



GWEST CORPORATION LIMITED
Unaudited Financial Statements
3rd Quarter Ended December 31, 2019

GWEST CORPORATION LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDING DECEMBER 31, 2019

The Board of Directors of Gwest Corporation Limited is pleased to present the company's unaudited financial statements for the quarter ending December 31, 2019 and the nine months year-to-date ending December 31, 2019.

The results for the quarter showed a net loss of \$20.98M compared to \$28.93M the previous quarter December 2018, a 27% reduction in losses for this quarter over the previous quarter December 31, 2018.

For the year to date nine months December 2019 the net loss amounted to \$63.15M compared to \$112.25M for the corresponding period in 2018. This represents 44% reduction in losses for the year to date.

The results were impacted by the following:

Revenue increased by 2% for the last quarter and 13% for the year-to-date. Our steady revenue increase is attributable to our Urgent Care which is now accredited and is able to accept all major health cards. We expect to see a continued and steady growth in our revenues during the ensuing months.

Operating expenses were reduced by 34% for the quarter and 21% for the year-to-date.

Administrative expenses were reduced by 24% for the quarter and 29% year-to-date. This is as a result of a deliberate strategy implemented early in the financial year to restructure our organization and to rationalize our human resources. This is being done on a strategic basis aimed to achieve further reduction in our operating expenses while we grow revenues.

Finance cost increased by 51% for the quarter and 43% for the year-to date. This is mainly due to the adoption of IFRS 16 effective for periods beginning on or after January 1, 2019. The adoption of IRFS16 resulted in an increase in our assets through the recognition of our long term lease as an asset while the increase in our financial liabilities was due to increases in our finance charges.

Financial Position

Gwest Corporation Ltd total assets amounted to \$1.7B as December 31, 2019 compared to 1.58B in December 2018. The increase in total assets is due to the adoption of IFRS 16 which recognizes long term leases as financial assets.

Outlook

The outlook for the future continues to remain positive especially in the area of new rentals in our property. Our prime location has resulted in an increased in visitor traffic and enquiries for our office spaces. We, therefore, expect to see an increase in the occupancy level in the upcoming periods as indicated by ongoing contract negotiations with committed parties.

The quarter's and 9-month year-to-date results show that we are moving in the right direction. The management and board will continue to pursue strategies to increase our medical offerings while increasing our efficiency as we are committed to improving shareholders value.

In closing we wish to thank our stakeholders and our staff for their ongoing support in assisting us in our efforts in growing the company.



Konrad Kirlew

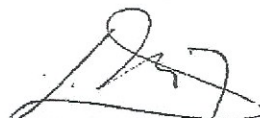
Acting CEO

GWEST CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
December 31, 2019

	(UNAUDITED) DECEMBER 31, 2019 \$'000	(UNAUDITED) DECEMBER 31, 2018 \$'000	(AUDITED) MARCH 31, 2019 \$'000
ASSETS			
Non-current assets			
Property and equipment	498,914	395,255	389,977
Investment property	894,178	915,596	915,596
Deferred tax asset	12,606	4,052	12,606
Total non-current assets	1,405,698	1,314,903	1,318,179
Current assets			
Receivables	120,109	98,941	112,697
Due from related parties	141,674	114,134	62,951
Tax recoverable	813	702	813
Short term deposits	42,163	45,430	44,757
Cash and bank balances	-	-	3,053
Total current assets	304,759	259,207	224,271
Total assets	1,710,457	1,574,110	1,542,450
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	419,152	419,152	419,152
10% Non redeemable preference shares	250,000	250,000	250,000
Property revaluation reserve	65,186	65,186	65,186
Retained earnings	(81,931)	10,047	(18,783)
Total shareholders' equity	652,407	744,385	715,555
Non-current liabilities			
Borrowings - shareholders' loans	425,443	425,810	425,443
Borrowings - others	347,706	273,438	218,750
Total non-current liabilities	773,149	699,248	644,193
Current liabilities			
Borrowings	-	26,828	48,734
Owed to related parties	87,765	37,260	24,204
Provisions	21,095	-	1,002
Trade and other payables	145,511	63,883	71,556
Bank overdraft	30,530	2,506	37,206
Total current liabilities	284,901	130,477	182,702
Total equity and liabilities	1,710,458	1,574,110	1,542,450



