |
| Property, plant and equipment                     | 4     | 73,320,467           | 63,384,974           |
| Investment in joint venture                       | 6     | 8,959,995            | 12,641,804           |
| Deferred tax asset                                | 11    | -                    | 264,687              |
| <b>Total non-current assets</b>                   |       | <b>82,280,462</b>    | <b>76,291,465</b>    |
| <b>Current assets</b>                             |       |                      |                      |
| Investment                                        |       | -                    | 681,298              |
| Inventories                                       | 8     | 7,207,757            | 7,089,386            |
| Trade and other receivables                       | 9     | 13,487,108           | 22,931,893           |
| Taxation recoverable                              |       | 1,938,054            | 12,706               |
| Due from related party                            | 5     | 4,866,361            | 1,034,728            |
| Cash and cash equivalents                         |       | 28,045,963           | 32,103,752           |
| <b>Total current assets</b>                       |       | <b>55,545,243</b>    | <b>63,853,763</b>    |
| <b>Total assets</b>                               |       | <b>\$137,825,705</b> | <b>\$140,145,228</b> |
| <b>Shareholders' equity</b>                       |       |                      |                      |
| Stated capital                                    | 10    | 33,409,119           | 33,409,119           |
| Accumulated earnings                              |       | 3,400,432            | 8,167,129            |
| <b>Total shareholder's equity</b>                 |       | <b>36,809,551</b>    | <b>41,576,248</b>    |
| <b>Liabilities</b>                                |       |                      |                      |
| <b>Non-current liabilities</b>                    |       |                      |                      |
| Borrowings                                        | 14    | 8,568,897            | 5,034,402            |
| Lease liability                                   | 22    | 17,483,852           | 23,788,056           |
| Deferred tax liability                            | 11    | 3,316,898            | 1,887,988            |
| <b>Total non-current liabilities</b>              |       | <b>29,369,647</b>    | <b>30,710,446</b>    |
| <b>Current liabilities</b>                        |       |                      |                      |
| Bank overdraft                                    | 13    | 5,737,016            | 8,308,953            |
| Borrowings                                        | 14    | 5,570,907            | 4,574,663            |
| Lease liability                                   | 22    | 6,304,203            | 5,958,604            |
| Trade payables and accruals                       | 12    | 19,943,361           | 12,241,714           |
| Taxation payable                                  |       | 3,396,835            | 6,080,415            |
| Due to related parties                            | 5     | 30,694,185           | 30,694,185           |
| <b>Total current liabilities</b>                  |       | <b>71,646,507</b>    | <b>67,858,534</b>    |
| <b>Total liabilities</b>                          |       | <b>101,016,154</b>   | <b>98,568,980</b>    |
| <b>Total shareholders' equity and liabilities</b> |       | <b>\$137,825,705</b> | <b>\$140,145,228</b> |

The accompanying notes form an integral part of these consolidated financial statements.

On December 19, 2023, the Board of Directors of Medcorp Limited authorised these consolidated financial statements for issue.

  
Director

  
Director

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Comprehensive Income

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

|                                                                                              | Notes | 2022                | 2021                |
|----------------------------------------------------------------------------------------------|-------|---------------------|---------------------|
| Revenue                                                                                      | 15    | 122,222,125         | 114,190,139         |
| Cost of sales                                                                                | 16    | (57,827,722)        | (53,790,291)        |
| Gross profit                                                                                 |       | 64,394,403          | 60,399,848          |
| Other income                                                                                 |       | 5,943,742           | 8,429,965           |
|                                                                                              |       | 70,338,145          | 68,829,813          |
| <b>Expenses</b>                                                                              |       |                     |                     |
| Administrative expenses                                                                      | 17    | (36,057,038)        | (30,662,740)        |
| Other expenses                                                                               | 19    | (2,639,955)         | (3,179,922)         |
|                                                                                              |       | (38,696,993)        | (33,842,662)        |
| <b>Operating profit</b>                                                                      |       | 31,641,152          | 34,987,151          |
| Share of profit of joint venture                                                             | 6     | 1,719,045           | 1,989,035           |
| Finance costs                                                                                |       | (2,449,276)         | (2,313,951)         |
| <b>Profit before taxation</b>                                                                |       | 30,910,921          | 34,662,235          |
| Taxation charge                                                                              | 20    | (6,783,208)         | (10,169,336)        |
| <b>Total comprehensive income for the year attributable to parent company's shareholders</b> |       | <b>\$24,127,713</b> | <b>\$24,492,899</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Changes in Equity Year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

|                                                                          | Stated<br>capital   | Accumulated<br>earnings/<br>(deficit) | Total               |
|--------------------------------------------------------------------------|---------------------|---------------------------------------|---------------------|
| <b>Year ended December 31, 2022</b>                                      |                     |                                       |                     |
| Balance as at January 1, 2022                                            | 33,409,119          | 8,167,129                             | 41,576,248          |
| <b>Comprehensive income for the year</b>                                 |                     |                                       |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 24,127,713                            | 24,127,713          |
| <b>Total comprehensive income</b>                                        | -                   | <b>24,127,713</b>                     | <b>24,127,713</b>   |
| <b>Transactions with owners</b>                                          |                     |                                       |                     |
| Dividends paid                                                           | -                   | (28,894,410)                          | (28,894,410)        |
| <b>Total transactions with owners</b>                                    | -                   | <b>(28,894,410)</b>                   | <b>(28,894,410)</b> |
| <b>Balance as at December 31, 2022</b>                                   | <b>\$33,409,119</b> | <b>\$3,400,432</b>                    | <b>\$36,809,551</b> |
| <b>Year ended December 31, 2021</b>                                      |                     |                                       |                     |
| Balance as at January 1, 2021                                            | 33,409,119          | (5,105,805)                           | 28,303,314          |
| <b>Comprehensive income for the year</b>                                 |                     |                                       |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 24,492,899                            | 24,492,899          |
| <b>Total comprehensive income</b>                                        | -                   | <b>24,492,899</b>                     | <b>24,492,899</b>   |
| <b>Transactions with owners</b>                                          |                     |                                       |                     |
| Dividends declared                                                       | -                   | (11,219,965)                          | (11,219,965)        |
| <b>Total transactions with owners</b>                                    | -                   | <b>(11,219,965)</b>                   | <b>(11,219,965)</b> |
| <b>Balance as at December 31, 2021</b>                                   | <b>\$33,409,119</b> | <b>\$8,167,129</b>                    | <b>\$41,576,248</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Cash Flows Year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

|                                                                               | 2022                | 2021                |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                                   |                     |                     |
| Profit before taxation                                                        | 30,910,921          | 34,662,235          |
| Adjustments to reconcile profit to net cash provided by operating activities: |                     |                     |
| Gain on disposal of property, plant and equipment                             | (117,181)           | -                   |
| Bad debts expense                                                             | 1,057,629           | 868,473             |
| Lease interest                                                                | 1,528,305           | 1,854,958           |
| Depreciation                                                                  | 8,156,909           | 4,936,322           |
| Share of profit of joint venture                                              | (1,719,045)         | (1,989,035)         |
| Interest expense                                                              | 901,528             | 440,916             |
|                                                                               | 40,719,066          | 40,773,869          |
| Changes in operating assets/liabilities:                                      |                     |                     |
| Increase in inventories                                                       | (118,371)           | (955,519)           |
| Decrease/(increase) in trade and other receivables                            | 8,387,156           | (7,886,441)         |
| Increase in due from related party                                            | (3,831,633)         | (292,409)           |
| Increase/(decrease) in trade payables and accruals                            | 7,701,649           | (1,816,665)         |
| <b>Cash provided by operations</b>                                            | 52,857,867          | 29,822,835          |
| Taxes paid                                                                    | (8,947,687)         | (8,779,191)         |
| <b>Net cash provided by operating activities</b>                              | <b>43,910,180</b>   | <b>21,043,644</b>   |
| <b>Cash flows from investing activities</b>                                   |                     |                     |
| Purchase of property, plant and equipment                                     | (18,496,831)        | (15,383,951)        |
| Dividends received from joint venture                                         | 4,650,000           | 2,300,000           |
| Proceeds from disposal of investment                                          | 681,298             | 7,911,347           |
| Proceeds from disposal of property, plant and equipment                       | 521,610             | -                   |
| <b>Net cash used in investing activities</b>                                  | <b>(12,643,923)</b> | <b>(5,172,604)</b>  |
| <b>Cash flows from financing activities</b>                                   |                     |                     |
| Lease payments                                                                | (7,486,910)         | (7,486,908)         |
| Net proceeds from borrowings                                                  | 4,530,739           | 5,685,816           |
| Interest paid                                                                 | (901,528)           | (440,916)           |
| Dividends paid                                                                | (28,894,410)        | (11,219,965)        |
| <b>Net cash used in financing activities</b>                                  | <b>(32,752,109)</b> | <b>(13,461,973)</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                   | <b>(1,485,852)</b>  | <b>2,409,067</b>    |
| <b>Cash and cash equivalents</b>                                              |                     |                     |
| As at beginning of year                                                       | 23,794,799          | 21,385,732          |
| <b>As at end of year</b>                                                      | <b>\$22,308,947</b> | <b>\$23,794,799</b> |
| <b>Represented by:</b>                                                        |                     |                     |
| Cash at bank and in hand                                                      | 28,045,963          | 32,103,752          |
| Bank overdraft                                                                | (5,737,016)         | (8,308,953)         |
|                                                                               | <b>\$22,308,947</b> | <b>\$23,794,799</b> |

The accompanying notes form an integral part of these consolidated financial statements.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 1. General information

Medcorp Limited (the “Company”) was incorporated in the Republic of Trinidad and Tobago by way of continuance on March 25, 1999. The Company’s main business is the operation of a private hospital. Its registered office is located at 18 Elizabeth Street, St Clair, Port of Spain, Trinidad and Tobago.

The subsidiary, Medical X-Ray and Diagnostic Clinic Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago. Its principal activity is the provision of radiology services.

The subsidiary, Cancer Centre of the Caribbean Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago and is involved in the provision of cancer treatment services.

The joint venture, Caribbean Heart Care Medcorp Limited is 50% owned, incorporated in the Republic of Trinidad and Tobago and is involved in performing open-heart surgeries.

The Company and its subsidiaries and joint venture are together referred to as the Group.

### 2. Summary of significant accounting policies

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

#### 2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are the determination of depreciation rates and the provision for impairment of financial assets measured at amortised costs.

- (i) Standards, amendments and interpretations to existing Standards applicable to the Group in the current year which were adopted by the Group.

The Group did not adopt any new Standard during the year ended December 31, 2022.

- (ii) New standards, amendments and interpretations issued but not effective and not early adopted.

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Group’s future financial statements in the period of initial application. In all cases, the entity intends to apply these standards from the application date as indicated in the note below.

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from ‘significant accounting policies’ to ‘material accounting policy information’. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.1 Basis of preparation (continued)

- (ii) New standards, amendments and interpretations issued but not effective and not early adopted (continued)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2024.

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Group and have not been disclosed.

- (iii) Standards, amendments and interpretations to existing standards early adopted by the Group.

The Group did not early adopt any new revised or amended standards.

#### 2.2 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.2 Basis of consolidation

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

#### 2.3 Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- (i) *Joint ventures*: where the group has rights to only the net assets of the joint arrangement
- (ii) *Joint operations*: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).
- The Group accounts for its interests in Caribbean Heart Care Medcorp Limited as a joint venture.

Joint ventures are initially recognised in the consolidated statement of financial position at cost. Subsequently, joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of other comprehensive income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses). Distributions received from a joint venture reduce the carrying amount of the investment.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 2. Summary of significant accounting policies (continued)

#### 2.3 Joint arrangements (continued)

Profits and losses arising from transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 2.4 Foreign currency

##### (i) *Functional and presentation currency*

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Such balances are translated at year-end exchange rates.

#### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the reducing balance method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

|                                |                   |
|--------------------------------|-------------------|
| Leasehold improvements         | 2%                |
| Medical and surgical equipment | 10% - 20%         |
| Fixtures and fittings          | 25%               |
| Computer equipment             | 50%               |
| Motor vehicles                 | 33⅓%              |
| Right of use asset             | Over lease period |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the results for the year.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

#### 2.7 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment charges are included in the profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

#### 2.8 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

##### *Fair value through profit or loss*

This category comprises of an investment held in a mutual fund. It is carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the other income or other expense line.

##### *Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since the initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial assets (continued)

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables, due from related parties and cash and cash equivalents in the statement of financial position.

Trade receivables are amounts due from customers for the sale of goods and provision of services in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, for the purpose of the statement of cash flows, bank overdrafts.

#### 2.9 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax charge is calculated on the basis of the tax laws enacted at the year-end.

Corporation tax is charged at 30% of all chargeable income.

Business levy and green fund levy are computed at the rate of 0.6% and 0.3% respectively on gross income.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference will be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses.

#### 2.10 Stated capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Transfers to stated capital for which shares have not yet been issued are reflected as contributed capital.

#### 2.11 Borrowings

Borrowings are recognised initially at the proceeds received net of transaction costs incurred. Borrowings are subsequently recognised net of loan repayments. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

#### 2.14 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from the use of the asset; and
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from the use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.14 Leases (continues)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.14 Leases (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

#### 2.15 Revenue recognition

Revenue is derived from the provision of services with revenue recognised at a point in time. This is because the Group provides, and the customer accepts the services simultaneously. Revenue is derived from fixed-price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit ordered in such contracts.

#### 2.16 Expenses

Expenses are recognised on an accrual basis in the reporting period during which the related income is earned.

#### 2.17 Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors of the Group.

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Management seeks to minimise potential adverse effects on the financial performance of the Group by applying procedures to identify, evaluate and manage these risks:

##### (i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has a significant concentration of credit risk attached to receivables from one major customer, but the recoverability of these receivables is not in doubt. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. Receivable balances are shown net of provision for impairment for doubtful debts. Credit risk disclosures are included in Note 9.

Cash and deposits are held with reputable financial institutions.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 3. Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the Group aims at maintaining flexibility in funding by keeping committed lines of credit available.

The table below analyses the Group's financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                | Less than<br>1 year | Between<br>1 and 2 years |
|--------------------------------|---------------------|--------------------------|
| <b>As at December 31, 2022</b> |                     |                          |
| Bank overdraft                 | 5,737,016           | -                        |
| Borrowings                     | 5,570,907           | 8,568,897                |
| Lease liability                | 6,304,203           | 17,483,852               |
| Trade payables and accruals    | 19,943,361          | -                        |
| Due to related parties         | 30,694,185          | -                        |
|                                | <b>\$68,249,672</b> | <b>\$26,052,749</b>      |
| <b>As at December 31, 2021</b> |                     |                          |
| Bank overdraft                 | 8,308,953           | -                        |
| Borrowings                     | 4,574,663           | 5,034,402                |
| Lease liability                | 5,958,604           | 23,788,056               |
| Trade payables and accruals    | 12,241,714          | -                        |
| Due to related parties         | 30,694,185          | -                        |
|                                | <b>\$61,778,119</b> | <b>\$28,822,458</b>      |

##### (iii) Market risk

###### (a) Cash flow and fair value interest rate risk

Other than cash and cash equivalents, which is not significantly exposed to interest rate risk, the Group has no significant floating interest-bearing assets or liabilities. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

###### (b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and when recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure the appropriate instrument is used.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 3. Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (iii) Market risk (continued)

##### (b) Foreign exchange risk

At December 31, 2022, if the TT dollar had weakened/ strengthened by 5% against the US dollar with all other variables held constant, post-tax profit/loss for the year would have been \$285,814 (2021: \$100,087) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated cash and cash equivalents and borrowings.

##### (c) Price risk

The Group is exposed to price risk from its investments held at fair value through profit or loss. Had the price of the investment increased/decreased by 1%, profit for the year would have been \$nil (2021: \$6,813) higher/lower respectively.

