

**IMAGE
PLUS**
CONSULTANTS LTD.



IMAGE PLUS CONSULTANTS LIMITED
UNAUDITED INTERIM FINANCIAL STATEMENTS
SECOND QUARTER ENDED AUGUST 31, 2023

**OCTOBER IS
BREAST
CANCER**
AWARENESS MONTH

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Contents

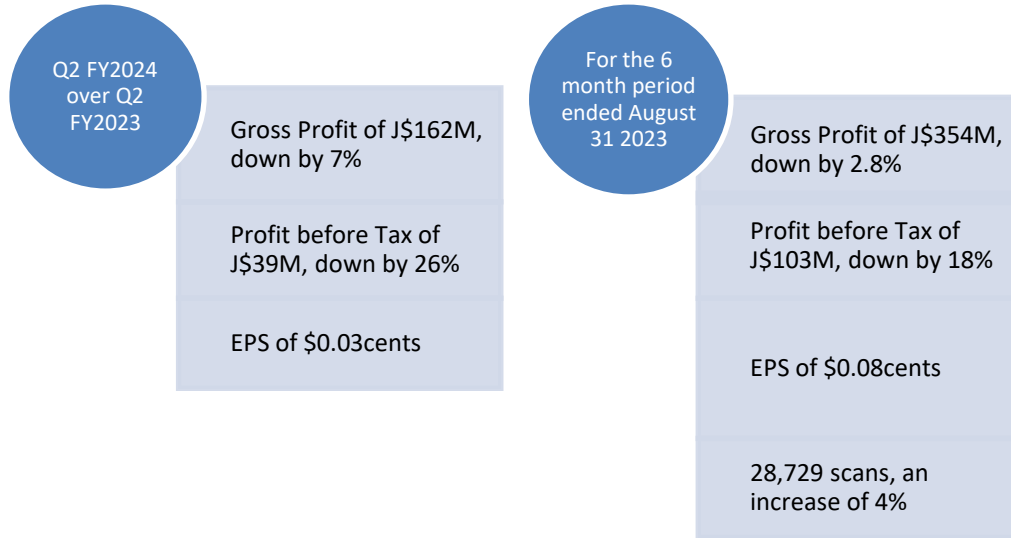
	Page
Directors' Report	3-5
<u>Financial Statements</u>	
Unaudited statement of financial position	6
Unaudited statement of profit or loss and other comprehensive income	7
Unaudited statement of changes in equity	8
Unaudited statement of cash flows	9
Notes to the unaudited interim financial statements	10-11
Top 10 Shareholders, Shareholdings of Directors and Senior Officers	12-13



Directors' Report

The Board of Directors of Image Plus Consultants Limited (the Company) is pleased to present the Company's unaudited financial statements for the second quarter ended August 31, 2023. The statements were prepared in accordance with International Financial Reporting Standards (IFRS).

The financial highlights are as follows:



Revenues & Expenses

Revenues for the six months to August 2023 was flat at \$554M when compared to the similar period in 2022. For the second quarter, revenues declined by 26% to \$39M when compared to second quarter in the prior year. The performance was impacted by the following factors;

1. Scan volumes for the six-months period to August 31, 2023 was 28,729 cases when compared to 27,707 cases for the same period in prior year, representing growth of 4%.
2. Growth was recorded in the modalities of x-ray and fluoroscopy cases. The Company is pleased to report that Mammography scans at the Ocho Rios and Molyne's Road locations started in the month of August 2023 with the installation of the new mammography machines; 229 mammogram cases were completed between installation and the end of Q2.
3. During the second quarter of FY2024, there was a reduction in the CT modality case count (which accounts for a higher per patient revenue compared to other modalities) due to machine downtime with the units at 129Pro and Winchester locations. Machine downtime is a part of the reality for the imaging industry and we continue to proactively manage this issue by ensuring timely servicing of all imaging machines. The CT machine at the Winchester location was brought back into service relatively quickly, however the CT at the 129Pro location was out of service for an extended period due to the nature of the problem. To compensate for machine downtime of the CT at our 129Pro location, our operating hours at the Winchester location were extended to re-direct some of the demand of our referring physicians and reduce the impact on scan count and revenues. Again, this highlights the benefit of having multiple modalities at all our locations. In the case of the 129Pro unit, technical experts from the manufacturer, General Electric (GE), were engaged and with their guidance and ensuing multiple part replacements, the unit has been tested for functionality, requiring only one final part to return to normal operations. That part is en route to Jamaica.



