



GWEST CORPORATION LIMITED
Unaudited Financial Statements
2nd Quarter Ended September 30, 2018

GWEST CORPORATION LIMITED
DIRECTORS' REPORT
FOR THE QUARTER ENDING September 30, 2018

The board of Directors of GWest Corporation limited is pleased to present the company's unaudited financial statements for second quarter ending September 30, 2018 and the six months year to date ending September 30, 2018.

The results for the quarter showed a net loss of \$34.32M and for the six months year to date a net loss of \$78.51M.

The results were impacted by the following.

Revenues increased 49% this quarter over the same quarter last year and 43% for the six months compared to last year. Our revenue growth has been significantly affected by our inability to accept health insurance due to the delay in the accreditation of our Urgent Care and Laboratory facilities. This has impacted our Urgent Care and Lab services significantly as up to 70% of revenues for are projected to come from the use of health insurances. We continue to have dialogue with the ministry in getting this long-delayed inspection done and hope that in the next quarter we will achieve this milestone.

Cost of sale increased by 100% for the quarter and 181% for the year to date. Administrative expenses increased by 146% for the quarter and 152% for the year to date. The significant increase in cost of sales and administrative expenses is as a result of the expanded 24-hour opening time of our facility. We expect revenue to continue trending upward to match our increase expenses as the market continues to access our 24-hour facility. This facility is expected to increase its potential in the upcoming winter tourist season were the demand for this type of 24-hour service is expected to increase during this period.

Outlook

The outlook for the forthcoming quarter looks positive as our discussions with hotels and BPO companies have resulted in signed contracts as their dedicated medical services provider. We have also increased the Lab footprint by establishing blood draw stations in high traffic locations. We have also contracted the services of a pediatrician to enhance our service offerings and have extended our opening hours in the General Practice to accommodate early morning and late evening patients.

Our open house held to showcase vacant spaces for lease and sale has yielded positive results which should see an increase in lease spaces and sales completed in the final quarter.

The build out of our surgery centre is projected to start in the next quarter and be completed within the next nine months which would allow us to have the full complement of service offerings.

The management and Board will continue to pursue a strategy of steady growth while increasing our efficiency and we remain committed to increasing our shareholders value.

In closing we wish to thank our customers, patients, and staff for their ongoing support, our suppliers for their assistance in our continued effort in growing the company.



Konrad Kirlew
Director



Dennis Samuels
Director

GWEST CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
September 30, 2018

	(UNAUDITED) SEPTEMBER 30, 2018 \$'000	(UNAUDITED) SEPTEMBER 30, 2017 \$'000	(AUDITED) MARCH 31, 2018 \$'000
<u>ASSETS</u>			
Non-current assets			
Property and equipment	394,339	363,092	389,234
Investment property	915,596	927,981	915,596
Deferred tax asset	<u>4,052</u>	<u>4,746</u>	<u>4,052</u>
Total non-current assets	<u>1,313,986</u>	<u>1,295,819</u>	<u>1,308,882</u>
Current assets			
Receivables	96,413	78,132	105,203
Due from related parties	112,953	85,072	62,997
Tax recoverable	702	420	793
Short term deposits	72,301	42,000	177,607
Cash and bank balances		<u>1,087</u>	<u>1,350</u>
Total current assets	<u>282,369</u>	<u>206,711</u>	<u>347,950</u>
Total assets	<u>1,596,355</u>	<u>1,502,530</u>	<u>1,656,832</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Share capital	419,152	50,000	419,152
10% Non redeemable preference shares	250,000	-	-
Property revaluation reserve	65,186	55,205	65,186
Retained earnings	<u>43,785</u>	<u>182,470</u>	<u>122,298</u>
Total shareholders' equity	<u>778,123</u>	<u>287,675</u>	<u>606,636</u>
Non-current liabilities			
Borrowings - shareholders' loans	425,809	564,283	675,810
Borrowings - others	<u>284,375</u>	<u>328,163</u>	<u>262,500</u>
Total non-current liabilities	<u>710,184</u>	<u>892,445</u>	<u>938,310</u>
Current liabilities			
Borrowings		65,401	49,665
Owed to related parties	15,095	12,316	4,078
Trade and other payables	90,303	244,694	56,343
Bank overdraft	2,650		1,800
Taxation payable	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>108,048</u>	<u>322,410</u>	<u>111,886</u>
Total equity and liabilities	<u>1,596,355</u>	<u>1,502,530</u>	<u>1,656,832</u>