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

#### 3.2 Capital risk management

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at December 31, 2022, and 2021 are as follows:

|                                                      | 2022         | 2021         |
|------------------------------------------------------|--------------|--------------|
| Total lease liability, borrowings and bank overdraft | 43,664,875   | 47,664,678   |
| Less: cash and cash equivalents                      | (28,045,963) | (32,103,752) |
| Net debt                                             | 15,618,912   | 15,560,926   |
| Total equity                                         | 36,809,551   | 41,576,250   |
| Gearing ratio                                        | 42%          | 37%          |

#### 3.3 Fair value estimation

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, trade and other receivables, due from related party, trade payables and accruals, bank overdraft, borrowings and due to related party are reasonable estimates of their fair values because of the short-term maturity of these instruments.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

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### 3. Financial risk management (continued)

#### 3.3 Fair value estimation (continued)

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its investment at fair value. The fair value is determined by reference to the Net Asset Value of the mutual fund in which the investment is held.

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements Year ended December 31, 2022 (Expressed in Trinidad and Tobago Dollars)

#### 4. Property, plant and equipment

|                                               | Right of use<br>asset | Leasehold<br>improvements | Medical and<br>surgical<br>equipment | Fixtures<br>and<br>fittings | Computer<br>equipment | Motor<br>vehicles | Work-in-<br>progress | Total               |
|-----------------------------------------------|-----------------------|---------------------------|--------------------------------------|-----------------------------|-----------------------|-------------------|----------------------|---------------------|
| <b>Year ended December 31, 2022</b>           |                       |                           |                                      |                             |                       |                   |                      |                     |
| <b>Cost</b>                                   |                       |                           |                                      |                             |                       |                   |                      |                     |
| Balance as at January 1, 2022                 | 44,305,470            | 5,276,662                 | 76,190,516                           | 4,507,445                   | 6,900,197             | 1,370,995         | 8,486,042            | 147,037,327         |
| Additions                                     | -                     | 1,953,940                 | 13,249,636                           | 229,374                     | 357,761               | -                 | 2,706,120            | 18,496,831          |
| Disposals                                     | -                     | -                         | (817,265)                            | -                           | -                     | (218,994)         | -                    | (1,036,259)         |
| Transfer                                      | -                     | -                         | 8,486,041                            | -                           | -                     | -                 | (8,486,041)          | -                   |
| Balance as at December 31, 2022               | 44,305,470            | 7,230,602                 | 97,108,928                           | 4,736,819                   | 7,257,958             | 1,152,001         | 2,706,120            | 164,497,899         |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                             |                       |                   |                      |                     |
| Balance as at January 1, 2022                 | (10,380,429)          | (1,384,830)               | (60,434,581)                         | (4,231,129)                 | (5,850,389)           | (1,370,995)       | -                    | (83,652,353)        |
| Depreciation charge                           | (3,015,559)           | (106,6480)                | (4,281,630)                          | (108,481)                   | (644,591)             | -                 | -                    | (8,156,909)         |
| Disposal                                      | -                     | -                         | 412,836                              | -                           | -                     | 218,994           | -                    | 631,830             |
| Balance as at December 31, 2022               | (13,395,988)          | (1,491,478)               | (64,303,375)                         | (4,339,610)                 | (6,494,980)           | (1,152,001)       | -                    | (91,177,432)        |
| <b>Net book value as at December 31, 2022</b> | <b>\$30,909,482</b>   | <b>\$5,739,124</b>        | <b>\$32,805,553</b>                  | <b>\$397,209</b>            | <b>\$762,978</b>      | <b>\$-</b>        | <b>\$2,706,120</b>   | <b>\$73,320,467</b> |
| <b>Year ended December 31, 2021</b>           |                       |                           |                                      |                             |                       |                   |                      |                     |
| <b>Cost</b>                                   |                       |                           |                                      |                             |                       |                   |                      |                     |
| Balance as at January 1, 2021                 | 44,305,470            | 2,347,887                 | 69,960,104                           | 4,460,922                   | 6,146,447             | 1,370,995         | 3,061,550            | 131,653,375         |
| Additions                                     | -                     | 2,928,775                 | 6,230,412                            | 46,523                      | 753,750               | -                 | 5,424,492            | 15,383,952          |
| Lease modification                            | -                     | -                         | -                                    | -                           | -                     | -                 | -                    | -                   |
| Balance as at December 31, 2021               | 44,305,470            | 5,276,662                 | 76,190,516                           | 4,507,445                   | 6,900,197             | 1,370,995         | 8,486,042            | 147,037,327         |
| <b>Accumulated depreciation</b>               |                       |                           |                                      |                             |                       |                   |                      |                     |
| Balance as at January 1, 2021                 | (7,364,870)           | (1,347,927)               | (59,136,283)                         | (4,147,015)                 | (5,348,940)           | (1,370,995)       | -                    | (78,716,030)        |
| Depreciation charge                           | (3,015,559)           | (36,903)                  | (1,298,298)                          | (84,114)                    | (501,449)             | -                 | -                    | (4,936,323)         |
| Balance as at December 31, 2021               | (10,380,429)          | (1,384,830)               | (60,434,581)                         | (4,231,129)                 | (5,850,389)           | (1,370,995)       | -                    | (83,652,353)        |
| <b>Net book value as at December 31, 2021</b> | <b>\$33,925,041</b>   | <b>\$3,891,832</b>        | <b>\$15,755,935</b>                  | <b>\$276,316</b>            | <b>\$1,049,808</b>    | <b>\$-</b>        | <b>\$8,486,042</b>   | <b>\$63,384,974</b> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 5. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

#### (i) Key management compensation

|                                                 | 2022        | 2021        |
|-------------------------------------------------|-------------|-------------|
| Salaries and other short-term employee benefits | \$978,000   | \$978,000   |
| Directors' fees                                 | \$1,887,180 | \$1,884,492 |

#### (ii) Year-end balances arising from purchases of services:

##### Due from related party:

|                                      | 2022               | 2021               |
|--------------------------------------|--------------------|--------------------|
| <u>Current</u>                       |                    |                    |
| Caribbean Heart Care Medcorp Limited | 4,866,361          | 1,034,728          |
|                                      | <u>\$4,866,361</u> | <u>\$1,034,728</u> |

##### Due to related parties

|                        | 2022                | 2021                |
|------------------------|---------------------|---------------------|
| <u>Current</u>         |                     |                     |
| Directors/Shareholders | 30,694,185          | 30,694,185          |
|                        | <u>\$30,694,185</u> | <u>\$30,694,185</u> |

##### Investment

|                                          | 2022 | 2021      |
|------------------------------------------|------|-----------|
| Investment in entity under joint control | \$-  | \$681,298 |

The above investment is classified in level 3 on the fair value hierarchy.

#### (iii) Transactions with entity with joint control

|                                                      | 2022                | 2021                |
|------------------------------------------------------|---------------------|---------------------|
| Caribbean Heart Care Medcorp Limited - income earned | 11,068,039          | 13,106,315          |
|                                                      | <u>\$11,068,039</u> | <u>\$13,106,315</u> |

#### (iv) Transactions with other related parties

|                            | 2022        | 2021        |
|----------------------------|-------------|-------------|
| Professional fees paid     | \$1,083,180 | \$1,030,000 |
| Rent paid to related party | \$7,486,908 | \$7,486,908 |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 6. Investment in joint venture

|                            | 2022               | 2021                |
|----------------------------|--------------------|---------------------|
| As at beginning of year    | 12,641,804         | 13,480,506          |
| Dividends received         | (4,650,000)        | (2,300,000)         |
| Share of profit before tax | 1,719,045          | 1,989,035           |
| Share of tax               | (750,854)          | (527,737)           |
| As at end of year          | <b>\$8,959,995</b> | <b>\$12,641,804</b> |

The Group has a 50% (2021: 50%) interest in Caribbean Heart Care Medcorp Limited. The primary activity of Caribbean Heart Care Medcorp Limited is the provision of cardiac surgery and cardiology services.

The contractual arrangement of the joint venture provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Caribbean Heart Care Medcorp Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised financial information in relation to the joint venture is presented below:

|                               | 2022         | 2021         |
|-------------------------------|--------------|--------------|
| <b>As at 31 December</b>      |              |              |
| Current assets                | \$42,924,959 | \$43,520,735 |
| Non-current assets            | \$20,044,650 | \$20,794,704 |
| Current liabilities           | \$33,594,871 | \$27,050,978 |
| Non-current liabilities       | \$10,907,981 | \$11,634,086 |
| <b>Year ended 31 December</b> | <b>2022</b>  | <b>2021</b>  |
| Revenue                       | \$71,953,855 | \$74,385,897 |
| Total comprehensive income    | \$1,936,382  | \$2,922,596  |

### 7. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

| Assets as per consolidated statement of financial position | Amortised cost<br>2022                   | 2021                |
|------------------------------------------------------------|------------------------------------------|---------------------|
| Trade and other receivables                                | 13,427,963                               | 22,786,347          |
| Due from related party                                     | 4,866,361                                | 1,034,728           |
| Cash and cash equivalents                                  | 28,045,963                               | 32,103,752          |
|                                                            | <b>\$46,340,287</b>                      | <b>\$55,924,827</b> |
|                                                            | <b>Fair Value through profit or loss</b> |                     |
|                                                            | <b>2022</b>                              | <b>2021</b>         |
| Investment                                                 | <b>\$-</b>                               | <b>\$681,298</b>    |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 7. Financial instruments by category (continued)

| Liabilities as per consolidated statement of financial position | Amortised cost      |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
|                                                                 | 2022                | 2021                |
| Bank overdraft                                                  | 5,737,016           | 8,308,953           |
| Borrowings                                                      | 14,139,804          | 9,609,065           |
| Lease liability                                                 | 23,788,055          | 29,746,660          |
| Trade payables and accruals                                     | 19,943,361          | 12,241,714          |
| Due to related parties                                          | 30,694,185          | 30,694,185          |
|                                                                 | <b>\$94,302,421</b> | <b>\$90,600,577</b> |

### 8. Inventories

|                                 | 2022               | 2021               |
|---------------------------------|--------------------|--------------------|
| Medication and medical supplies | <b>\$7,207,757</b> | <b>\$7,089,386</b> |

### 9. Trade and other receivables

|                                     | 2022                | 2021                |
|-------------------------------------|---------------------|---------------------|
| Trade receivables                   | 13,506,487          | 24,084,047          |
| Less: impairment for doubtful debts | (1,200,177)         | (2,617,748)         |
| Trade receivables - net             | 12,306,310          | 21,466,299          |
| Other receivables and prepayments   | 1,180,798           | 1,465,594           |
|                                     | <b>\$13,487,108</b> | <b>\$22,931,893</b> |

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

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period's end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

At December 31, 2022, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                       | Current     | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total               |
|-----------------------|-------------|----------------------------|----------------------------|----------------------------|---------------------|
| Expected loss rate    | 6%          | 7%                         | 10%                        | 10%                        |                     |
| Gross carrying amount | \$1,836,943 | \$1,868,640                | \$1,726,054                | \$8,074,850                | <b>\$13,506,487</b> |
| Loss provision        | \$116,416   | \$130,075                  | \$169,953                  | \$783,733                  | <b>\$1,200,177</b>  |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 9. Trade and other receivables (continued)

At December 31, 2021, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                       | Current     | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total        |
|-----------------------|-------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| Expected loss rate    | 14%         | 9%                            | 6%                            | 11%                           |              |
| Gross carrying amount | \$2,500,956 | \$2,272,938                   | \$1,851,801                   | \$17,458,352                  | \$24,084,047 |
| Loss provision        | \$352,095   | \$213,059                     | \$115,696                     | \$1,936,898                   | \$2,617,748  |

Movement on the provision for impairment of trade receivables is as follows:

|                        | 2022               | 2021               |
|------------------------|--------------------|--------------------|
| As at January 1        | 2,617,748          | 1,749,275          |
| Provision for the year | 1,057,629          | 1,143,753          |
| Bad debt written off   | (2,475,200)        | -                  |
| Recoveries             | -                  | (275,280)          |
| As at December 31      | <u>\$1,200,177</u> | <u>\$2,617,748</u> |

The other receivables and prepayments do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

### 10. Stated capital

|                                                        | 2022                | 2021                |
|--------------------------------------------------------|---------------------|---------------------|
| <b>Authorised</b>                                      |                     |                     |
| An unlimited number of ordinary shares of no par value |                     |                     |
| <b>Issued and fully paid</b>                           |                     |                     |
| 7,479,977 ordinary shares of no par value              | <u>\$33,409,119</u> | <u>\$33,409,119</u> |

### 11. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The following is the movement for the year:

|                                             | 2022               | 2021               |
|---------------------------------------------|--------------------|--------------------|
| Balance as at the beginning of the year     | 1,623,301          | 967,127            |
| Charge to statement of comprehensive income | <u>1,693,597</u>   | <u>656,174</u>     |
| Balance as at the end of the year           | <u>\$3,316,898</u> | <u>\$1,623,301</u> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 11. Deferred taxation (continued)

The deferred income tax liability in the consolidated statement of financial position and the deferred tax charge in the consolidated statement of comprehensive income are attributable to the following items:

|                                     | 2021               | Charge to consolidated statement of comprehensive income | 2022               |
|-------------------------------------|--------------------|----------------------------------------------------------|--------------------|
| <b>Deferred tax liability</b>       |                    |                                                          |                    |
| Accelerated accounting depreciation | -                  | 785,864                                                  | 785,864            |
| Accelerated tax depreciation        | 1,887,988          | 643,046                                                  | 2,531,034          |
|                                     | <u>1,887,988</u>   | <u>1,428,910</u>                                         | <u>2,531,034</u>   |
| <b>Deferred tax asset</b>           |                    |                                                          |                    |
| Accelerated accounting depreciation | (264,687)          | 264,687                                                  | -                  |
|                                     | <u>(264,687)</u>   | <u>264,687</u>                                           | <u>785,864</u>     |
| <b>Net deferred tax liability</b>   | <b>\$1,623,301</b> | <b>\$1,693,597</b>                                       | <b>\$3,316,898</b> |
|                                     |                    |                                                          |                    |
|                                     | 2020               | Charge to consolidated statement of comprehensive income | 2021               |
| <b>Deferred tax liability</b>       |                    |                                                          |                    |
| Accelerated tax depreciation        | 1,292,069          | 595,919                                                  | 1,887,988          |
|                                     | <u>1,292,069</u>   | <u>595,919</u>                                           | <u>1,887,988</u>   |
| <b>Deferred tax asset</b>           |                    |                                                          |                    |
| Accelerated accounting depreciation | (324,942)          | 60,255                                                   | (264,687)          |
|                                     | <u>(324,942)</u>   | <u>60,255</u>                                            | <u>(264,687)</u>   |
| <b>Net deferred tax liability</b>   | <b>\$967,127</b>   | <b>\$656,174</b>                                         | <b>\$1,623,301</b> |

### 12. Trade payables and accruals

|                           | 2022                | 2021                |
|---------------------------|---------------------|---------------------|
| Accruals                  | 9,609,355           | 4,621,535           |
| Stale dated cheques       | 4,878,220           | 2,223,516           |
| Insurance premium accrual | 2,760,369           | 2,760,369           |
| Trade payables            | 2,267,194           | 2,235,310           |
| Payroll liabilities       | 428,223             | 400,984             |
|                           | <u>\$19,943,361</u> | <u>\$12,241,714</u> |

### 13. Bank overdraft

The Company has an overdraft facility of \$3,000,000 with Republic Bank Limited. Interest is charged at the bank's TT Dollar Base Lending Rate which was 7.5% (2021: 7.5%) at year-end.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

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(Expressed in Trinidad and Tobago Dollars)

### 14. Borrowings

|                       | 2022               | 2021               |
|-----------------------|--------------------|--------------------|
| Non-current           |                    |                    |
| Republic Bank Limited | 5,971,008          | 2,588,735          |
| Scotiabank Limited    | 2,597,889          | 2,445,667          |
|                       | <b>\$8,568,897</b> | <b>\$5,034,402</b> |
| Current               |                    |                    |
| Republic Bank Limited | 3,580,907          | 3,298,663          |
| Scotiabank Limited    | 1,990,000          | 1,276,000          |
|                       | <b>\$5,570,907</b> | <b>\$4,574,663</b> |

#### *Loan - Scotiabank Limited*

The loans outstanding represents the balance on \$3,828,000 and \$2,142,000 loans which was taken out on November 18, 2021, and November 17, 2022, respectively. This loans bear interest at a fixed rate of 3.75%. The loans are repayable in monthly instalments of \$106,333 and \$59,500, inclusive of interest and matures on November 30, 2024, and November 30, 2025, respectively.