Looking ahead, we anticipate continued growth in our scan count across all modalities and improved revenue performance in keeping with our first quarter trajectory. Mammograms are being offered on a daily basis at both our Ocho Rios and Molyne's Road branches. The response has been very encouraging and we anticipate significant case-count performance from this new modality, especially with breast cancer screening awareness promotions planned for October 2023.

With the composite flat revenue and direct costs increasing by 5%, the gross profit margin declined to 63.8% vs 65.6% recorded in the prior year. The administrative expense margin for the six months to August 2023 stood at 47.2% vs 36.7% over the prior period. The growth in administrative expenses was due largely to:

- 25% increase in depreciation due to acquisition of imaging equipment and increase in right of use of asset associated with leases for our locations,
- 155% increase in professional fees associated with being a listed entity
- 26% increase in salaries and related expenses resulting from increased staff count, inflationary adjustments for the year, overtime and other expenses.

It is important to note that these expense increases are in keeping with continued business growth through the offering of new modalities. To proactively manage our performance, expense savings were registered in costs associated with advertising, repairs and maintenance, office supplies and utilities. For the second half of the year management is laser-focused on ensuring improved revenue performance and cost containment to compensate for the fall off in Q2 profitability. Our profitability ratios remain one of the key performance indicators for both management and the board.

At J\$39M the Net Profit for Q2 FY2024 and the six month YTD Net profit of J\$103M reflects a reduction of \$13.4M and J\$22.1M respectively over the prior periods, due to the aforementioned factors.

Balance Sheet

At the end of the first six months of FY2024, assets stood at J\$1.24B when compared to J\$619.4M for the corresponding period in the prior year. This growth was due primarily to increases in;

1. Property, plant and equipment as a result of acquisition of new imaging equipment and outfitting of our Ocho Rios location,
2. Right of Use Asset associated with the lease of our Ocho Rios location
3. Trade and other receivables.
 - a. Trade receivables stand at J\$235.7M as a result of continued growth in patient scan volumes. The majority of the trade receivables balance is from one large payor who continues to settle on a consistent basis and from whom we have both written commitments and detailed payment timelines to consistently reduce their outstanding amount. This amount has since been reduced in Q3 to date and is believed to be fully collectible based on the historical experience with the payor.
 - b. Other receivables include J\$373M for deposits on imaging equipment and land purchased to develop our new location.


Total Liabilities grew by \$14.3M during the six months to August 2023 due to borrowings used to finance acquisition of equipment and an increase in lease liability associated with our Right-of-Use asset. These increases were partially offset by a reduction in trade payables and income tax payable during the period.



Total equity for the six months to August 2023 grew by J\$604.7M to J\$966.4M. This was due to the increase in our share capital of \$465M from the IPO and a growth of J\$139.9M in retained earnings.

Outlook for New Financial Year

The purchase of land for our soon-to-be flagship location is in its final stages and the transaction is estimated to close in Q3 FY 2024. Regarding the new modalities, mammography services have been launched, and though delayed by a month our MRI unit has been shipped from the manufacturer and is anticipated to be in place and operational by Q4 of the financial year. We use this opportunity to thank every member of the team for their efforts and as always to acknowledge, with gratitude, the ongoing trust and confidence placed in us by our referring physicians, their patients and our shareholders.