GWEST CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

SIX MONTHS ENDED SEPTEMBER 30, 2018

	3 MONTHS ENDED SEPTEMBER 30, 2018	3 MONTHS ENDED SEPTEMBER 30, 2017	6 MONTHS ENDED SEPTEMBER 30, 2018	6 MONTHS ENDED SEPTEMBER 30, 2017
	\$'000	\$'000	\$'000	\$'000
Revenue	31,715	21,332	57,205	39,876
Cost of sales	(8,832)	(4,409)	(20,719)	(7,346)
	22,883	16,923	36,486	32,531
Other gains or losses	(166)	469	(477)	1,042
Administrative expenses	(48,175)	(19,550)	(95,567)	(37,872)
Other operating expenses	(275)	(295)	(1,605)	(497)
Operating Loss	(25,733)	(2,453)	(61,163)	(4,796)
Interest income	0	26	1	50
Finance costs	(8,585)	(11,202)	(17,351)	(23,190)
Loss before taxation	(34,318)	(13,630)	(78,513)	(27,936)
Taxation	-	-	-	-
NET LOSS BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(34,318)	(13,630)	(78,513)	(27,936)
Earnings per share (Note 4) *	(0.07)	(0.03)	(0.16)	(0.06)

* The calculation of the earnings per share for 2017 has been adjusted to reflect the shares issued and listed on the Junior Stock Exchange on December 21, 2017. This is done for comparative purposes.

GWEST CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
SIX MONTHS ENDED SEPTEMBER 30, 2018

	Share Capital	Property Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
<u>Six months ended September 30, 2018</u>				
Balance at April 1, 2018	419,152	65,186	122,298	606,636
Issue of 10% Non redeemable preference shares	250,000			250,000
Net loss being total comprehensive income for the period	-	-	(78,513)	(78,513)
Balance at September 30, 2018	<u>669,152</u>	<u>65,186</u>	<u>43,785</u>	<u>778,123</u>

	Share Capital	Property Revaluation Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
<u>Six months ended September 30, 2017</u>				
Balance at April 1, 2017	50,000	55,204	210,407	315,611
Net loss being total comprehensive income for the period	-	-	(27,936)	(27,936)
Balance at September 30, 2017	<u>50,000</u>	<u>55,204</u>	<u>182,471</u>	<u>287,675</u>

GWEST CORPORATION LIMITED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>\$'000</u>	<u>\$'000</u>
OPERATING ACTIVITIES		
Net loss	(78,513)	(27,936)
Adjustments for:		
Depreciation of property and equipment	3,211	463
Fair value gain on revaluation of investment property	-	55,205
Taxation	-	(9,216)
	<u>(75,301)</u>	<u>18,517</u>
Decrease in receivables/prepayments	(11,035)	(1,045)
Increase in payables	<u>32,867</u>	<u>31,455</u>
Cash used in operating activities	(53,470)	48,927
INVESTING ACTIVITIES		
Short term investments	(72,301)	(42,000)
Property and equipment /Land and development costs	<u>(8,316)</u>	<u>(219,420)</u>
Cash used in by investing activities	(134,087)	(212,493)
FINANCING ACTIVITIES		
Bank borrowings repaid	(21,875)	(21,838)
Issue of non-redeemable preference shares	250,000	-
Share capital issue	-	50,000
Shareholders' loans converted to Non-redeemable preference shares	(250,000)	-
Shareholder's loan	-	(1,338)
Advances to related parties	(23,813)	115,242
ZDA performance bond repaid	-	(12,856)
Cash flows from financing activities	<u>(45,687)</u>	<u>129,212</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(179,774)</u>	<u>(83,281)</u>
OPENING CASH AND CASH EQUIVALENTS	<u>177,124</u>	<u>84,368</u>
CLOSING CASH AND CASH EQUIVALENTS	<u>(2,650)</u>	<u>1,087</u>

GWEST CORPORATION LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR SIX (6) MONTHS ENDED SEPTEMBER 30, 2018

1. **IDENTIFICATION**

Gwest Corporation Limited (the company) is a limited liability company which is incorporated in Jamaica. Its main activities are to undertake the development of its commercial property and the management of health care facilities. The company which was incorporated on December 3, 2007, has completed its major project of development of a medical and dental complex on lands at Fairview, Montego Bay. The registered office of the company is 34 Market Street, Montego Bay. The company's shares were listed on the Jamaica Junior Stock Exchange on 21 December 2017.