The following security is held by the Bank for the above loan:

- Authority to hold funds in the amount of \$60,000.
- Debenture stamped to cover \$10,000,000.
- Assignment of fire insurance with Norman Gabriel Insurance Brokers Limited, in the amount of \$48,829,000.

#### *Loan - Republic Bank Limited*

The loan outstanding represents a credit facility offered by the Bank via a letter of credit. Additional withdrawals were made to this facility during the financial year resulting in a balance of \$9,551,915 as at year-end. This loan bears interest at a fixed rate of 5.70%.

The following security is held by the Bank for the above loan:

- Letter of undertaking restricting dividends to no more than 70% of profits in any one year.
- Chattel mortgage over medical equipment stamped to cover \$17,600,000.
- Insurance coverage over medical equipment with the Bank's interest noted, expiry May 7, 2023.
- Loan agreement stamped to cover \$17,600,000.

Security on these loans and the overdraft facility is as follows:

- Deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 made among the Company, Hashingbrown Limited, Goodhealth Investment Limited and Perudway, stamped to secure \$40,000,000 over the properties as follows:
  - First demand mortgage over property located at 18 Elizabeth Street, Port of Spain.
  - First demand mortgage over property located at 1-7 Fitzblackman Drive, Woodbrook.
  - First demand mortgage over property located at 21 and 23 Pembroke Street, Port of Spain.

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## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 14. Borrowings (continued)

- Assignment of fire insurance with Faber Global Limited, policy number 1841F16-069 (local broker Norman Gabriel Limited Insurance Brokers) over the above properties with RBC Royal Bank (Trinidad and Tobago) Limited noted as the first mortgagee, in the amount of \$86,175,000.
- Guarantees and postponement of a claim for the following principals totalling \$49,500,000 and stamped collateral to the above mortgages as follows:
  - Guarantee and postponement of claim dated November 11, 2013, signed by Soaring Avera Limited for \$40,000,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Kongshiek Achong Low for \$4,200,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Boris Yufe for \$3,400,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Dinesh Mor for \$1,900,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.

### 15. Revenue

|                                 | 2022                 | 2021                 |
|---------------------------------|----------------------|----------------------|
| Inpatient services              | 64,731,806           | 63,280,789           |
| Outpatient services             | 33,788,127           | 24,160,904           |
| Radiation/chemotherapy services | 23,702,192           | 26,748,446           |
|                                 | <b>\$122,222,125</b> | <b>\$114,190,139</b> |

### 16. Cost of sales

|                               | 2022                | 2021                |
|-------------------------------|---------------------|---------------------|
| Supplies consumed             | 15,387,817          | 14,582,028          |
| Professional fees             | 15,090,047          | 13,616,108          |
| Direct wages                  | 11,142,608          | 10,847,921          |
| Laboratory expenses           | 9,368,610           | 10,035,340          |
| Other patient supplies        | 3,446,391           | 1,633,999           |
| Surgical and testing expenses | 3,392,249           | 3,074,895           |
|                               | <b>\$57,827,722</b> | <b>\$53,790,291</b> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

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(Expressed in Trinidad and Tobago Dollars)

### 17. Administrative expenses

|                                            | 2022                | 2021                |
|--------------------------------------------|---------------------|---------------------|
| Staff costs (Note 18)                      | 13,910,993          | 13,680,039          |
| Depreciation                               | 8,156,909           | 4,936,323           |
| Repairs and maintenance expense            | 3,981,140           | 2,261,801           |
| General insurance                          | 1,584,523           | 1,680,002           |
| Administration costs                       | 1,411,837           | 1,030,009           |
| Cleaning and pest control                  | 1,248,879           | 1,481,084           |
| Utilities                                  | 1,192,135           | 1,207,853           |
| Provision for bad debts, net of recoveries | 1,057,629           | 868,473             |
| Security                                   | 941,689             | 894,456             |
| Professional fees`                         | 700,364             | 1,193,157           |
| Printing and stationery                    | 587,498             | 562,705             |
| Telephone                                  | 406,741             | 443,810             |
| Staff welfare                              | 314,269             | 88,147              |
| Travel and transport                       | 291,301             | 126,689             |
| Advertising                                | 195,609             | 138,314             |
| Rental equipment                           | 75,522              | 69,878              |
|                                            | <b>\$36,057,038</b> | <b>\$30,662,740</b> |

### 18. Staff costs

|                    | 2022                | 2021                |
|--------------------|---------------------|---------------------|
| Salaries           | 9,533,903           | 9,209,194           |
| Directors' fees    | 1,887,180           | 1,884,492           |
| Staff bonus        | 997,370             | 1,004,177           |
| National insurance | 710,754             | 680,213             |
| Health insurance   | 691,018             | 753,009             |
| Pension expense    | 49,390              | 61,290              |
| Staff welfare      | 41,378              | 87,664              |
|                    | <b>\$13,910,993</b> | <b>\$13,680,039</b> |

### 19. Other expenses

|                                                   | 2022               | 2021               |
|---------------------------------------------------|--------------------|--------------------|
| Miscellaneous expenses                            | 1,449,272          | 1,221,859          |
| Bank charges                                      | 977,659            | 1,054,625          |
| Donations                                         | 265,626            | 887,063            |
| Postage and stamps                                | 41,720             | 8,356              |
| Entertainment                                     | 15,000             | -                  |
| Internet                                          | 7,859              | 8,019              |
| Gain on disposal of property, plant and equipment | (117,181)          | -                  |
|                                                   | <b>\$2,639,955</b> | <b>\$3,179,922</b> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 20. Taxation

|                                    | 2022               | 2021                |
|------------------------------------|--------------------|---------------------|
| Corporation tax                    | 5,785,543          | 8,977,937           |
| Green fund levy                    | 386,294            | 368,598             |
| Deferred taxation charge (Note 11) | 1,693,597          | 656,174             |
| Business levy                      | 13,407             | 14,111              |
| Prior year overprovision           | (1,846,487)        | (375,221)           |
| Share of joint venture tax         | 750,854            | 527,737             |
| <b>Taxation charge</b>             | <b>\$6,783,208</b> | <b>\$10,169,336</b> |

The tax on the Group's profit differs from the theoretical amount that would arise using the basic tax rate as follows:

|                                                                   | 2022               | 2021                |
|-------------------------------------------------------------------|--------------------|---------------------|
| Profit before taxation excluding share of profit of joint venture | 29,191,876         | 32,673,200          |
| Tax calculated at statutory rate                                  | 8,757,562          | 9,801,960           |
| Non-deductible expenses                                           | 2,741,369          | 2,830,660           |
| Income not taxable and allowances                                 | (5,824,973)        | (3,667,013)         |
| Green fund levy                                                   | 386,294            | 368,598             |
| Business levy                                                     | 13,407             | 14,111              |
| Tax losses carried forward                                        | 111,585            | 12,330              |
| Deferred tax charge                                               | 1,693,597          | 656,174             |
| Prior year overprovision                                          | (1,846,487)        | (375,221)           |
| Share of joint venture tax                                        | 750,854            | 527,737             |
| <b>Taxation charge</b>                                            | <b>\$6,783,208</b> | <b>\$10,169,336</b> |

### 21. Contingent liabilities

- (i) The Company has been named as the first defendant in High Court Action 2022-01302. The respective claimants have made claims for the damages and loss suffered as a result of the alleged negligence by the Company. No determination that an unfavourable outcome is either probable or remote can be made at this time. Similarly, no accurate estimate of any potential loss can be made at this time. Hence, no provision has been made for these costs in these unconsolidated financial statements.

- (ii) Bonds

|                               | 2022      | 2021          |
|-------------------------------|-----------|---------------|
| Ministry of National Security | \$275,000 | \$275,000     |
| Letter of credit              | US\$-     | US\$1,780,000 |

A term deposit of \$275,000 (2021: \$275,000) is held as security against the Ministry of National Security Bonds.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2022

(Expressed in Trinidad and Tobago Dollars)

### 22. Lease liability

|                         | 2022                | 2021                |
|-------------------------|---------------------|---------------------|
| Opening lease liability | 29,746,660          | 35,378,611          |
| Lease payments made     | (7,486,910)         | (7,486,909)         |
| Interest expense        | 1,528,305           | 1,854,958           |
| Closing lease liability | <b>\$23,788,055</b> | <b>\$29,746,660</b> |
| Current liability       | 6,304,203           | 5,958,604           |
| Non-current liability   | 17,483,852          | 23,788,056          |
|                         | <b>\$23,788,055</b> | <b>\$29,746,660</b> |

### 23. Dividends declared

During the year ended December 31, 2022, the board of directors declared dividends of \$33,377,949. However, certain shareholders have irrevocably waived their rights to a portion of their dividends amounting to \$4,483,539. As such, dividends paid of \$28,894,410 have been recorded in the statement of changes in equity.

### 24. Subsequent events

Management has evaluated the possibility of subsequent events existing in the Group's consolidated financial statements from January 1, 2023, through December 19, 2023, the date the consolidated financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Group's consolidated financial statements.



**Medcorp Limited and its Subsidiaries**  
**Audited Consolidated Financial Statements**  
For the year ended December 31, 2021



# Medcorp Limited and its Subsidiaries

## Audited Consolidated Financial Statements For the year ended December 31, 2021

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## Independent Auditors' Report

To the Shareholders of  
Medcorp Limited and its Subsidiaries

### Opinion

We have audited the consolidated financial statements of Medcorp Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our 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.

### Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



## Independent Auditors' Report (continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

We communicate with those charged with governance 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.

September 28, 2022

Port of Spain,  
Trinidad, West Indies

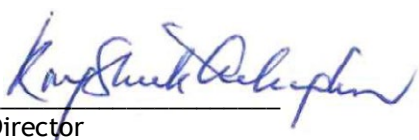
# Medcorp Limited and its Subsidiaries

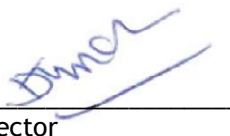
## Consolidated Statement of Financial Position As at December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

|                                                   | Notes | 2021                 | 2020                 |
|---------------------------------------------------|-------|----------------------|----------------------|
| <b>Assets</b>                                     |       |                      |                      |
| <b>Non-current assets</b>                         |       |                      |                      |
| Property, plant and equipment                     | 4     | 63,384,974           | 52,937,345           |
| Investment in joint venture                       | 6     | 12,641,804           | 13,480,506           |
| Deferred tax asset                                | 11    | 264,687              | 324,942              |
| <b>Total non-current assets</b>                   |       | <b>76,291,465</b>    | <b>66,742,793</b>    |
| <b>Current assets</b>                             |       |                      |                      |
| Investment                                        | 7     | 681,298              | 8,592,645            |
| Inventories                                       | 8     | 7,089,386            | 6,133,867            |
| Trade and other receivables                       | 9     | 22,931,893           | 15,913,925           |
| Taxation recoverable                              |       | 12,706               | 130,211              |
| Due from related party                            | 5     | 1,034,728            | 742,319              |
| Cash and cash equivalents                         |       | 32,103,752           | 27,442,549           |
| <b>Total current assets</b>                       |       | <b>63,853,763</b>    | <b>58,955,516</b>    |
| <b>Total assets</b>                               |       | <b>\$140,145,228</b> | <b>\$125,698,309</b> |
| <b>Shareholders' equity</b>                       |       |                      |                      |
| Stated capital                                    | 10    | 33,409,119           | 33,409,119           |
| Accumulated earnings/(deficit)                    |       | 8,167,131            | (5,105,803)          |
| <b>Total shareholder's equity</b>                 |       | <b>41,576,250</b>    | <b>28,303,316</b>    |
| <b>Liabilities</b>                                |       |                      |                      |
| <b>Non-current liabilities</b>                    |       |                      |                      |
| Borrowings                                        | 14    | 5,034,402            | -                    |
| Lease liability                                   | 22    | 23,788,056           | 29,746,660           |
| Deferred tax liability                            | 11    | 1,887,988            | 1,292,069            |
| <b>Total non-current liabilities</b>              |       | <b>30,710,446</b>    | <b>31,038,729</b>    |
| <b>Current liabilities</b>                        |       |                      |                      |
| Bank overdraft                                    | 13    | 8,308,953            | 6,056,817            |
| Borrowings                                        | 14    | 4,574,663            | 3,923,249            |
| Lease liability                                   | 22    | 5,958,604            | 5,631,951            |
| Trade payables and accruals                       | 12    | 12,241,712           | 14,058,377           |
| Taxation payable                                  |       | 6,080,415            | 5,991,685            |
| Due to related parties                            | 5     | 30,694,185           | 30,694,185           |
| <b>Total current liabilities</b>                  |       | <b>67,858,533</b>    | <b>66,356,264</b>    |
| <b>Total liabilities</b>                          |       | <b>98,568,979</b>    | <b>97,394,993</b>    |
| <b>Total shareholders' equity and liabilities</b> |       | <b>\$140,145,228</b> | <b>\$125,698,309</b> |

The accompanying notes form an integral part of these consolidated financial statements.

On September 28, 2022, the Board of Directors of Medcorp Limited authorised these consolidated financial statements for issue.

  
Director

  
Director

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Comprehensive Income Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

|                                                                                              | Notes | 2021                | 2020                |
|----------------------------------------------------------------------------------------------|-------|---------------------|---------------------|
| Revenue                                                                                      | 15    | 114,190,139         | 103,379,997         |
| Cost of sales                                                                                | 16    | (53,790,291)        | (55,760,495)        |
| Gross profit                                                                                 |       | 60,399,848          | 47,619,502          |
| Other income                                                                                 |       | 8,429,965           | 7,728,194           |
|                                                                                              |       | 68,829,813          | 55,347,696          |
| <b>Expenses</b>                                                                              |       |                     |                     |
| Administrative expenses                                                                      | 17    | (30,662,740)        | (30,772,694)        |
| Other expenses                                                                               | 19    | (3,179,922)         | (1,715,271)         |
|                                                                                              |       | (33,842,662)        | (32,487,965)        |
| <b>Operating profit</b>                                                                      |       | 34,987,151          | 22,859,731          |
| Share of profit of joint venture                                                             | 6     | 1,989,035           | 3,646,490           |
| Finance costs                                                                                |       | (2,313,951)         | (2,224,418)         |
| <b>Profit before taxation</b>                                                                |       | 34,662,235          | 24,281,803          |
| Taxation charge                                                                              | 20    | (10,169,336)        | (6,628,405)         |
| <b>Total comprehensive income for the year attributable to parent company's shareholders</b> |       | <b>\$24,492,899</b> | <b>\$17,653,398</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Changes in Equity Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

|                                                                          | Stated<br>capital   | Accumulated<br>(deficit)/<br>earnings | Total               |
|--------------------------------------------------------------------------|---------------------|---------------------------------------|---------------------|
| <b>Year ended December 31, 2021</b>                                      |                     |                                       |                     |
| Balance as at January 1, 2021                                            | 33,409,119          | (5,105,803)                           | 28,303,316          |
| <b>Comprehensive income for the year</b>                                 |                     |                                       |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 24,492,899                            | 24,492,899          |
| <b>Total comprehensive income</b>                                        | -                   | <b>24,492,899</b>                     | <b>24,492,899</b>   |
| <b>Transactions with owners</b>                                          |                     |                                       |                     |
| Dividends declared                                                       | -                   | (11,219,965)                          | (11,219,965)        |
| <b>Total transactions with owners</b>                                    | -                   | <b>(11,219,965)</b>                   | <b>(11,219,965)</b> |
| <b>Balance as at December 31, 2021</b>                                   | <b>\$33,409,119</b> | <b>\$8,167,131</b>                    | <b>\$41,576,250</b> |
| <b>Year ended December 31, 2020</b>                                      |                     |                                       |                     |
| Balance as at January 1, 2020                                            | 33,409,119          | 18,380,673                            | 51,789,792          |
| <b>Comprehensive income for the year</b>                                 |                     |                                       |                     |
| Total comprehensive income attributable to parent company's shareholders | -                   | 17,653,398                            | 17,653,398          |
| <b>Total comprehensive income</b>                                        | -                   | <b>17,653,398</b>                     | <b>17,653,398</b>   |
| <b>Transactions with owners</b>                                          |                     |                                       |                     |
| Dividends declared                                                       | -                   | (41,139,874)                          | (41,139,874)        |
| <b>Total transactions with owners</b>                                    | -                   | <b>(41,139,874)</b>                   | <b>(41,139,874)</b> |
| <b>Balance as at December 31, 2020</b>                                   | <b>\$33,409,119</b> | <b>\$(5,105,803)</b>                  | <b>\$28,303,316</b> |

The accompanying notes form an integral part of these consolidated financial statements.