Dr. Karlene McDonnough
Director



Dr. Jacqueline Leckie
Director

10th October 2023

Image Plus Consultants Limited

Unaudited statement of financial position

August 31, 2023

	Unaudited August 31, 2023 \$	Unaudited August 31, 2022 \$	Audited February 28, 2023 \$
Assets			
Non-current assets			
Property, plant and equipment	414,992,637	276,997,790	318,767,478
Right-of-use asset	34,644,821	4,600,955	2,875,597
Other investments	18,463,526	13,045,836	19,989,671
Deferred tax asset	7,175,308	-	5,822,008
	475,276,292	294,644,581	347,454,754
Current assets			
Due from related party	21,978,869	20,033,770	19,655,616
Trade and other receivables	630,808,045	247,502,211	298,417,462
Financial investments	-	33,469,720	435,016,560
Cash and cash equivalents	110,237,678	23,721,779	57,459,994
	763,024,592	324,727,480	810,549,632
Total assets	1,238,300,884	619,372,061	1,158,004,386
Equity			
Share capital	465,765,789	1,027,000	465,765,789
Fair value reserve	4,334,664	4,334,664	4,334,664
Retained earnings	496,319,835	356,388,994	467,915,590
Total equity	966,420,288	361,750,658	938,016,043
Liabilities			
Non-current liabilities			
Borrowings	130,421,190	126,774,815	74,613,190
Lease liability	24,795,671	1,340,877	-
Deferred tax liability	-	5,983,820	-
	155,216,861	134,099,512	74,613,190
Current liabilities			
Trade and other payables	69,423,548	75,017,282	66,068,564
Current portion of borrowings	26,274,748	-	35,347,148
Current portion of lease liability	11,155,643	3,846,109	3,297,593
Income tax payable	9,809,796	44,658,500	40,661,848
Total current liabilities	116,663,735	123,521,891	145,375,153
Total liabilities	271,880,596	257,621,403	219,988,343
Total equity and liabilities	1,238,300,884	619,372,061	1,158,004,386

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

Approved for issue by the Directors on 10th October 2023, and signed on its behalf by:



Dr. Karlene McDonnough Chairman



Dr. Jacqueline Leckie Director

Image Plus Consultants Limited

Unaudited statement of profit or loss and other comprehensive income

Second quarter ended August 31, 2023

	Three months ended August 31, 2023 \$	Three months Ended August 31, 2022 \$	Six months August 31, 2023 \$	Six months August 31, 2022 \$
Revenue	253,960,907	273,729,946	554,144,786	554,822,074
Costs of sales	(92,041,185)	(98,953,494)	(200,447,009)	(190,883,715)
Gross profit	161,919,722	174,776,452	353,697,777	363,938,359
Administrative expenses	(114,242,646)	(94,320,911)	(231,649,996)	(184,344,365)
Net movement on impairment provision	-	(87,000)	-	(71,500)
Depreciation	(12,445,724)	(10,225,784)	(23,886,030)	(19,100,490)
Amortisation	(3,046,348)	-	(6,014,967)	-
Other expense	(135,437)	-	(181,401)	-
Operating profit	32,049,567	70,142,757	91,965,383	160,422,004
Other income	3,000	368,500	15,500	368,500
Foreign exchange gain/(loss)	1,835,620	(255,382)	2,863,235	(216,178)
Interest income	7,750,352	206,105	12,625,465	1,313,860
Interest expense	(2,981,405)	(6,534,341)	(4,698,357)	(9,104,093)
Profit before tax	38,657,134	63,927,639	102,771,226	152,784,093
Income tax expense	-	(11,876,521)	-	(27,876,548)
Profit for the period/year being total comprehensive income for the period/year	38,657,134	52,051,118	102,771,226	124,907,545
Earnings per share	0.03	0.05	0.08	0.12

