



**ELITE  
DIAGNOSTIC**

Elite Diagnostic Limited

Unaudited Interim Financial Statements  
Second Quarter ended  
December 31, 2018

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The Board of Directors of Elite Diagnostic Limited is pleased to present the company's unaudited financial statements for the 2<sup>nd</sup> quarter and year to date (6 months) ending December 31, 2018.

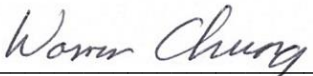
Net profit for the quarter was \$4,948,048 compared to \$1,198,131 for the same period a year ago. Year to date net profit for the 6 months of \$6,786,187 compares unfavorably with \$11,928,436 for the same period a year ago. The decrease in net profit for the 6 months was due mainly to the increase in expenses over income incurred at the newly opened Liguanea location.


Revenues were \$96,761,440 during the 2<sup>nd</sup> quarter compared to \$71,852,668 for the same period last year. The increase in revenue for the 2<sup>nd</sup> quarter is due to MRI scans and increase in Intervention procedures. For the six months ending December 31, 2018, revenues were \$182,243,884 compared with \$141,667,567 for the same period a year ago.

Total assets grew 30% from \$449,921,415 to \$583,937,558 over the same period last year.

The company continues its revenue growth at the new Liguanea location. MRI scans continues to be robust and Ultrasounds are steadily growing. With the addition of several doctors, the company is expecting a substantial revenue increase from its Interventional procedures for the calendar year 2019. The use of our operating suite continues to increase with the increasing demand for Interventional Procedures. The company has just recently introduced Endoscopic Ultrasound (EUS) procedures. Elite Diagnostic is the only facility in the English speaking Caribbean that offers Endoscopic Ultrasound procedures. The company is just beginning to see the potential of the Intervention Suite.

The construction of the new St Ann location is underway and the expected opening is 1<sup>st</sup> Quarter next year. This location intends to offer MRI, CT, Ultrasound and X-Ray along with doctors' offices. With the St Ann location due to open in the next 6 months, and the continued growth of the Liguanea location, we think the future seems very promising for Elite Diagnostic.

  
Warren Chung, Director

  
Neil Fong, Director

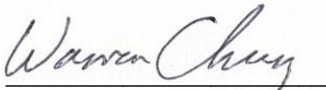
# Unaudited statement of financial position

## December 31, 2018

	Unaudited December 31, 2018 \$	Unaudited December 31, 2017 \$	Audited June 30, 2018 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	493,298,816	389,338,915	454,545,653
	<b>493,298,816</b>	<b>389,338,915</b>	<b>454,545,653</b>
<b>Current assets</b>			
Trade receivables	17,305,515	8,185,267	8,949,154
Prepayments and other receivables	2,868,754	2,253,091	6,276,970
Cash and bank balances	70,464,473	50,144,142	122,019,683
	<b>90,638,742</b>	<b>60,582,500</b>	<b>137,245,807</b>
<b>Total assets</b>	<b>583,937,558</b>	<b>449,921,415</b>	<b>591,791,460</b>
<b>Equity</b>			
Share capital	348,898,459	217,848,063	348,898,459
Accumulated surplus	57,379,534	17,608,367	50,593,347
<b>Total equity</b>	<b>406,277,993</b>	<b>235,456,430</b>	<b>399,491,806</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	-	9,455,019	-
Long-term loans	164,739,757	187,662,326	166,117,826
	<b>164,739,757</b>	<b>197,117,345</b>	<b>166,117,826</b>
<b>Current liabilities</b>			
Payables and accruals	1,309,749	5,787,074	4,637,328
Current portion of long-term loan	11,610,059	7,583,189	21,544,500
Taxation payable	-	3,977,377	-
	<b>12,919,808</b>	<b>17,347,640</b>	<b>26,181,828</b>
<b>Total liabilities</b>	<b>177,659,565</b>	<b>214,464,985</b>	<b>192,299,654</b>
<b>Total equity and liabilities</b>	<b>583,937,558</b>	<b>449,921,415</b>	<b>591,791,460</b>