## Medcorp Limited and its Subsidiaries

### Consolidated Statement of Cash Flows Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

|                                                                               | 2021                | 2020                |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                                   |                     |                     |
| Profit before taxation                                                        | 34,662,235          | 24,281,803          |
| Adjustments to reconcile profit to net cash provided by operating activities: |                     |                     |
| Unrealised gain on investment                                                 | -                   | (1,428,283)         |
| Bad debts expense/(recoveries)                                                | 868,473             | (280,669)           |
| Lease interest                                                                | 1,854,958           | 1,884,852           |
| Depreciation                                                                  | 4,936,322           | 4,997,355           |
| Share of profit of joint venture                                              | (1,989,035)         | (3,646,490)         |
| Interest expense                                                              | 440,916             | 324,481             |
|                                                                               | 40,773,869          | 26,133,049          |
| Changes in operating assets/liabilities:                                      |                     |                     |
| Increase in inventories                                                       | (955,519)           | (1,477,848)         |
| (Increase)/decrease in trade and other receivables                            | (7,886,441)         | 9,364,255           |
| (Increase)/decrease in due from related party                                 | (292,409)           | 1,376,259           |
| Decrease in trade payables and accruals                                       | (1,816,665)         | (2,493,288)         |
| Decrease in due to related parties                                            | -                   | (5,251,161)         |
| <b>Cash provided by operations</b>                                            | 29,822,835          | 27,651,266          |
| Taxes paid                                                                    | (8,779,191)         | (3,587,487)         |
| <b>Net cash provided by operating activities</b>                              | <b>21,043,644</b>   | <b>24,063,779</b>   |
| <b>Cash flows from investing activities</b>                                   |                     |                     |
| Purchase of property, plant and equipment                                     | (15,383,951)        | (4,289,944)         |
| Dividends received from joint venture                                         | 2,300,000           | 11,251,161          |
| Proceeds from disposal of investment                                          | 7,911,347           | -                   |
| <b>Net cash (used in)/provided by investing activities</b>                    | <b>(5,172,604)</b>  | <b>6,961,217</b>    |
| <b>Cash flows from financing activities</b>                                   |                     |                     |
| Lease payments                                                                | (7,486,908)         | (6,893,814)         |
| Net proceeds/(payments) from borrowings                                       | 5,685,816           | (486,631)           |
| Interest paid                                                                 | (440,916)           | (324,481)           |
| Dividends paid                                                                | (11,219,965)        | (20,207,349)        |
| <b>Net cash used in financing activities</b>                                  | <b>(13,461,973)</b> | <b>(27,912,275)</b> |
| <b>Net increase in cash and cash equivalents</b>                              | <b>2,409,067</b>    | <b>3,112,721</b>    |
| <b>Cash and cash equivalents</b>                                              |                     |                     |
| As at beginning of year                                                       | 21,385,732          | 18,273,011          |
| <b>As at end of year</b>                                                      | <b>\$23,794,799</b> | <b>\$21,385,732</b> |
| <b>Represented by:</b>                                                        |                     |                     |
| Cash at bank and in hand                                                      | 32,103,752          | 27,442,549          |
| Bank overdraft                                                                | (8,308,953)         | (6,056,817)         |
|                                                                               | <b>\$23,794,799</b> | <b>\$21,385,732</b> |

The accompanying notes form an integral part of these consolidated financial statements.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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### 1. General information

Medcorp Limited (the “Company”) was incorporated in the Republic of Trinidad and Tobago by way of continuance on March 25, 1999. The Company’s main business is the operation of a private hospital. Its registered office is located at 18 Elizabeth Street, St Clair, Port of Spain, Trinidad and Tobago.

The subsidiary, Medical X-Ray and Diagnostic Clinic Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago. Its principal activity is the provision of radiology services.

The subsidiary, Cancer Centre of the Caribbean Limited, is wholly owned and incorporated in the Republic of Trinidad and Tobago and is involved in the provision of cancer treatment services.

The joint venture, Caribbean Heart Care Medcorp Limited is 50% owned, incorporated in the Republic of Trinidad and Tobago and is involved in performing open-heart surgeries.

The Company and its subsidiaries and joint venture are together referred to as the Group.

### 2. Summary of significant accounting policies

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

#### 2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are the determination of depreciation rates and the provision for impairment of financial assets measured at amortised costs.

- (i) Standards, amendments and interpretations to existing Standards applicable to the Group in the current year which were adopted by the Group

The Group did not adopt any new Standards, amendments and interpretations to existing Standards for the year ended December 31, 2021.

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

In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of January 1, 2022, however, in July 2020 this was deferred until January 1, 2023, as a result of the COVID-19 pandemic. These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings. The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after January 1, 2024.

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.1 Basis of preparation (continued)

- (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Company and have not been disclosed.

- (iii) Standards and amendments to published standards early adopted by the Group

The Group did not early adopt any new, revised or amended standards.

#### 2.2 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the Group as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.3 Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- (i) *Joint ventures*: where the group has rights to only the net assets of the joint arrangement
- (ii) *Joint operations*: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).
- The Group accounts for its interests in Caribbean Heart Care Medcorp Limited as a joint venture.

Joint ventures are initially recognised in the consolidated statement of financial position at cost. Subsequently, joint ventures are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of other comprehensive income (except for losses in excess of the Group's investment in the joint venture unless there is an obligation to make good those losses). Distributions received from a joint venture reduce the carrying amount of the investment.

Profits and losses arising from transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint venture's profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### 2.4 Foreign currency

##### (i) *Functional and presentation currency*

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Such balances are translated at year-end exchange rates.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 2. Summary of significant accounting policies (continued)

#### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the reducing balance method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

|                                |                   |
|--------------------------------|-------------------|
| Leasehold improvements         | 2%                |
| Medical and surgical equipment | 10% - 20%         |
| Fixtures and fittings          | 25%               |
| Computer equipment             | 50%               |
| Motor vehicles                 | 33⅓%              |
| Right of use asset             | Over lease period |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the results for the year.

#### 2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

#### 2.7 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment charges are included in the profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

#### 2.8 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

##### *Fair value through profit or loss*

This category comprises of an investment held in a mutual fund. It is carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the other income or other expense line.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial assets (continued)

##### *Amortised cost*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since the initial recognition of the financial asset. For those where the credit risk has not increased significantly since the initial recognition of the financial asset, twelve months expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit-impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables, due from related parties and cash and cash equivalents in the statement of financial position.

Trade receivables are amounts due from customers for the sale of goods and provision of services in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, for the purpose of the statement of cash flows, bank overdrafts.

#### 2.9 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax charge is calculated on the basis of the tax laws enacted at the year-end.

Corporation tax is charged at 30% of all chargeable income.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.9 Current and deferred income taxes (continued)

Business levy and green fund levy are computed at the rate of 0.6% and 0.3% respectively on gross income.

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference will be utilised.

The principal temporary differences arise from depreciation on property, plant and equipment and tax losses.

#### 2.10 Stated capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Transfers to stated capital for which shares have not yet been issued are reflected as contributed capital.

#### 2.11 Borrowings

Borrowings are recognised initially at the proceeds received net of transaction costs incurred. Borrowings are subsequently recognised net of loan repayments. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are expensed.

#### 2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.13 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.14 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from the use of the asset; and
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from the use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

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### 2. Summary of significant accounting policies (continued)

#### 2.14 Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

#### 2.15 Revenue recognition

Revenue is derived from the provision of services with revenue recognised at a point in time. This is because the Group provides, and the customer accepts the services simultaneously. Revenue is derived from fixed-price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. There is no judgement involved in allocating the contract price to each unit ordered in such contracts.

#### 2.16 Expenses

Expenses are recognised on an accrual basis in the reporting period during which the related income is earned.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 2. Summary of significant accounting policies (continued)

#### 2.17 Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors of the Group.

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. Management seeks to minimise potential adverse effects on the financial performance of the Group by applying procedures to identify, evaluate and manage these risks:

##### (i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has a significant concentration of credit risk attached to receivables from one major customer, but the recoverability of these receivables is not in doubt. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. Receivable balances are shown net of provision for impairment for doubtful debts. Credit risk disclosures are included in Note 9.

Cash and deposits are held with reputable financial institutions.

##### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the Group aims at maintaining flexibility in funding by keeping committed lines of credit available.

The table below analyses the Group's financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                | Less than<br>1 year | Between<br>1 and 2 years |
|--------------------------------|---------------------|--------------------------|
| <b>As at December 31, 2021</b> |                     |                          |
| Bank overdraft                 | 8,308,953           | -                        |
| Borrowings                     | 4,574,663           | 5,034,402                |
| Lease liability                | 5,958,604           | 23,788,056               |
| Trade payables and accruals    | 12,241,712          | -                        |
| Due to related parties         | 30,694,185          | -                        |
|                                | <b>\$61,778,117</b> | <b>\$28,822,458</b>      |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 3. Financial risk management

#### 3.1 Financial risk factors

##### (ii) Liquidity risk

|                                | Less than<br>1 year | Between<br>1 and 2 years |
|--------------------------------|---------------------|--------------------------|
| <b>As at December 31, 2020</b> |                     |                          |
| Bank overdraft                 | 6,056,817           | -                        |
| Borrowings                     | 3,923,249           | -                        |
| Lease liability                | 5,631,951           | 29,746,660               |
| Trade payables and accruals    | 14,058,377          | -                        |
| Due to related parties         | 30,694,185          | -                        |
|                                | <b>\$60,364,579</b> | <b>\$29,746,660</b>      |

##### (iii) Market risk

##### (a) Cash flow and fair value interest rate risk

Other than cash and cash equivalents, which is not significantly exposed to interest rate risk, the Group has no significant floating interest-bearing assets or liabilities. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

##### (b) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and when recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group monitors its exposure to fluctuations in foreign currencies. If it is determined that there is a need to hedge this exposure the appropriate instrument is used.

At December 31, 2021, if the TT dollar had weakened/ strengthened by 5% against the US dollar with all other variables held constant, post-tax profit/loss for the year would have been \$100,087 (2020: \$115,554) higher/lower, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated cash and cash equivalents and borrowings.

##### (c) Price risk

The Group is exposed to price risk from its investments held at fair value through profit or loss. Had the price of the investment increased/decreased by 1%, profit for the year would have been \$6,813 (2020: \$85,926) higher/lower respectively.

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio.

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 3. Financial risk management

#### 3.2 Capital risk management

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at December 31, 2021, and 2020 are as follows:

|                                                      | 2021         | 2020         |
|------------------------------------------------------|--------------|--------------|
| Total lease liability, borrowings and bank overdraft | 47,664,678   | 45,358,677   |
| Less: cash and cash equivalents                      | (32,103,752) | (27,442,549) |
| Net debt                                             | 15,560,926   | 17,916,128   |
| Total equity                                         | 41,576,249   | 28,303,316   |
| Gearing ratio                                        | 37%          | 63%          |

#### 3.3 Fair value estimation

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, trade and other receivables, due from related party, trade payables and accruals, bank overdraft, borrowings and due to related party are reasonable estimates of their fair values because of the short-term maturity of these instruments.

The fair value measurement of the Group's financial assets utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its investment at fair value. The fair value is determined by reference to the Net Asset Value of the mutual fund in which the investment is held.

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

| 4. Property, plant and equipment       |                       |                           |                                      |                             |                       |                   |                      |              |
|----------------------------------------|-----------------------|---------------------------|--------------------------------------|-----------------------------|-----------------------|-------------------|----------------------|--------------|
|                                        | Right of use<br>asset | Leasehold<br>improvements | Medical and<br>surgical<br>equipment | Fixtures<br>and<br>fittings | Computer<br>equipment | Motor<br>vehicles | Work-in-<br>progress | Total        |
| Year ended December 31, 2021           |                       |                           |                                      |                             |                       |                   |                      |              |
| Cost                                   |                       |                           |                                      |                             |                       |                   |                      |              |
| Balance as at January 1, 2021          | 44,305,470            | 2,347,887                 | 69,960,104                           | 4,460,922                   | 6,146,447             | 1,370,995         | 3,061,550            | 131,653,375  |
| Additions                              | -                     | 2,928,775                 | 6,230,412                            | 46,523                      | 753,750               | -                 | 5,424,492            | 15,383,952   |
| Balance as at December 31, 2021        | 44,305,470            | 5,276,662                 | 76,190,516                           | 4,507,445                   | 6,900,197             | 1,370,995         | 8,486,042            | 147,037,327  |
| Accumulated depreciation               |                       |                           |                                      |                             |                       |                   |                      |              |
| Balance as at January 1, 2021          | (7,364,870)           | (1,347,927)               | (59,136,283)                         | (4,147,015)                 | (5,348,940)           | (1,370,995)       | -                    | (78,716,030) |
| Depreciation charge                    | (3,015,559)           | (36,903)                  | (1,298,298)                          | (84,114)                    | (501,449)             | -                 | -                    | (4,936,323)  |
| Balance as at December 31, 2021        | (10,380,429)          | (1,384,830)               | (60,434,581)                         | (4,231,129)                 | (5,850,389)           | (1,370,995)       | -                    | (83,652,353) |
| Net book value as at December 31, 2021 | \$33,925,041          | \$3,891,832               | \$15,755,935                         | \$276,316                   | \$1,049,808           | \$-               | \$8,486,042          | \$63,384,974 |
| Year ended December 31, 2020           |                       |                           |                                      |                             |                       |                   |                      |              |
| Cost                                   |                       |                           |                                      |                             |                       |                   |                      |              |
| Balance as at January 1, 2020          | 22,235,374            | 2,289,887                 | 69,408,347                           | 4,426,287                   | 5,522,445             | 1,370,995         | -                    | 105,253,335  |
| Additions                              | -                     | 58,000                    | 551,757                              | 34,635                      | 624,002               | -                 | 3,061,550            | 4,329,944    |
| Lease modification                     | 22,070,096            | -                         | -                                    | -                           | -                     | -                 | -                    | 22,070,096   |
| Balance as at December 31, 2020        | 44,305,470            | 2,347,887                 | 69,960,104                           | 4,460,922                   | 6,146,447             | 1,370,995         | 3,061,550            | 131,653,375  |
| Accumulated depreciation               |                       |                           |                                      |                             |                       |                   |                      |              |
| Balance as at January 1, 2020          | (4,009,658)           | (1,328,180)               | (57,905,186)                         | (4,049,998)                 | (5,054,658)           | (1,370,995)       | -                    | (73,718,675) |
| Depreciation charge                    | (3,355,212)           | (19,747)                  | (1,231,097)                          | (97,017)                    | (294,282)             | -                 | -                    | (4,997,355)  |
| Balance as at December 31, 2020        | (7,364,870)           | (1,347,927)               | (59,136,283)                         | (4,147,015)                 | (5,348,940)           | (1,370,995)       | -                    | (78,716,030) |
| Net book value as at December 31, 2020 | \$36,940,600          | \$999,960                 | \$10,823,821                         | \$313,907                   | \$797,507             | \$-               | \$3,061,550          | \$52,937,345 |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 5. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

#### (i) Key management compensation

|                                                 | 2021        | 2020        |
|-------------------------------------------------|-------------|-------------|
| Salaries and other short-term employee benefits | \$978,000   | \$1,044,000 |
| Directors' fees                                 | \$1,884,492 | \$1,894,000 |

#### (ii) Year-end balances arising from purchases of services:

##### Due from related party:

|                                      | 2021               | 2020             |
|--------------------------------------|--------------------|------------------|
| <u>Current</u>                       |                    |                  |
| Caribbean Heart Care Medcorp Limited | 1,034,728          | 742,319          |
|                                      | <u>\$1,034,728</u> | <u>\$742,319</u> |

##### Due to related parties

|                        | 2021                | 2020                |
|------------------------|---------------------|---------------------|
| <u>Current</u>         |                     |                     |
| Directors/Shareholders | 30,694,185          | 30,694,185          |
|                        | <u>\$30,694,185</u> | <u>\$30,694,185</u> |

##### Investment

|                                          | 2021      | 2020        |
|------------------------------------------|-----------|-------------|
| Investment in entity under joint control | \$681,298 | \$8,592,645 |

The above investment is classified in level 3 on the fair value hierarchy.