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

Image Plus Consultants Limited

Unaudited statement of changes in equity

Second quarter ended August 31, 2023

	Share capital \$	Fair value reserve \$	Accumulated surplus \$	Total \$
Balance at February 28, 2022 - Audited	1,027,000	4,334,664	261,481,449	266,843,113
Dividend for the year	-	-	(30,000,000)	(30,000,000)
Profit for the six months ended August 31, 2022	-	-	124,907,545	124,907,545
Balance at August 31, 2022	1,027,000	4,334,664	356,388,994	361,750,658
Balance at February 28, 2023 - Audited	465,765,789	4,334,664	467,915,590	938,016,043
Dividend for the year	-	-	(74,366,981)	(74,366,981)
Profit for the six months ended August 31, 2023	-	-	102,771,226	102,771,226
Balance at August 31, 2023 – Unaudited	465,765,789	4,334,664	496,319,835	966,420,288

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

Image Plus Consultants Limited

Unaudited statement of cash flows

Second quarter ended August 31, 2023

	Unaudited Six months ended August 31, 2023 \$	Unaudited Six months ended August 31, 2022 \$	Audited Year ended February 28, 2023 \$
Cash flows from operating activities:			
Profit before tax	102,771,226	152,784,093	251,983,396
Adjustments for:			
Interest expense	3,398,137	8,893,907	6,454,967
Interest expense on lease liabilities	1,300,220	210,185	360,792
Interest income	(12,625,465)	(1,313,860)	(84,500)
Depreciation	23,886,030	19,100,490	39,782,789
Amortisation	6,014,967	-	3,450,716
	124,745,115	179,674,815	301,948,160
Increase in receivables	(332,390,583)	(108,485,137)	(159,400,387)
(Increase)/decrease in due from related parties	(2,323,253)	(528,501)	(150,347)
Increase/(Decrease) in payables and accruals	3,354,984	(31,182,804)	(10,131,522)
Cash (used in)/generated from operations	(206,613,737)	39,478,373	132,265,904
Income tax paid	(30,852,052)	(8,362,973)	(11,627,976)
Interest paid	(3,398,137)	(8,893,907)	(6,454,967)
Net cash (used in)/provided by operations	(240,863,926)	22,221,493	114,182,961
Cash flow from investing activities			
Interest received	12,625,465	1,313,860	84,500
Purchase of property, plant and equipment	(120,111,189)	(88,099,904)	(152,277,249)
Decrease/(increase) in investment	435,189,405	(21,337,307)	(429,827,982)
Net cash provided by/(used) in investing activities	327,703,681	(108,123,351)	(582,020,731)
Cash flow from financing activities			
Repayment of borrowings	(11,370,000)	(12,707,590)	(29,522,067)
Repayment of lease liability	(5,130,470)	(1,619,630)	(3,719,208)
Interest paid on lease payments	(1,300,220)	(210,185)	(360,792)
Proceeds from borrowings	58,105,600	73,060,628	73,060,628
Dividend	(74,366,981)	-	(30,000,000)
Proceeds from issue of shares	-	-	495,779,872
Transaction costs on issue of shares	-	-	(31,041,083)
Net cash (used in)/provided by financing activities	(34,062,071)	58,523,223	474,197,350
Net increase/(decrease) in cash and cash equivalents	52,777,684	(27,378,635)	6,359,580
Cash and cash equivalents at beginning of period/year	57,459,994	51,100,414	51,100,414
Cash and cash equivalents at end of period/year	110,237,678	23,721,779	57,459,994

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

Image Plus Consultants Limited

Notes to the unaudited interim financial statements

Second quarter ended August 31, 2023

1. General information and nature of operations

Image Plus Consultants Limited was incorporated under the laws of Jamaica on February 27, 1996 and is domiciled in Jamaica. The company operates from 3 locations in Kingston – 2A Molyne Road, 3A Winchester Road, 129 Old Hope Road (Liguanea) and White River North Commercial Complex, Shops 8 -10, in Ocho Rios, St. Ann.

The company offers diagnostic X-Ray, Ultrasound, Computerized Tomography, Nuclear medicine, Fluoroscopy, Interventional Radiology and Mammography services under the business name of Apex Radiology.

2. Statement of compliance

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, Interim Financial Reporting.