2. **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and comply with the relevant requirements of the Jamaican Companies Act.

The accounting policies are consistent with those applied to the audited financial statements for the year ended 31 March 2018.

The financial statements have been prepared under the historical cost basis as modified by the revaluation of property, plant and equipment and investment property. The financial statements are expressed in Jamaican Dollars.

3. **SEGMENT REPORTING**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are received regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performances. Based on the nature of the company's business activities, management has determined that disclosure of segment information is not applicable as the company is operating in one segment.

4. **EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted number of shares for the period was calculated as follows:

	<u>2nd Quarter</u> <u>September 30,</u> <u>2018</u>	<u>2nd Quarter</u> <u>September 30,</u> <u>2017</u>	<u>Six Months ended</u> <u>September 30, 2018</u>	<u>Six Months ended</u> <u>September 30, 2017</u>
Weighted Average number of Ordinary shares held during the period	<u>484,848,485</u>	<u>484,848,485</u>	<u>484,848,485</u>	<u>484,848,485</u>

5. **PREFERENCE SHARES**

The company had 1,000,000 units of 10% Non-Redeemable Cumulative Preference shares which are authorized in November 2017. During the period June 30, 2018 the company issued 1,000,000 units of 10% Non-Redeemable Cumulative Preference Shares. This was done by the conversion of \$250,000,000 of Shareholder's Loan. The company has one class of preference shares which carry no voting rights.

GWEST CORPORATION LIMITED**Top 10 shareholdings as at September 30, 2018**

	Primary Account Holder	Joint Holder(s)	Volume	Percentage
1.	Cornwall Medical and Dental Supplies	Dennis Samuels Denise Crichton-Samuels Client total ownership	71,232,461	14.6900%
2.	Dr. Konrad Kirlew	Client total ownership	62,210,449	12.8300%
3.	Ladi Doonquah	Client total ownership	61,520,637	12.6900%
4.	Bull Investments Limited	Client total ownership	34,374,366	7.0900%
5	JMMB T1 EQUITY FUND (JMD)	Client total ownership	32,173,018	6.6400%
6.	Mrs. Elva Williams Richards	Mr. Jhameque Jamara Richards 115,665 30,760,319 Client total ownership	115,665 30,760,319 30,760,319	0.0239% 6.3161% 6.3400%
7.	North Coast Imaging Ltd	Konrad Kirlew Canute Johnson Geoffrey Williams Client total ownership	30,760,319	6.3400%
8.	MF&G Trust & Finance Ltd - A/C 57	Client total ownership	29,290,000	6.0400%
9.	JMMBSL AVAILABLE FOR SALE	Client total ownership	16,393,009	3.3800%
10.	PATRICK THELWELL	Client total ownership	9,421,494	1.9400%
	Total issued capital		484,848,485	
	Total units owned by top 10 shareholders		378,136,072	

GWEST CORPORATION LIMITED**DIRECTORS AND CONNECTED PARTIES SHAREHOLDINGS AS AT SEPTEMBER 30, 2018**

NAME	POSITION	CONNECTED PARTY	UNITS	%
Konrad Kirlew	Director	Self	62,210,449	12.83%
		Northcoast Imagining Ltd.	30,760,319	6.34%
Dennis Samuels	Director	Cornwall Medical and Dental Supplies	71,232,461	14.69%
Denise Samuels	Director			
Leyford Doonquah	Director	Self	61,520,637	12.69%
Wayne Gentles	Director	Self	1,538,016	0.32%
		Bull Investments Limited	34,374,366	7.09%
Elva Williams-Richards	Director	Self	30,760,319	6.32%
		Jhameque Richards	115,665	0.02%
Wayne Wray	Mentor	Self	400,000	0.08%
		Christine Randle		
Karl Townsend	Director	None	189,170	0.00%
Peter Pearson	Director	None	142,159	0.02%
Mark Hart	Director	None	0	0.00%

SENIOR MANAGERS

Joy Clark	General Manager	None	0	0.00%
Karen Christie-Harris	Chief Accountant	None	0	0.00%