#### (iii) Transactions with entity with joint control

|                                                      | 2021                | 2020                |
|------------------------------------------------------|---------------------|---------------------|
| Caribbean Heart Care Medcorp Limited - income earned | 13,106,315          | 13,223,241          |
|                                                      | <u>\$13,106,315</u> | <u>\$13,223,241</u> |

#### (iv) Transactions with other related parties

|                            | 2021        | 2020        |
|----------------------------|-------------|-------------|
| Professional fees paid     | \$1,030,000 | \$1,030,000 |
| Rent paid to related party | \$7,486,908 | \$6,893,814 |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 6. Investment in joint venture

|                            | 2021                | 2020                |
|----------------------------|---------------------|---------------------|
| As at beginning of year    | 13,480,506          | 22,119,097          |
| Dividends received         | (2,300,000)         | (11,251,161)        |
| Share of profit before tax | 1,989,035           | 3,646,490           |
| Share of tax               | (527,737)           | (1,033,920)         |
| As at end of year          | <b>\$12,641,804</b> | <b>\$13,480,506</b> |

The Group has a 50% (2020: 50%) interest in Caribbean Heart Care Medcorp Limited. The primary activity of Caribbean Heart Care Medcorp Limited is the provision of cardiac surgery and cardiology services.

The contractual arrangement of the joint venture provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with Caribbean Heart Care Medcorp Limited. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised financial information in relation to the joint venture is presented below:

|                               | 2021         | 2020         |
|-------------------------------|--------------|--------------|
| <b>As at 31 December</b>      |              |              |
| Current assets                | \$43,805,735 | \$50,592,015 |
| Non-current assets            | \$20,794,706 | \$20,052,543 |
| Current liabilities           | \$25,150,980 | \$28,650,889 |
| Non-current liabilities       | \$11,634,086 | \$12,385,889 |
| <b>Year ended 31 December</b> | <b>2021</b>  | <b>2020</b>  |
| Revenue                       | \$74,385,897 | \$71,028,282 |
| Total comprehensive income    | \$2,922,595  | \$5,225,140  |

### 7. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

| Assets as per consolidated statement of financial position | Amortised cost<br>2021                   | 2020                |
|------------------------------------------------------------|------------------------------------------|---------------------|
| Trade and other receivables                                | 22,786,347                               | 12,698,400          |
| Due from related party                                     | 1,034,728                                | 742,319             |
| Cash and cash equivalents                                  | 32,103,752                               | 27,442,549          |
|                                                            | <b>\$55,924,827</b>                      | <b>\$40,883,268</b> |
|                                                            | <b>Fair Value through profit or loss</b> |                     |
|                                                            | <b>2021</b>                              | <b>2020</b>         |
| Investment                                                 | <b>\$681,298</b>                         | <b>\$8,592,645</b>  |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 7. Financial instruments by category (continued)

| Liabilities as per consolidated statement of financial position | Amortised cost      |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
|                                                                 | 2021                | 2020                |
| Bank overdraft                                                  | 8,308,953           | 6,056,817           |
| Borrowings                                                      | 9,609,065           | 3,923,249           |
| Lease liability                                                 | 29,746,660          | 35,378,611          |
| Trade payables and accruals                                     | 12,241,713          | 14,058,377          |
| Due to related parties                                          | 30,694,185          | 30,694,185          |
|                                                                 | <b>\$90,600,576</b> | <b>\$90,111,239</b> |

### 8. Inventories

|                                 | 2021               | 2020               |
|---------------------------------|--------------------|--------------------|
| Medication and medical supplies | <b>\$7,089,386</b> | <b>\$6,133,867</b> |

### 9. Trade and other receivables

|                                     | 2021                | 2020                |
|-------------------------------------|---------------------|---------------------|
| Trade receivables                   | 24,084,047          | 13,335,833          |
| Less: impairment for doubtful debts | (2,617,748)         | (1,749,275)         |
| Trade receivables - net             | 21,466,299          | 11,586,558          |
| Other receivables and prepayments   | 1,465,594           | 4,327,367           |
|                                     | <b>\$22,931,893</b> | <b>\$15,913,925</b> |

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

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period's end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

At December 31, 2021, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                       | Current     | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total               |
|-----------------------|-------------|----------------------------|----------------------------|----------------------------|---------------------|
| Expected loss rate    | 14%         | 9%                         | 6%                         | 11%                        |                     |
| Gross carrying amount | \$2,500,956 | \$2,272,938                | \$1,851,801                | \$17,458,352               | <b>\$24,084,047</b> |
| Loss provision        | \$352,095   | \$213,059                  | \$115,696                  | \$1,936,898                | <b>\$2,617,748</b>  |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 9. Trade and other receivables (continued)

At December 31, 2020, the lifetime expected loss provision for trade receivables and contract assets is as follows:

|                       | Current     | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total        |
|-----------------------|-------------|-------------------------------|-------------------------------|-------------------------------|--------------|
| Expected loss rate    | 12%         | 9%                            | 3%                            | 16%                           |              |
| Gross carrying amount | \$2,103,286 | \$1,713,533                   | \$1,190,946                   | \$8,328,068                   | \$13,335,833 |
| Loss provision        | \$242,519   | \$146,126                     | \$39,997                      | \$1,320,633                   | \$1,749,275  |

Movement on the provision for impairment of trade receivables is as follows:

|                        | 2021               | 2020               |
|------------------------|--------------------|--------------------|
| As at January 1        | 1,749,275          | 4,126,657          |
| Provision for the year | 1,143,753          | -                  |
| Bad debt written off   | -                  | (1,204,792)        |
| Recoveries             | (275,280)          | (1,172,590)        |
| As at December 31      | <u>\$2,617,748</u> | <u>\$1,749,275</u> |

The other receivables and prepayments do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

### 10. Stated capital

|                                                        | 2021                | 2020                |
|--------------------------------------------------------|---------------------|---------------------|
| <b>Authorised</b>                                      |                     |                     |
| An unlimited number of ordinary shares of no par value |                     |                     |
| <b>Issued and fully paid</b>                           |                     |                     |
| 7,479,977 ordinary shares of no par value              | <u>\$33,409,119</u> | <u>\$33,409,119</u> |

### 11. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 30%.

The following is the movement for the year:

|                                             | 2021               | 2020             |
|---------------------------------------------|--------------------|------------------|
| Balance as at the beginning of the year     | 967,127            | 853,779          |
| Charge to statement of comprehensive income | <u>656,174</u>     | <u>113,348</u>   |
| Balance as at the end of the year           | <u>\$1,623,301</u> | <u>\$967,127</u> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 11. Deferred taxation (continued)

The deferred income tax liability in the consolidated statement of financial position and the deferred tax charge in the consolidated statement of comprehensive income are attributable to the following items:

|                                     | 2020             | Charge to consolidated statement of comprehensive income | 2021               |
|-------------------------------------|------------------|----------------------------------------------------------|--------------------|
| <b>Deferred tax liability</b>       |                  |                                                          |                    |
| Accelerated tax depreciation        | 1,292,069        | 595,919                                                  | 1,887,988          |
|                                     | <u>1,292,069</u> | <u>595,919</u>                                           | <u>1,887,988</u>   |
| <b>Deferred tax asset</b>           |                  |                                                          |                    |
| Accelerated accounting depreciation | (324,942)        | 60,255                                                   | (264,687)          |
|                                     | <u>(324,942)</u> | <u>60,255</u>                                            | <u>(264,687)</u>   |
| Net deferred tax liability          | <u>\$967,127</u> | <u>\$656,174</u>                                         | <u>\$1,623,301</u> |

|                                     | 2019             | Charge to consolidated statement of comprehensive income | 2020             |
|-------------------------------------|------------------|----------------------------------------------------------|------------------|
| <b>Deferred tax liability</b>       |                  |                                                          |                  |
| Accelerated tax depreciation        | 1,235,345        | 56,724                                                   | 1,292,069        |
|                                     | <u>1,235,345</u> | <u>56,724</u>                                            | <u>1,292,069</u> |
| <b>Deferred tax asset</b>           |                  |                                                          |                  |
| Accelerated accounting depreciation | (381,566)        | 56,624                                                   | (324,942)        |
|                                     | <u>(381,566)</u> | <u>56,624</u>                                            | <u>(324,942)</u> |
| Net deferred tax liability          | <u>\$853,779</u> | <u>\$113,348</u>                                         | <u>\$967,127</u> |

### 12. Trade payables and accruals

|                           | 2021                | 2020                |
|---------------------------|---------------------|---------------------|
| Accruals                  | 4,621,535           | 7,484,020           |
| Insurance premium accrual | 2,760,369           | 2,760,369           |
| Trade payables            | 2,235,310           | 1,392,289           |
| Stale dated cheques       | 2,223,516           | 1,976,390           |
| Payroll liabilities       | 400,982             | 445,309             |
|                           | <u>\$12,241,712</u> | <u>\$14,058,377</u> |

### 13. Bank overdraft

The Company has an overdraft facility of \$3,000,000 with Republic Bank Limited. Interest is charged at the bank's TT Dollar Base Lending Rate which was 7.5% (2020: 7.5%) at year-end.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 14. Borrowings

|                                            | 2021               | 2020               |
|--------------------------------------------|--------------------|--------------------|
| Non-current                                |                    |                    |
| Republic Bank Limited                      | 2,588,735          | -                  |
| Scotiabank Limited                         | 2,445,667          | -                  |
|                                            | <b>\$5,034,402</b> | <b>\$-</b>         |
| Current                                    |                    |                    |
| Republic Bank Limited                      | 3,298,663          | 3,575,950          |
| Scotiabank Limited                         | 1,276,000          | -                  |
| RBC Royal Bank (Trinidad & Tobago) Limited | -                  | 347,299            |
|                                            | <b>\$4,574,663</b> | <b>\$3,923,249</b> |

#### *Loan - Scotiabank Limited*

The loan outstanding represents the balance on a \$3,828,000 loan which was taken out on November 18, 2021. This loan bears interest at a fixed rate of 3.75%. The loan is repayable in monthly instalments of \$106,333, inclusive of interest and matures on November 30, 2024.

#### *Loan - RBC Royal Bank (Trinidad & Tobago) Limited*

The loan outstanding represents the balance of a \$4,000,000 loan which was taken out on February 2, 2019. This loan bears interest at a fixed rate of 5.90%. The loan was repayable in monthly instalments of \$177,102, inclusive of interest and matured on February 28, 2021.

The Company also facilitated the issuance of a loan to a related party by the bank. The balance of this loan as at December 31, 2021 was \$32,659,833 (2020: \$38,727,420).

Security on these loans and the overdraft facility is as follows:

- Deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 made among the Company, Hashingbrown Limited, Goodhealth Investment Limited and Perudway, stamped to secure \$40,000,000 over the properties as follows:
  - First demand mortgage over property located at 18 Elizabeth Street, Port of Spain.
  - First demand mortgage over property located at 1-7 Fitzblackman Drive, Woodbrook.
  - First demand mortgage over property located at 21 and 23 Pembroke Street, Port of Spain.
- Assignment of fire insurance with Faber Global Limited, policy number 1841F16-069 (local broker Norman Gabriel Limited Insurance Brokers) over the above properties with RBC Royal Bank (Trinidad and Tobago) Limited noted as the first mortgagee, in the amount of \$86,175,000.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

### 14. Borrowings (continued)

- Guarantees and postponement of a claim for the following principals totalling \$49,500,000 and stamped collateral to the above mortgages as follows:
  - Guarantee and postponement of claim dated November 11, 2013, signed by Soaring Avera Limited for \$40,000,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Kongshiek Achong Low for \$4,200,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Boris Yufe for \$3,400,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
  - Guarantee and postponement of claim dated November 11, 2013, signed by Dr Dinesh Mor for \$1,900,000 held to secure advances in the name of the Company. Stamped collateral to the deed of mortgage dated January 14, 2014, registered on February 13, 2014, as DE201400367396D001 to the above mortgage.
- Authority to hold funds in the amount of \$60,000.
- Debenture stamped to cover \$10,000,000.
- Assignment of fire insurance with Norman Gabriel Insurance Brokers Limited, in the amount of \$48,829,000.

#### *Loan - Republic Bank Limited*

The loan outstanding represents a credit facility offered by the Bank via a letter of credit. Additional withdrawals were made to this facility during the financial year resulting in a balance of \$5,887,398 as at year-end. This loan bears interest at a fixed rate of 5.70%.

The following security is held by the Bank for the above loan:

- Letter of undertaking restricting dividends to no more than 70% of profits in any one year.
- Chattel mortgage over medical equipment stamped to cover \$17,600,000.
- Insurance coverage over medical equipment with the Bank's interest noted, expiry May 7, 2022.

### 15. Revenue

|                                 | 2021                 | 2020                 |
|---------------------------------|----------------------|----------------------|
| Inpatient services              | 63,280,789           | 65,988,397           |
| Radiation/chemotherapy services | 26,748,446           | 11,917,395           |
| Outpatient services             | 24,160,904           | 25,474,205           |
|                                 | <u>\$114,190,139</u> | <u>\$103,379,997</u> |

## Medcorp Limited and its Subsidiaries

### Notes to the Consolidated Financial Statements

Year ended December 31, 2021

(Expressed in Trinidad and Tobago Dollars)

#### 16. Cost of sales

|                               | 2021                | 2020                |
|-------------------------------|---------------------|---------------------|
| Supplies consumed             | 14,582,028          | 13,355,173          |
| Professional fees             | 13,616,108          | 16,592,127          |
| Direct wages                  | 10,847,921          | 9,633,160           |
| Laboratory expenses           | 10,035,340          | 11,309,005          |
| Surgical and testing expenses | 3,074,895           | 3,405,830           |
| Other patient supplies        | 1,633,999           | 1,465,200           |
|                               | <b>\$53,790,291</b> | <b>\$55,760,495</b> |

#### 17. Administrative expenses

|                                            | 2021                | 2020                |
|--------------------------------------------|---------------------|---------------------|
| Staff costs (Note 18)                      | 13,680,039          | 12,988,309          |
| Depreciation                               | 4,936,322           | 4,997,355           |
| Repairs and maintenance expense            | 2,261,801           | 5,132,032           |
| General insurance                          | 1,680,002           | 1,540,663           |
| Cleaning and pest control                  | 1,481,084           | 1,155,446           |
| Utilities                                  | 1,207,853           | 1,307,648           |
| Professional fees`                         | 1,193,157           | 1,304,398           |
| Administration costs                       | 1,030,009           | 881,118             |
| Security                                   | 894,456             | 929,892             |
| Provision for bad debts, net of recoveries | 868,473             | (1,172,590)         |
| Printing and stationery                    | 562,705             | 520,296             |
| Telephone                                  | 443,810             | 620,486             |
| Advertising                                | 138,314             | 307,081             |
| Travel and transport                       | 126,689             | 65,981              |
| Staff welfare                              | 88,147              | 117,798             |
| Rental equipment                           | 69,879              | 76,781              |
|                                            | <b>\$30,662,740</b> | <b>\$30,772,694</b> |

#### 18. Staff costs

|                    | 2021                | 2020                |
|--------------------|---------------------|---------------------|
| Salaries           | 9,209,194           | 8,604,040           |
| Directors' fees    | 1,884,492           | 1,892,000           |
| Staff bonus        | 1,004,177           | 890,141             |
| Health insurance   | 753,009             | 837,085             |
| National insurance | 680,213             | 656,431             |
| Pension expense    | 61,290              | 67,068              |
| Staff welfare      | 87,664              | 41,544              |
|                    | <b>\$13,680,039</b> | <b>\$12,988,309</b> |

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 19. Other expenses

|                        | 2021               | 2020               |
|------------------------|--------------------|--------------------|
| Miscellaneous expenses | 1,221,859          | 790,375            |
| Bank charges           | 1,054,625          | 891,601            |
| Postage and stamps     | 8,356              | 11,545             |
| Internet               | 8,019              | 6,750              |
| Donations              | 887,063            | 15,000             |
|                        | <b>\$3,179,922</b> | <b>\$1,715,271</b> |

### 20. Taxation

|                                    | 2021                | 2020               |
|------------------------------------|---------------------|--------------------|
| Corporation tax                    | 8,977,937           | 5,109,924          |
| Green fund levy                    | 368,598             | 357,253            |
| Deferred taxation charge (Note 11) | 656,174             | 113,348            |
| Business levy                      | 14,111              | 13,960             |
| Prior year overprovision           | (375,221)           | -                  |
| Share of joint venture tax         | 527,737             | 1,033,920          |
| <b>Taxation charge</b>             | <b>\$10,169,336</b> | <b>\$6,628,405</b> |

The tax on the Group's profit differs from the theoretical amount that would arise using the basic tax rate as follows:

|                                                                   | 2021                | 2020               |
|-------------------------------------------------------------------|---------------------|--------------------|
| Profit before taxation excluding share of profit of joint venture | 32,673,200          | 20,635,313         |
| Tax calculated at statutory rate                                  | 9,801,960           | 6,190,594          |
| Non-deductible expenses                                           | 2,830,660           | 2,499,662          |
| Income not taxable and allowances                                 | (3,667,013)         | (3,613,911)        |
| Green fund levy                                                   | 368,598             | 357,253            |
| Business levy                                                     | 14,111              | 13,960             |
| Tax losses carried forward                                        | 12,330              | 33,579             |
| Deferred tax charge                                               | 656,174             | 113,348            |
| Prior year overprovision                                          | (375,221)           | -                  |
| Share of joint venture tax                                        | 527,737             | 1,033,920          |
| <b>Taxation charge</b>                                            | <b>\$10,169,336</b> | <b>\$6,628,405</b> |

### 21. Contingent liabilities

- (i) The Group has been named as the first defendant in High Court Actions 2015-01556 and 2020-04482. The respective claimants have made claims for the damages and loss suffered as a result of the alleged negligence by the Group. No determination that an unfavourable outcome is either probable or remote can be made at this time. Similarly, no accurate estimate of any potential loss can be made at this time. Hence, no provision has been made for these costs in these consolidated financial statements.