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

Approved for issue by the Directors on February 7, 2019 and signed on its behalf by:

  
Warren Chung

  
Neil Fong

## Unaudited statement of profit or loss and other comprehensive income Second quarter and six months period ended December 31, 2018

	<b>Three months ended December 31, 2018 \$</b>	Three months ended December 31, 2017 \$	<b>Six months ended December 31, 2018 \$</b>	Six months ended December 31, 2017 \$
<b>Income</b>	<b>96,761,440</b>	71,852,668	<b>182,243,884</b>	141,667,567
Direct costs	<b>(30,980,267)</b>	(24,746,651)	<b>(58,545,125)</b>	(46,478,781)
<b>Gross profit</b>	<b>65,781,173</b>	47,106,017	<b>123,698,759</b>	95,188,786
Administrative expenses	<b>(41,045,225)</b>	(30,600,371)	<b>(78,878,677)</b>	(52,537,048)
Depreciation	<b>(12,726,061)</b>	(7,553,526)	<b>(26,702,513)</b>	(16,309,348)
<b>Operating profit</b>	<b>12,009,887</b>	8,952,120	<b>18,117,569</b>	26,342,390
Finance costs	<b>(5,246,403)</b>	(7,354,612)	<b>(9,525,818)</b>	(10,436,577)
Foreign exchange loss	<b>(1,815,436)</b>	-	<b>(1,805,564)</b>	-
<b>Profit before tax</b>	<b>4,948,048</b>	1,597,508	<b>6,786,187</b>	15,905,813
Income tax expense	-	(399,377)	-	(3,977,377)
<b>Net profit and comprehensive income for the period</b>	<b>4,948,048</b>	1,198,131	<b>6,786,187</b>	11,928,436
<b>Basic and diluted earnings per share</b>	<b>0.01</b>	0.004	<b>0.02</b>	0.04

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

## Unaudited statement of changes in equity Six months period ended December 31, 2018

	Share capital \$	Accumulated surplus \$	Total \$
<b>Balance at June 30, 2017 - Audited</b>	217,848,063	5,679,931	223,527,994
Profit for the six months ended December 31, 2017 being total comprehensive income for the year	-	11,928,436	11,928,436
<b>Balance at December 31, 2017 - unaudited</b>	<u>217,848,063</u>	<u>17,608,367</u>	<u>235,456,430</u>
<b>Balance at June 30, 2018 - Audited</b>	348,898,459	50,593,347	399,491,806
Profit for the six months ended December 31, 2018 being total comprehensive income for the year	-	6,786,187	6,786,187
<b>Balance at December 31, 2018 - unaudited</b>	<u><b>348,898,454</b></u>	<u><b>57,379,534</b></u>	<u><b>406,277,993</b></u>

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

# Unaudited statement of cash flows

## Six months period ended December 31, 2018

	<b>Unaudited December 31, 2018</b>	Audited December 31, 2017	Audited June 30, 2018
	\$	\$	\$
<b>Cash flows from operating activities:</b>			
Profit before tax	<b>6,786,187</b>	15,905,813	35,862,796
Interest expense	<b>9,525,818</b>	10,436,577	16,052,015
Adjustments for:			
Depreciation	<b>26,702,513</b>	16,309,348	28,328,863
	<b>43,014,518</b>	42,651,738	80,243,674
Increase in trade receivables	<b>(8,356,361)</b>	(3,428,539)	(4,192,426)
Decrease/(increase) in prepayments and other receivables	<b>3,408,216</b>	(177,893)	(4,201,772)
(Decrease)/increase in payables and accruals	<b>(3,327,579)</b>	2,286,258	1,136,512
<b>Cash provided by operations</b>	<b>34,738,794</b>	41,331,564	72,985,988
<b>Interest paid</b>	<b>(9,525,818)</b>	(10,436,577)	(16,052,015)
Income tax paid	-	-	(404,399)
<b>Net cash provided by operations</b>	<b>25,212,976</b>	30,894,987	56,529,574
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	<b>(65,455,676)</b>	(217,750,515)	(294,976,768)
Net proceed from issue of shares	-	-	131,050,396
<b>Net cash used in investing activities</b>	<b>(65,455,676)</b>	(217,750,515)	(163,926,372)
<b>Cash flow from financing activities</b>			
Proceeds from loans	-	167,420,000	167,420,000
Repayment of loans	<b>(11,312,510)</b>	(6,723,454)	(14,306,643)
<b>Net cash (used in)/provided by financing activities</b>	<b>(11,312,510)</b>	160,696,546	153,113,357
<b>Net (decrease)/increase in cash and cash     equivalents</b>	<b>(51,555,210)</b>	(26,158,982)	45,716,559
<b>Cash and cash equivalents at beginning of     period/year</b>	<b>122,019,683</b>	76,303,124	76,303,124
<b>Cash and cash equivalents at end of period/year     (Note 7)</b>	<b>70,464,473</b>	50,144,142	122,019,683