The interim financial report is to be read in conjunction with the audited financial statements for the year ended February 28, 2023. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended February 28, 2023.

b Critical judgements and sources of estimation uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

Image Plus Consultants Limited

Notes to the unaudited interim financial statements

Second quarter ended August 31, 2023

3. Share capital

	Unaudited Six months ended August 31, 2023 \$	Unaudited Six months ended August 31, 2022 \$
Authorised ordinary units of no par value	Unlimited	3,000,000
Issued ordinary units of no par value	1,239,449,680	1,027,000
Stated capital:		
Issued and fully paid ordinary stocks of no par value	465,765,789	1,027,000

4. Earnings per share

	Unaudited Six months ended August 31, 2023 \$	Unaudited Six months ended August 31, 2022 \$
Profit attributable to shareholders	102,771,226	124,907,545
Weighted average number of shares	1,239,449,680	991,559,744
Basic and diluted earnings per share	0.08	0.12

	Unaudited three months ended August 31, 2023 \$	Unaudited Three months ended August 31, 2022 \$
Profit attributable to shareholders	38,657,134	52,051,118
Weighted average number of shares	1,239,449,680	991,559,744
Basic and diluted earnings per share	0.03	0.05

5. Capital commitment

The company has entered into an agreement to acquire a 0.73-acre property in Kingston 5, Jamaica. This acquisition will facilitate the construction of a multi-level facility, which is to serve as the future home for the current 3a Winchester Road branch. The projected completion of this transaction is the third quarter of this financial year.

Image Plus Consultants Limited

Directors and connected parties

As at August 31, 2023

Directors

Names	Shares Held	Percentages %
Dr. Karlene McDonnough	303,417,282	24.48
Dr. Lilieth Bridgewater	160,632,679	12.96
Dr. Marian and Leon Vaughan	99,155,974	8.00
Mrs. Kisha Anderson	2,750,000	0.22
Mr. Karl Townsend	2,587,400	0.21
Ms. Carolyn DaCosta	500,000	0.04
Dr. Jacqueline Leckie	50,000	0.00
Dr. Gordon Bradshaw	Connected	-
Dr. Steven Lewis	Connected	-
	569,093,335	45.91

Connected parties

Connected to

Quad G Limited	Dr. Gordon Bradshaw	210,210,666	16.96
SureScan Radiology Service Limited	Dr. Steven Lewis	50,577,987	4.08
Garnett Ellis	Ms. Carolyn DaCosta	114,561	0.01
Craig DaCosta	Ms. Carolyn DaCosta	28,922	0.00
Elizabeth Thompson	Mrs. Kisha Anderson	1,000,000	0.08
Combined Connected Parties Holdings		261,932,136	21.13
Combined Holdings		831,025,471	67.04

Senior Managers Shareholder

Names	Shares Held	Percentages %
Kisha Anderson	2,750,000	0.222
Marcia Dolphy	200,000	0.016
Ramona Green	545,608	0.044
Kerry McDonnough Davis	525,000	0.042
Anthony Grizzle	200,394	0.016
Althia Frew Jones	600,000	0.048
Nicola Beccan-Morgan	100,000	0.008
	4,921,002	0.397

Image Plus Consultants Limited

List of Top Ten Shareholders

As at August 31, 2023

Shareholders

	Shares Held	Percentages %
1. Dr.Karlene McDonnough	303,417,282	24.48
2. Quad G Limited	210,210,666	16.96
3. Dr.Lilieth Bridgewater	160,632,679	12.96
4. Advanced Imaging Limited	113,565,156	9.16
5. Dr.Marian and Leon Vaughan	99,155,974	8.00
6. SureScan Radiology Services Limited	50,577,987	4.08
7. Barita Investment Ltd	47,000,848	3.79
8. Jamaica Money Market Brokers Ltd	11,850,000	0.96
9. JMMB Securities Ltd	10,000,000	0.81
10. NCB Capital Market	10,000,000	0.81
Total	1,016,410,592	82.01
Total Issued Capital	1,239,449,680	