# Medcorp Limited and its Subsidiaries

## Notes to the Consolidated Financial Statements Year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

### 21. Contingent liabilities (continued)

#### (ii) Bonds

|                               | 2021          | 2020      |
|-------------------------------|---------------|-----------|
| Ministry of National Security | \$275,000     | \$275,000 |
| Letter of credit              | US\$1,780,000 | US\$-     |

A term deposit of \$275,000 (2020: \$350,000) is held as security against the Ministry of National Security Bonds.

### 22. Lease liability

|                         | 2021                | 2020                |
|-------------------------|---------------------|---------------------|
| Opening lease liability | 35,378,611          | 18,317,477          |
| Lease modification      | -                   | 22,070,096          |
| Lease payments made     | (7,486,909)         | (6,893,814)         |
| Interest expense        | 1,854,958           | 1,884,852           |
| Closing lease liability | <b>\$29,746,660</b> | <b>\$35,378,611</b> |
| Current liability       | 5,958,604           | 5,631,951           |
| Non-current liability   | 23,788,056          | 29,746,660          |
|                         | <b>\$29,746,660</b> | <b>\$35,378,611</b> |

### 23. Subsequent events

Management has evaluated the possibility of subsequent events existing in the Group's consolidated financial statements from January 1, 2022, through September 28, 2022, the date the consolidated financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Group's consolidated financial statements, other than the matter disclosed below.

#### *Dividend declared*

During the Company's board meeting held on February 17, 2022, the board approved dividends of \$4.50 per share amounting to \$33,659,897. No adjustments were made for this event in these consolidated financial statements.

#### *Contingent liability*

The Company has been named as the first defendant in High Court Action 2022-01302 in May 2022. The respective claimant has made claim for the damages and loss suffered as a result of the alleged negligence by the Company. No determination that an unfavourable outcome is either probable or remote can be made at this time. Similarly, no accurate estimate of any potential loss can be made at this time.

### 7.2 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

#### Introduction

The financial performance for the fiscal year ending 31<sup>st</sup> December 2024 continues to demonstrate Medcorp's leading position in the hospital healthcare service sector in Trinidad & Tobago. Profits attributable to shareholders ended the period at TT\$41.3 Million. The balance sheet remains healthy, with primary operating assets i.e. healthcare infrastructure standing at TT\$156.4 Million. For the fiscal year 2024, Medcorp declared a total dividend

of TT\$29.9 Million, payable to shareholders on record – this amounts to TT\$4.00 per share on a pre-IPO basis.

The Board and Management of Medcorp remain committed to delivering high-quality healthcare services, expanding its facilities, and integrating advanced medical technologies across operations.

#### Financial Performance Highlights Revenue Growth

Medcorp has demonstrated consistent revenue performance with a compound annual growth rate (CAGR) of 2.29% over the last four years, reaching TT\$122.24 Million in FY2024:

- FY2021: TT\$114.19 Million
- FY2022: TT\$122.22 Million (7.03% year-over-year growth)
- FY2023: TT\$127.02 Million (3.92% year-over-year growth)
- FY2024: TT\$122.24 Million (-3.76% year-over-year contraction)

The 3.76% revenue reduction in FY2024 reflects year-to-year fluctuations that are a natural characteristic of Medcorp's business model, with service mix and patient composition varying annually based on numerous factors representing normal variation in our business model. Specifically, while the Company experienced decreased utilization in outpatient and radiation services, this was partially offset by growth in higher-margin inpatient services. These short-term variations have historically occurred within the context of positive long-term revenue growth, as evidenced by our 2.29% CAGR since FY2021.

Historical analysis of Medcorp's revenue patterns demonstrates that such fluctuations are consistent

with our operational model, where periodic adjustments in service mix occur while maintaining positive long-term growth trajectories.

The Company's underlying revenue drivers remain robust, including:

- Sustained increases in core patient volumes
- Strategic expansion of specialized service offerings
- Successful implementation of targeted market penetration initiatives
- Ability to adapt service mix to evolving healthcare demand patterns

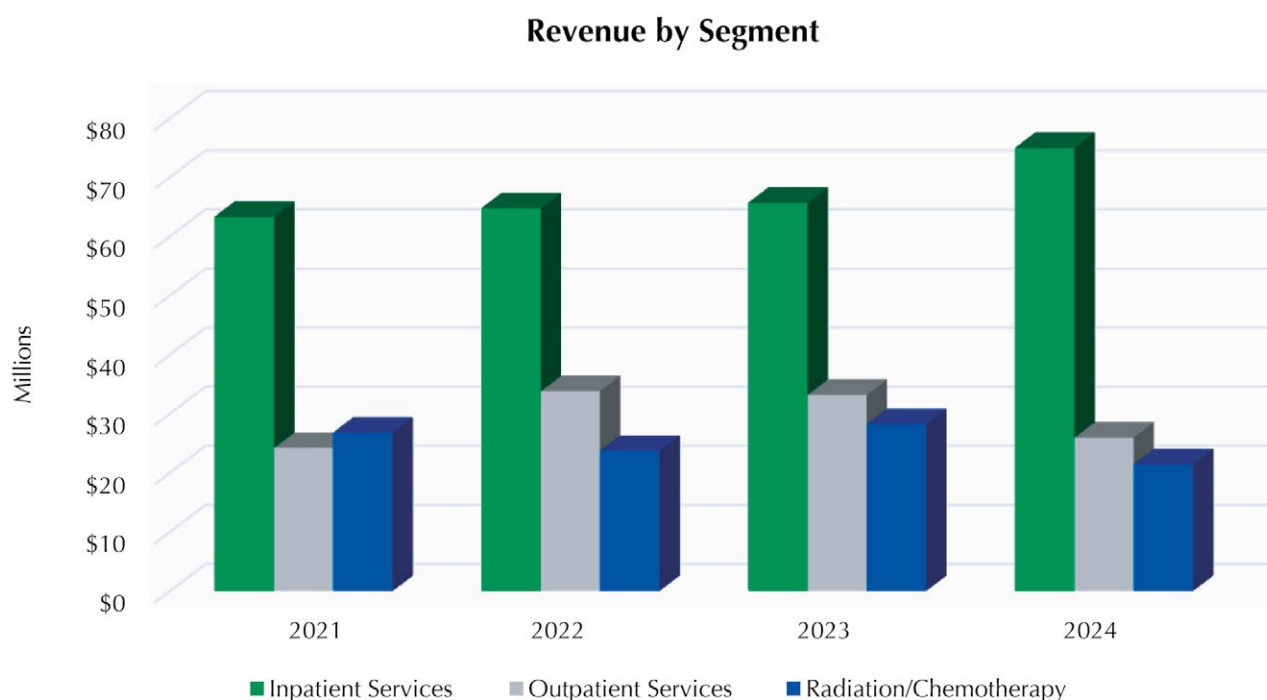
These fundamentals continue to position Medcorp favorably within the healthcare market, demonstrating its ability to maintain long-term value creation despite natural year-to-year fluctuations that are characteristic of the healthcare industry.

Key revenue drivers in FY2024 were distributed as follows:

- Inpatient Services (61% of revenue): TT\$74.9 Million
- Outpatient Services (21% of revenue): TT\$25.9 Million
- Radiation/Chemotherapy Services (18% of revenue): TT\$21.4 Million

## 7. FINANCIAL INFORMATION

Graph 1 – Trend in Revenue Contributors 2021-2024



### Management Expenses

Medcorp has maintained disciplined cost control while investing strategically in growth initiatives. The key expense categories have evolved as follows:

**Cost of Sales:** Remained well controlled over the period 2021 to 2024, ranging from a low of TT\$52.8 Million (FY2023) and a high of TT\$57.8 Million (FY2022), demonstrating effective management of direct operational costs despite revenue growth. For FY2024, the cost of sales represented 47% of revenue.

**Strategic Investments:** Administrative and other expenses increased from TT\$30.7 Million in FY2021 to TT\$41.1 Million in FY2024, primarily reflecting:

- Planned depreciation growth (TT\$4.9M to

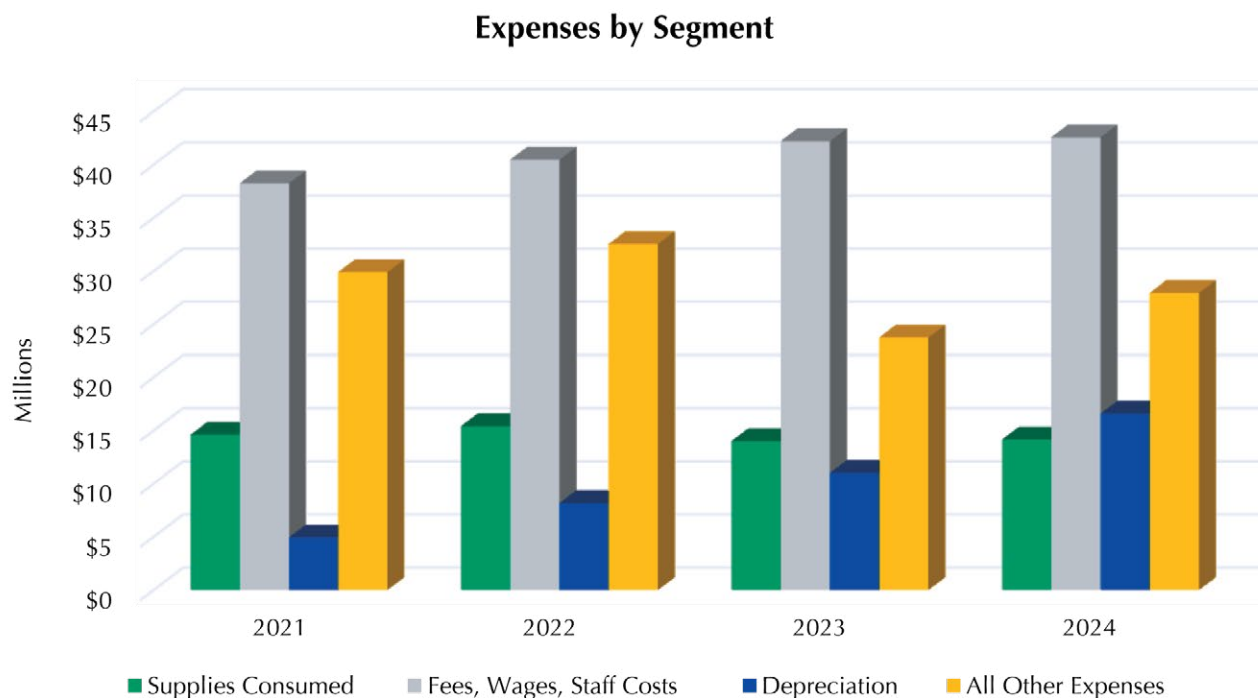
TT\$16.6M) from the Company's significant investments in healthcare infrastructure

- Moderate increases in staff costs to support growth initiatives (TT\$13.7M to TT\$14.9M).

Medcorp's expense profile reflects its strategic focus on building long-term healthcare capabilities while maintaining strong profitability. The significant increase in depreciation expenses represents Medcorp's substantial investments in healthcare infrastructure that positions the Company for sustainable future growth.

## 7. FINANCIAL INFORMATION

Graph 2 – Trend in Expenses by Major Segment 2021-2024



### Profitability

Medcorp has maintained strong profitability metrics over the reporting period, and has:

- Net Profit FY2021: TT\$24.49 Million (21.4% margin)
- Net Profit FY2022: TT\$24.13 Million (19.7% margin)
- Net Profit FY2023: TT\$57.07 Million (44.9% reported margin, 20.8% adjusted margin)<sup>3</sup>
- Net Profit FY2024: TT\$ 41.31 Million (33.8% reported margin, 12.6% adjusted margin)<sup>4</sup>

Key profitability metrics in FY2024 were:

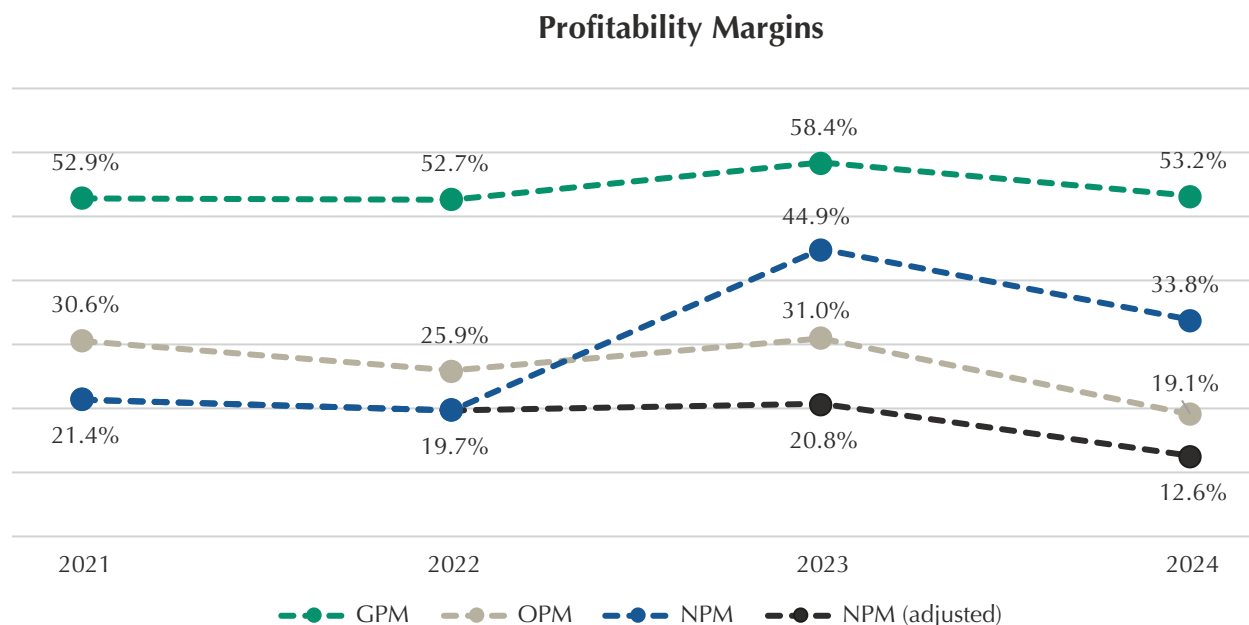
- Gross Profit Margin: **53.2%**
- Operating Profit Margin: **19.1%**
- Net Profit Margin: **33.8%**

<sup>3</sup>The significant increase in FY2023 reported profitability was attributable to several factors, including revenue growth, effective cost management, and the implementation of advanced healthcare technologies. Additionally, FY2023 reflects a non-recurring financial event where major shareholders elected to waive their dividend entitlements as part of the strategic preparation for Medcorp's SME listing. When normalized for this non-recurring event, FY2023's adjusted net profit margin was 20.8%, consistent with historical performance.