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

# Notes to the unaudited interim financial statements

## Second Quarter ended December 31, 2018

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

Elite Diagnostic Limited was incorporated under the laws of Jamaica on February 12, 2012 and is domiciled in Jamaica. The company commenced operations in August 2013. The company's principal place of business is located at 1b Holborn Road, Kingston 5.

The company provides diagnostic imaging services.

### **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 June 30, 2018. The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended June 30, 2018.

#### **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.



## Elite Diagnostic Limited

Notes to the unaudited interim financial statements  
Second Quarter ended December 31, 2018

### 3. Share capital

	<b>Unaudited Six months ended December 31, 2018 \$</b>	Unaudited Six months ended December 31, 2017 \$
Authorised ordinary stock units of no par value	<b>Unlimited</b>	Unlimited
Issued ordinary stock units of no par value	<b>353,400,000</b>	282,720,000
Stated capital: Issued and fully paid ordinary stock units of no par value	<b>348,898,459</b>	217,848,063

### Earnings per share

	<b>Unaudited Six months ended December 31, 2018 \$</b>	Unaudited Six months ended December 31, 2017 \$
Profit attributable to shareholders	<b>6,786,187</b>	11,928,436
Weighted average number of shares	<b>353,400,000</b>	282,720,000
Earnings per share	<b>0.02</b>	0.04

## Elite Diagnostic Limited

Notes to the unaudited interim financial statements  
Second Quarter ended December 31, 2018

### List of Directors and Top 10 Shareholders As at December 31, 2018

#### Directors

<b>Names</b>	<b>Position</b>	<b>Shares Held</b>	<b>Percentage %</b>
Steven Gooden	Chairman	242,230	0.0685
Warren Chung	Executive Director	352,780	0.0998
Dr. Neil Fong	Executive Director	140,000	0.0396
Andre Ho Lung	Non-Executive Director	161,494	0.0457
Kevin Donaldson	Non-Executive Director	140,000	0.0396
Paula Kerr-Jarrett	Non-Executive Director	-	-
Quentin Hugh Sam	Non-Executive Director	824,573	0.2333
Peter D. Chin	Non-Executive Director	140,000	0.0396
William Mahfood	Non-Executive Director	172,025	0.0487
		<b>2,173,102</b>	<b>1.0261</b>

#### Top 10 Shareholders

<b>Names</b>	<b>Shares Held</b>	<b>Percentage %</b>
1. Excel Investments	145,140,264	41.0697
2. NCB Capital Markets Limited	66,028,392	18.6838
3. JCSD Trustee Services Limited – Sigma Optima	31,438,024	8.8959
4. West Indies Radiology Outsourcing Ltd.	17,670,000	5.0000
5. Barnett Limited	15,515,994	4.3905
6. Lizette Mowatt	3,703,632	1.0480
7. Kevin Keaton Palmer	3,581,645	1.0135
8. VM Wealth Equity Fund	3,090,939	0.9595
9. SJIML A/C 3119	3,188,169	0.9021
10. URUS Corporation Limited	2,373,000	0.6715
<b>Total units owned by top 10 Shareholders</b>	<b>292,030,059</b>	<b>82.6345</b>
<b>Total issued ordinary</b>	<b>353,400,000</b>	



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