<sup>4</sup>Further, in FY2024, as part of the amalgamation of Medcorp Limited with its 100% owned subsidiaries, the Company reduced its stated capital to improve the flexibility of the Company's capital structure and facilitate future capital needs and returns to shareholders. The shareholders subsequently waived their right to receive the full amount by which the stated capital was reduced and agreed to have this amount credited to the amalgamated company's profit or loss. Considering this non-recurring financial event, FY2024's normalized profit margin was 12.6%, representing the Company's sustainable operational profitability.

## 7. FINANCIAL INFORMATION

Graph 3 – Trend in Profitability Margins 2021-2024



### Balance Sheet Strength

Medcorp's balance sheet shows continued growth, with total assets of TT\$230.7 Million at the end of FY2024. Strategic investments in property, plant, and equipment have increased non-current assets from TT\$76.3 Million in FY2021 to TT\$166.8 Million in FY2024, positioning us for sustainable long-term growth. During the FY 2024 the Company engaged

in a variety of transactions, of a capital restructuring nature and extension of its operational lease facilities. With these changes, inclusive of amalgamation, the company is well positioned to service its increased liabilities and continue to maintain its Balance Sheet strength, as well as support the integrity of its Balance Sheet.

### Cash Flow and Strategic Capital Expenditures

Medcorp's strong operating cash flow has enabled significant and strategic reinvestment in the business to drive future growth and enhance operational efficiency. Key capital expenditures over the past four years include investment in new and upgraded medical equipment, the implementation of real-time state-of-the-art health information

systems, and the completion of the construction of a new wing's ground floor at Goodhealth Medical Centre. The new wing has been designed with scalability in mind, providing a foundation for future vertical expansion. These strategic investments are aligned with Medcorp's long-term growth objectives and are expected to contribute to revenue growth.

### Operational Performance

#### Patient Volume and Service Expansion

A cornerstone of Medcorp's robust growth trajectory has been the strategic management of its diverse patient portfolio. Over the FY2021 - FY2024 period, the Company has achieved an overall compound annual growth rate of 4% in inpatient admissions and 2% in outpatient visits, maintaining a positive average growth trajectory in overall service delivery, despite natural fluctuations in specific service categories from year to year. This dual growth is a result of strategic initiatives to expand service offerings, continuously enhance patient care quality and experience, and strengthen Medcorp's market presence and brand recognition. The synergy of these efforts has not only attracted more patients but also fostered loyalty, contributing to the Company's sustained growth in the healthcare landscape.

#### Quality of Care

Maintaining high-quality care remains Medcorp's top priority. Over the past four years, Medcorp's unwavering commitment to quality has driven remarkable improvements across all aspects of its operations. The Company has implemented numerous quality improvement programs aimed at reducing patient wait times, improving clinical outcomes, and enhancing patient satisfaction.

### Strategic Initiatives

#### Strategic Relationships

Medcorp's historical growth strategy has included targeted acquisitions, joint ventures, and strategic relationships. Over the past four years, the Company has successfully continued to develop working relationships with the Ministry of Health, expanding its footprint and patient base. These ventures have not only increased Medcorp's market share but also allowed the Company to offer a broader range of specialized services not readily available in the public health sector. Additionally, Medcorp has continued to forge strategic relationships with leading insurance providers and third-party administrators globally.

#### Technological Advancements

Investing in technology has been a cornerstone of Medcorp's strategy to enhance operational efficiency and patient care. Over the past four years, the Company has invested significantly in new and upgraded medical equipment, and the implementation of real-time state-of-the-art health information systems. These investments have streamlined Medcorp's operations, reduced administrative burdens, and improved clinical decision-making processes.

### Future Outlook

#### Expansion Plans

Looking ahead, Medcorp is committed to sustaining its growth trajectory through strategic initiatives and market expansion. The Company has identified several key areas for future development, including:

1. **Infrastructure Enhancement:** Subject to regulatory approval, the Company intends to vertically expand the new wing at Goodhealth Medical Centre by constructing three additional storeys on the recently completed ground floor. The expansion will increase capacity, allowing for the introduction of new services and state of the art facilities.
2. **Geographic Expansion:** Medcorp plans to explore and to enter new markets/ strategic relationships by establishing satellite campuses and telemedical services in underserved regions, locally and Caribbean-wide, with consideration for medical tourism opportunities. While Medcorp's primary focus is on organic growth, should viable acquisition opportunities arise that align with its strategic objectives and value-creation criteria, the Company will evaluate them on their merits. This expansion will not only increase Medcorp's patient base but also fulfill its goal of providing quality healthcare to a broader population.

3. **Service Diversification:** Medcorp aims to further diversify its service offerings by enhancing its infrastructure to support specialized medical care. These additions will attract a wider range of patients and enhance the Company's reputation as a comprehensive tertiary healthcare provider.
4. **Technological Innovation:** Continued investment in cutting-edge technology will remain a priority. Medcorp plans to integrate advanced technologies not only in its administration systems but also in the delivery of healthcare services. The Company plans to explore the strategic implementation of artificial intelligence and machine learning to enhance overall patient care.

By executing these strategic initiatives, Medcorp aims to strengthen its market position, enhance patient care, and drive long-term value for its stakeholders.

### Corporate Social Responsibility

As Medcorp grows, it remains committed to corporate social responsibility. The Company will continue to support community health initiatives. Medcorp's focus on sustainable growth under effective governance ensures that it contributes positively to society while achieving its business objectives.

### Conclusion

The past four years have been a period of significant transformation and innovation for the Company, catalyzed by the challenges and opportunities presented during the Covid-19 pandemic. Through strategic initiatives and relationships, technological advancements, and an unwavering commitment to quality care, Medcorp has strengthened its position in the hospital healthcare service sector. As Medcorp looks to the future, it is confident that its expansion plans, dedication to innovation and patient-centric approach will drive sustained growth and value creation. Medcorp remains steadfast in its mission to be the premier provider of exceptional tertiary healthcare services in its community and the Caribbean.

With a solid foundation built on resilience, innovation and a track record of excellence, Medcorp is well-positioned to capitalize on emerging healthcare trends, meet evolving patient needs, and deliver long-term value to its shareholders as it embarks on this exciting new chapter in the Company's history.

### 8. RELATED-PARTY TRANSACTIONS

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As mentioned above, Medcorp operates its health care facilities from three campuses located at:

1. Elizabeth Street, St. Clair (St. Clair Medical Centre)
2. Fitzblackman Drive, Woodbrook (Goodhealth Medical Centre and The Brian Lara Cancer Treatment Centre)
3. Pembroke Street, Port of Spain (Doctors Radiology Centre)

Further, it offers living quarters to certain non-national nursing staff at a house located in St. James.

As indicated under the heading '*Properties*' in Section 3.3, Medcorp has entered into an

occupancy agreement with the Related Party for Medcorp's occupation of these properties. Under the terms of this occupancy agreement, Medcorp services certain lending facilities made available to the Related Party and pays all costs related to the occupancy of the properties, including utilities, insurance, and maintenance.

As of the date of this Prospectus, the monthly loan instalments paid by Medcorp pursuant to the occupancy agreement total TT\$1,087,866.00. The current term of the occupancy agreement extends until August 2035, aligning with the end of the last loan facility related to the agreement.

### 9. LEGAL PROCEEDINGS

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As at the date of the Prospectus, Medcorp is not involved in any litigation or other legal or regulatory proceedings, the outcome of which would individually or in the aggregate have a material adverse effect on Medcorp and its business.

### 10. DIRECTORS' REPORT

We confirm that to the best of our knowledge and belief, after due inquiry by us, that in the period following the last audited Financial Statements, 31<sup>st</sup> December 2024, to the date of this Prospectus, 22<sup>nd</sup> May 2025:

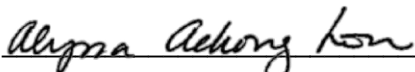
- The business of the Company has, in our opinion, been satisfactorily maintained;
- There have not been, in our opinion, any circumstances arising which have adversely affected the trading or the value of the assets of the Company;
- The current assets of the Company appear in the books at values which are believed to be realizable in the ordinary course of business;
- There are no contingent liabilities, which have arisen by reason of guarantees or indemnities given by the Company; and
- There have been no significant changes affecting the financial position of the Company.



Dr. Kongshiek Achong Low  
(Executive Chairman)



Dr. Dinesh Mor  
(Director)



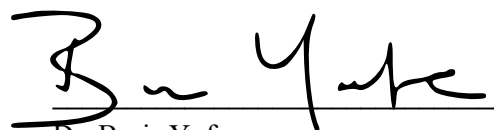
Ms. Alyssa Achong Low  
(Director)



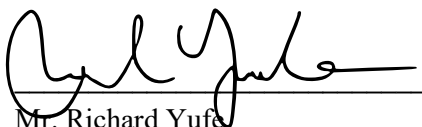
Mr. Gerrard A. Lee-Inniss  
(Director)



Mr. John Tang Nian  
(Director)



Dr. Boris Yufe  
(Director)



Mr. Richard Yufe  
(Director)

22<sup>nd</sup> May 2025



### 11.1 DOCUMENTS AVAILABLE FOR INSPECTION

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The following documents in relation to the Company are available for inspection between 9am and 4pm from 27<sup>th</sup> May 2025 to 13<sup>th</sup> June 2025, at the offices of Republic Wealth Management Limited at 8 Rapsey Street, Ellerslie Plaza, Maraval, Trinidad or at the Company:

- Certificate of Amalgamation, the Articles of Amalgamation and the By-Laws.
- Audited Financial Statements to 31<sup>st</sup> December 2021, 31<sup>st</sup> December 2022, 31<sup>st</sup> December 2023
- and 31<sup>st</sup> December 2024 and related Auditor's Reports.
- Letters of Consent for inclusion of Auditor's Reports by BDO.
- Receipt for the Prospectus from the TTSEC.
- The Registrar Services Agreement made between the Company and the Trinidad and Tobago Central Depository Limited.

### 11.2 STATEMENT OF RIGHTS

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Section 139 (1) of the Securities Act, 2012, provides that a purchaser of a security distributed under a prospectus has a right of action for damages against each of the persons set out in this section for any loss or damage sustained by him by reason of any misrepresentation in the Prospectus.

Section 140 (1) of the Securities Act, 2012, provides purchasers with the right to withdraw

from an agreement to purchase securities. The securities legislation further provides a purchaser with remedies for rescission and damages if the Prospectus or any amendment contains a misrepresentation.

The purchaser should refer to the Securities Act, 2012 as amended and the By-Laws thereunder, for the particulars of these rights or consult with a legal adviser.

### 11.3 CERTIFICATION

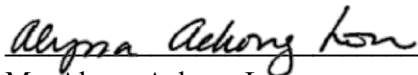
The foregoing constitutes full, true and plain disclosure of all material facts relating to the Company and the securities distributed by this Prospectus as required by the Securities Act, 2012, as amended and the By-laws thereunder.



Dr. Kongshiek Achong Low  
(Executive Chairman)



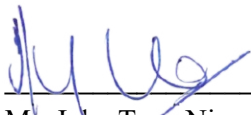
Dr. Dinesh Mor  
(Director)



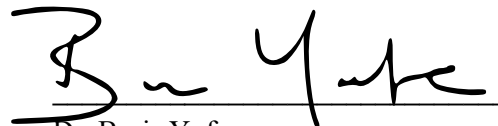
Ms. Alyssa Achong Low  
(Director)



Mr. Gerrard A. Lee-Inniss  
(Director)



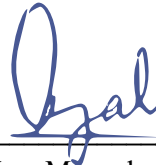
Mr. John Tang Nian  
(Director)



Dr. Boris Yufe  
(Director)



Mr. Richard Yufe  
(Director)



Ms Vera Mangal  
(Chief Accountant)

### 11.4 CONSENT LETTER BY AUDITORS



Tel: +1 (868) 625 8662  
Fax: +1 (868) 627 6515  
www.bdo.tt

BDO Trinity Limited  
2<sup>nd</sup> Floor CIC Building  
122-124 Frederick Street  
Port of Spain, 100825  
Trinidad and Tobago

May 6, 2025

The Directors  
Medcorp Limited  
18 Elizabeth Street  
St Clair

Dear Sirs.

**Re: Consent Letter**

We consent to being named in and authorise the use of the following reports in the Prospectus to be filed by Medcorp Limited (the 'Issuer') with the Trinidad and Tobago Securities and Exchange Commission:

- Audit report as at 31 December, 2021, and the financial statement to which it relates;
- Audit report as at 31 December, 2022, and the financial statement to which it relates;
- Audit report as at 31 December, 2023, and the financial statement to which it relates;
- Audit report as at 31 December, 2024, and the financial statement to which it relates.

We have read the prospectus and have no reason to believe there are any misrepresentations in it that:

- (i) may be derived from the financial statements for the Issuer which we have reported on: or
- (ii) are within our knowledge as a result of our audit of the financial statements of the Issuer.

We also confirm that we have no interest in the Issuer and are independent of the Issuer in all respects.

Yours sincerely,

A stylized, handwritten-style signature of 'BDO' in blue ink.

BDO Trinity Limited, a Trinidad and Tobago company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

### 11.5 SUBSCRIPTION OF INFORMATION

#### Application for Shares

Application to purchase shares under the public offer must be made on the application form, the form which is included in Exhibit I of this Prospectus (the "Application Form"). Copies of the Prospectus and Application Forms are available from Republic Wealth Management Limited ('RWML') or from any of the other authorized stockbrokers listed below:

##### BROKER

Republic Wealth Management Limited

##### CONTACT INFORMATION

8 Rapsey Street, Ellerslie Plaza  
Maraval, Trinidad  
Tel: (868) 625 4411  
Email: [rwmlinfo@rfl.com](mailto:rwmlinfo@rfl.com)  
Website: <https://republicwealthmanagement.com>

Bourse Brokers Limited

24 Mulchan Seuchan Road  
Chaguanas, Trinidad  
Tel: (868) 226 8773  
Email: [info@boursefinanciale.com](mailto:info@boursefinanciale.com)  
Website: [www.bourseinvestment.com](http://www.bourseinvestment.com)

First Citizens Brokerage &  
Advisory Services Limited

17 Wainwright Street  
St. Clair, Trinidad  
Tel: (868) 622 3247  
Email: [brokerage@firstcitizenstt.com](mailto:brokerage@firstcitizenstt.com)  
Website: [www.firstcitizensgroup.com/tt/brokerage-and-advisory-services](http://www.firstcitizensgroup.com/tt/brokerage-and-advisory-services)

JMMB Securities (T&T) Limited

169 Tragarete Road  
Port of Spain, Trinidad  
Tel: (868) 224 5662  
Email: [infott@jmbb.com](mailto:infott@jmbb.com)  
Website: [www.jmbbtt.com/investhome](http://www.jmbbtt.com/investhome)

West Indies Stockbrokers Limited

St. Clair Place  
7-9 St. Clair Avenue  
St. Clair, Trinidad  
Tel: (868) 628 9473  
Email: [wiseinfo@wisett.com](mailto:wiseinfo@wisett.com)  
Website: [www.wiseequities.com](http://www.wiseequities.com)

Sheppard Stockbrokers Limited

5-7 Sweet Briar Road  
St. Clair, Trinidad  
Tel: (868) 222 5192  
Email: [ssbinfo@sheppard.tt](mailto:ssbinfo@sheppard.tt)  
Website: [www.sheppard.tt](http://www.sheppard.tt)

## 11. SUPPLEMENTAL INFORMATION

### BROKER

Caribbean Stockbrokers Limited

### CONTACT INFORMATION

29 Chacon Street  
Port of Spain, Trinidad  
Email: [cslbroker@caribstockbrokers.com](mailto:cslbroker@caribstockbrokers.com)

NCB Merchant Bank (Trinidad & Tobago)  
Limited

6<sup>th</sup> Floor, Newtown Centre  
30-36 Maraval Road, Newtown  
Port of Spain, Trinidad  
Tel: (868) 622 4234  
Email: [ncbgfsales@jncb.com](mailto:ncbgfsales@jncb.com)  
Website: [www.ncbmerchantbanktt.com](http://www.ncbmerchantbanktt.com)

Each Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of \$48.00 per Ordinary Share with RWML or any other authorized stockbroker. A valid account with the Trinidad and Tobago Central Depository ("TTCD") is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account apply through their broker. Persons with a TTCD account with RWML can apply at the offices of RWML. Persons without a TTCD account can visit RWML or any of the authorized stockbrokers to open a TTCD account and submit their application.

A separate remittance must accompany each Application Form and any Application Form which does not comply with the requirements set out in that form may be refused. Cheques must be made payable to RWML MEDCORP IPO for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant. Applications will be irrevocable, subject to any law or regulation or other enactment having the force of law in Trinidad and Tobago, at any time during the continuance of the Offer.

RWML, as agent of the Company, reserves the full and unconditional right to accept or reject any application or to accept any application in part only. If any application is not accepted or is accepted for less shares than those applied for, the remittance of the Invitation Price or the excess amount, as the case may be, will be returned on the date for refunds as set out at Section 2.1 by electronic funds transfer Automated Clearing House (ACH) at the risk of the applicant.

If the Offer is oversubscribed and an applicant is a primary party to more than one application, whether individually or jointly, whether submitted directly by the applicant or through a custodian acting on his /her behalf, then after the first to which he/she is the primary party has been fully processed, all other applications will be rejected.

Ownership of the Ordinary Shares will be in uncertificated form and the record of title of ownership will be maintained in electronic form by the Company in the TTCD. Therefore, it is not the intention to issue share certificates to shareholders.

### INVITATION TO SUBSCRIBE FOR THE INVITATION SHARES

This Invitation is made on the basis that the Investor subscribes for Ordinary Shares in the Company at the Invitation Price and for the number of shares indicated on their Application Form (or any smaller number in respect of which their application is accepted) in the Company on the Terms and Conditions of the Application Form.

Once the Investor expresses interest in the subscription (by way of the Application Form), it will be on the basis that his/her/its application cannot be revoked and that the cheque or draft accompanying his/her/its application will be honored on first presentation.

If an Application Form is not completed correctly, or if the accompanying Manager's Cheque, personal cheque or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, it is the Company's decision as to whether to treat such an application as valid, and how to construe, amend or complete it shall be final. The Investor will not, however, be treated as having offered to subscribe for more shares in the Company than is indicated on its application for shares.

### ACCEPTANCE OF SUBSCRIPTION FOR SHARES

The Company may accept a subscription application (if such application is received, valid, processed and not rejected) or notify the Trinidad and Tobago Stock Exchange ("TTSE") of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the

number of shares in the Company in a subscription application may be scaled down. If the Company accepts a subscription application (in whole or in part), there will be a binding contract under which the Investor will be required to subscribe for the shares in respect of which his/her/its application has been accepted.

### PAYMENT FOR THE SHARES

This Invitation is made on the basis that each Investor will undertake to pay the Invitation Price in respect of which their subscription application is accepted. The Manager's Cheque or personal cheque accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of \$500,000.00 subject to appropriate anti-money laundering disclosures. The proceeds of this presentation will be held pending acceptance and if an application is accepted, will be applied in discharging the consideration which is due upon

acceptance. Following full payment of the Invitation Price, the Company will arrange for the shares which the Investor has agreed to purchase to be issued in favour of such Investor and such shares recorded in the Investor's depository account with the Trinidad and Tobago Central Depository.

If an application is invalid, is rejected or is not accepted in full, any proceeds of the Manager's Cheque, personal cheque or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the Investor without interest.

### ALLOCATIONS

If an application is successful in whole or in part, the Investor will be sent notification in writing to the address noted on the quoted TTCD account of the number of shares allocated to them. In the event of excess demand, the Investor may be allocated fewer shares than applied for, or in some cases, none. If an application is not accepted, all monies paid on application will be returned (without interest). If an application is accepted in part, the Investor will receive (without interest) a refund of the balance of the monies paid on application.

The application for purchase might be rejected by the Company, acting in good faith, for the reasons including but not limited to the following:

- If the application for purchase is incomplete;
- If it is discovered that the Investor is the primary party to more than one application, whether

through an application submitted directly by the Investor or through a custodian acting on the Investor's behalf;

- If the Investor's identity is fictitious and not supported by valid identification; and
- If the application for purchase, as presented, contravenes any existing law or statute.

Under no circumstances will more than 350,000 Ordinary Shares be offered in total.

The right is reserved to present for payment all Manager's Cheques or personal cheques received but this will be avoided where practicable in respect of applications for which it is not expected to make an allocation. All cheques must be honored on first presentation.

### NOTIFICATION OF ALLOCATIONS

It is expected that the Application Forms will be processed and successful applicants for the Offer will be notified in writing of their allocations not

later than ten (10) Business Days following the Closing Date, together with any refund of monies received, as appropriate.

### NO MULTIPLE APPLICATIONS

Multiple applications and suspected multiple applications may be rejected at the discretion of the Company.

Any application where the applicant is the primary party to more than one application, whether individually or jointly, whether submitted directly by the applicant or through a custodian acting on his / her behalf is a multiple application.

### WARRANTIES

Each Investor is required to warrant in the application for purchase that:

- Where the Investor is an individual, that he or she is not under 18 years of age on the date of application.
  - In making the application, the Investor is relying only on the Prospectus, subject to independent advice, and not on any other information or representation outside of the Prospectus concerning the shares or the Offer. The Investor shall also agree in the application for purchase that no person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.
  - If the laws of any place outside the Trinidad and Tobago are applicable to an application, the Investor has complied with all such laws and neither the Company nor its agents will infringe any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase or any actions arising from the Company's rights and obligations under these Terms and Conditions of Application, and the Articles and By-Laws of the Company.
  - If the person signing the Application Form is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney, a copy of which accompanies the application for purchase.
- The declarations on the Application Form are true and correct. If they are not, the Investor may be making a multiple application. Any final allocation notice or returned application monies relating to a person suspected of making a multiple application may be held (in case of money, without interest) pending investigation.

The rights and remedies of the Company under the terms and conditions of application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.

Details uploaded to the TTCD accounts, electronic funds transfers made and/or all documents sent will be at the Investor's risk. The information provided by the Investor in its application for purchase will be used for all future correspondence (written or electronic).

The Investor will agree to be bound by the Articles and By-Laws of the Company once the shares they have agreed to purchase have been transferred to them.

An application by the Investor, any acceptance of that application and the contract resulting therefrom, will be governed by and construed in accordance with the Laws of Trinidad and Tobago.

### TAXATION

Shareholders are advised to seek independent professional advice concerning their individual circumstances and any potential liability to taxation

that may arise in relation to their holding of the Ordinary Shares.

### EXPENSES AND COMMISSIONS

The Brokers and Advisors to the Company have been appointed on the direction of the Company. Expenses and Commissions of the Offer are to be

borne by the Company and paid out of the sale proceeds.

# 12. EXHIBIT

## PURCHASE APPLICATION FORM OFFER FOR SALE BY MEDCORP LIMITED (MEDCORP) OF 350,000 Ordinary Shares in MEDCORP LIMITED at a price of TT\$48.00 per share (TO BE COMPLETED IN BLOCK LETTERS)

BROKER NAME

TTCD DEPEND  
ACCOUNT NUMBER

JOINTLY HELD (Y/N)

☐

TO BE COMPLETED BY COMPANY / NOMINEE/ INSTITUTION APPLICANT (Note: Beneficial ownership information required for nominee accounts)

COMPANY/INSTITUTION OR  
NOMINEE AND RELATED COMPANY:

DATE OF INCORPORATION:

REGISTRATION NUMBER:

TO BE COMPLETED BY INDIVIDUAL APPLICANTS/ UNDERLYING NOMINEE HOLDER

PRIMARY ACCOUNT HOLDER# 1

FIRST NAME

MIDDLE NAME

LAST NAME

DATE OF BIRTH:

ID TYPE:

CONTACT INFORMATION:

TELEPHONE#

E-MAIL ADDRESS:

JOINT ACCOUNT HOLDER# 1

FIRST NAME

MIDDLE NAME

LASTNAME

ID TYPE:

TELEPHONE#

E-MAIL ADDRESS:

JOINT ACCOUNT HOLDER# 2

FIRST NAME

MIDDLE NAME

LAST NAME

ID TYPE:

TELEPHONE#

E-MAIL ADDRESS:

JOINT ACCOUNT HOLDER# 3

FIRST NAME

MIDDLE NAME

LAST NAME

ID TYPE:

TELEPHONE#

E-MAIL ADDRESS:

APPLICATION DETAILS

INVESTOR TYPE:

(Insert the number as outlined in part (I) in the Terms & Conditions on the reverse of this page)

NUMBER OF SHARES:

1

CONSIDERATION:

TTS

CHEQUE#

Cheques must be made payable to "RWML MEDCORP IPO" for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant.

REMITTANCE DETAILS (will be used for refunds where applicable)

NOTE: CURRENCY OF THE ACCOUNT FOR REMITTANCE MUST BE IN TT DOLLARS

NAME ON ACCOUNT:

BANK:

ACCOUNT NUMBER:

BRANCH:

ACCOUNT TYPE:

CHEQUING/ CURRENT

☐

SAVINGS

☐

Disclaimer: The Lead Stockbroker will not be held responsible for incorrect/incomplete/invalid banking instructions submitted.

I/We agree: (1) that the information stated above is true and correct and (2) to the terms & conditions on the reverse of this page.

I/We declare that I/We are not under 18 years of age on the date of application.

I/We declare that I/We have read the Prospectus and will not rely on any other information or representation outside the Prospectus. No person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.

Applicants should retain a copy of the Prospectus and of the Purchase Application Form for your records.

SIGNATURES/AUTHORIZATION- COMPANY/NOMINEE/INSTITUTION APPLICANT

DIRECTOR

SECRETARY

COMPANY STAMP

SIGNATORY

DATE & TIME

SIGNATURES/AUTHORIZATION - INDIVIDUAL APPLICANTS

PRIMARY ACCOUNT HOLDER # 1

JOINT ACCOUNT HOLDER # 1

DATE AND TIME

JOINT ACCOUNT HOLDER # 2

JOINT ACCOUNT HOLDER # 3

OFFER CLOSES ON 13<sup>th</sup> June, 2025 AT 4:00 PM

BROKER/ DISTRIBUTOR SIGNATURE

DATE & TIME

BROKER / DISTRIBUTOR STAMP

## PURCHASE APPLICATION FORM (Continued)

### TERMS AND CONDITIONS

- a. I/We agree that this application made by way of submitting a Purchase Application Form shall not be binding on me/us if I/We provide written notice to the Lead Stockbroker or any authorized stockbroker, within two business days after submission of this application that I/We intend to withdraw my/our application. This written notice should be addressed and delivered to the Lead Stockbroker or any authorised stockbroker.
- b. I/We apply for the Invitation Shares as indicated in this form (or such lesser number of Invitation Shares as may be allotted to me/us) on the terms and conditions of the Prospectus. If the Invitation Shares are allotted to me/us, I/We hereby instruct the Authorized Stockbroker to proceed with any necessary actions in order to establish a valid account, as provided overleaf, with the Trinidad and Tobago Central Depository to receive the allotted Securities.
- c. Multiple applications and suspected multiple applications may be rejected at the full and absolute discretion of Medcorp. Applications will be deemed to be considered multiple applications:
  - (i) if the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/ her behalf; or
  - (ii) if the Investor is also a shareholder in a non-public company, where the company is also an Investor.
 In the case of multiple applications, the first application, in date and in time, for the Investor which has been fully processed, may be accepted and all other multiple applications may be rejected at the full and absolute discretion of Medcorp.
- d. I/We acknowledge that providing false or multiple applications may result in rejected applications, and any related funds (without interest) may be held pending investigation.
- e. Subject to (a) above, I/We undertake to buy the said number of Invitation Shares set out in the front of this application and shall not revoke this application.
- f. If the Investor is a company, I/We attach or agree to provide a list of persons authorized to sign on behalf of the Investor.
- g. If the Investor is a non-public company, I/We agree to submit the most recent annual return.
- h. If the Investor is a company, other than registered insurance companies, licensed financial institutions, and companies listed on regulatory exchanges, I/We attach or agree to provide a list of registered shareholders as at the application date along with their respective date of birth or date of incorporation.
- i. If the Investor is considered a nominee account, a copy of the trust deed is required along with beneficial ownership information.
- j. I/We certify that this application is the only application for the Invitation Shares under the Offer submitted by me/us; and no application for Invitation Shares under the Offer is being submitted by a custodian on my/our behalf.
- k. If the person signing this Application Form is not the applicant, that person warrants that they have the authority to act on behalf of the applicant, and such authority is documented (e.g., via power of attorney), with a copy provided alongside the application.
- l. If I am/We are completing this application as a custodian, I/We certify that:
  - (i) I/We hold the Invitation Shares directly or indirectly as a custodian for beneficial owners;
  - (ii) The beneficial owners for which I am/We are holding those Invitation Shares as custodian is set out in the front of this application;
  - (iii) The beneficial owner on whose behalf I am/We are submitting this application is named on the front of this form and that the beneficial owner has instructed me/us to apply for and accept, under this Offer, the number of shares set out on the front of this application; and
  - (iv) The beneficial owner on whose behalf I am/We are submitting this application is not making an application on his/its own as an eligible investor.
- m. I/We certify that all supporting documents (source of funds, etc.) submitted with this application are true and correct.
- n. I/We understand that the trading value of the Invitation Shares is not guaranteed as they can fluctuate.
- o. If the Offer is oversubscribed, the Invitation Shares will be allocated among successful Investors on a proportionate basis.
- p. I/We acknowledge that any details uploaded to Trinidad and Tobago Central Depository accounts, funds transferred electronically, or documents sent, are at my/our risk. The information provided will be used for future correspondence.
- q. Applications may be rejected at the full and absolute discretion of Medcorp for the reasons including, but not limited to the following:
  - (i) If the application for purchase is incomplete;
  - (ii) If it is discovered that the Investor has submitted multiple applications, such that the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/her/its behalf; or the Investor is also a shareholder in a non-public company, where the company is also an Investor;
  - (iii) If the Investor's identity is fictitious and not supported by valid identification;
  - (iv) If the Investor is not classified into one of the approved categories of investors; and
  - (v) If the application for purchase, as presented, contravenes any existing law or statute.
- r. I/We agree that my/our application, its acceptance, and any resulting contract will be governed and construed in accordance with the laws of Trinidad and Tobago.
- s. I/We confirm that in making this application, I am /we are relying solely on the information provided in the Prospectus, subject to independent advice.
- t. I/We confirm that if this application is subject to the laws of any jurisdiction outside Trinidad and Tobago, I/We have complied with all applicable laws in that jurisdiction.
- u. I/We agree to be bound by Medcorp's Articles and By-Laws once the shares have been issued to me/us.

### NOTES

1. A company may execute this application either under its common seal or under the hand of a duly authorized officer, who should state his capacity, and supply a list of authorized signatories. It should insert its registered or head office address.
2. If this form is signed under power of attorney, a duly certified copy thereof, must accompany this form.
3. No certificates for registered holdings will be issued. Quarterly statements will be sent by post to the Investor's address provided that there is activity on the Trinidad and Tobago Central Depository account during the quarter. If there is no activity, a statement will be sent out annually, beginning December 31, 2025.
4. When this Purchase Application Form is duly completed, it must be delivered to the Lead Stockbroker:
 

**Republic Wealth Management Limited,**  
**8 Rapsey Street,**  
**Ellerslie Plaza Maraval**  
**Tel: (868) 625-3617**  
**Website: [www.republicwealthmanagement.com](http://www.republicwealthmanagement.com)**  
**Email: [rwmlinfo@rhl.com](mailto:rwmlinfo@rhl.com)**
5. A copy of the Prospectus can be obtained at Republic Wealth Management Limited, other stockbrokers, [www.republicwealthmanagement.com](http://www.republicwealthmanagement.com)

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**MEDCORP LIMITED**