Konrad Kirlew
Director



Wayne Genties
Director

GWEST CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2019

	3 MONTHS ENDED DECEMBER 31, 2019 \$'000	3 MONTHS ENDED DECEMBER 31, 2018 \$'000	9 MONTHS ENDED DECEMBER 31, 2019 \$'000	9 MONTHS ENDED DECEMBER 31, 2018 \$'000
Revenue	32,918	32,383	101,826	90,080
Cost of sales	(6,352)	(9,642)	(24,812)	(31,334)
	26,566	22,741	77,014	58,746
Other gains or losses	(88)	2,179	71	1,703
Administrative expenses	(34,022)	(44,686)	(102,291)	(144,585)
Other operating expenses	-	(275)	(406)	(1,880)
Operating Loss	(7,544)	(20,040)	(25,613)	(86,015)
Interest income	4	-	30	1
Finance costs	(13,441)	(8,886)	(37,565)	(26,237)
Loss before taxation	(20,981)	(28,926)	(63,148)	(112,251)
Taxation	-	-	-	-
NET LOSS BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(20,981)</u>	<u>(28,926)</u>	<u>(63,148)</u>	<u>(112,251)</u>
Earnings per share (Note 4)	<u>0.04</u>	<u>0.06</u>	<u>0.13</u>	<u>0.23</u>

GWEST CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
NINE MONTHS ENDED DECEMBER 31, 2019

<u>Nine months ended December 31, 2019</u>	<u>Share Capital</u> \$'000	<u>Property Revaluation Reserve</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Total</u> \$'000
Balance at April 1, 2019	669,152	65,186	(18,783)	715,555
Net loss being total comprehensive income for the period	-	-	(63,148)	(63,148)
Balance at December 31, 2019	<u>669,152</u>	<u>65,186</u>	<u>(81,931)</u>	<u>652,407</u>

<u>Nine months ended December 31, 2018</u>	<u>Share Capital</u> \$'000	<u>Property Revaluation Reserve</u> \$'000	<u>Retained Earnings</u> \$'000	<u>Total</u> \$'000
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	-	-	(112,251)	(112,251)
Balance at December 31, 2018	<u>669,152</u>	<u>65,186</u>	<u>10,047</u>	<u>744,385</u>

GWEST CORPORATION LIMITED
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2019

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
	<u>\$'000</u>	<u>\$'000</u>
OPERATING ACTIVITIES		
Net loss	(63,148)	(112,251)
Adjustments for:		
Depreciation of property and equipment	23,944	4,816
	<u>(39,204)</u>	<u>(107,434)</u>
Decrease in receivables/prepayments	(26,453)	(13,088)
Increase in payables	69,224	33,019
Cash provided by / (used in) operating activities	3,568	(87,503)
INVESTING ACTIVITIES		
Short term investments	-	(45,430)
Property and equipment / Land and development costs	(111,463)	(10,837)
Cash used in investing activities	(107,895)	(143,770)
FINANCING ACTIVITIES		
Bank borrowings received/ (repaid)	85,206	(32,813)
Issue of non-redeemable preference shares	-	250,000
Shareholders' loans converted to Non-redeemable preference shares	-	(250,000)
Advances to/ (repayments from) related parties	23,716	(3,048)
Cash flows provided by / (used in) financing activities	108,923	(35,860)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,029	(179,630)
OPENING CASH AND CASH EQUIVALENTS	10,604	177,124
CLOSING CASH AND CASH EQUIVALENTS	<u>11,633</u>	<u>(2,506)</u>

GWEST CORPORATION LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED DECEMBER 31, 2019

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 Lot 6 Crane Boulevard. 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). The financial statements comply with the relevant requirements of the Jamaican Companies Act and have been prepared under the historical cost basis as modified by the revaluation of property, plant and equipment and investment property.

The accounting policies are consistent with those applied to the audited financial statements for the year ended 31 March 2019, except for the adoption of IFRS 16 'Leases' which became effective 1 January 2019. The impact of adoption in the new standard is shown in Note 5.

The financial statements are expressed in Jamaican Dollars.

IFRS 16 'Leases'

The company has adopted IFRS 16 from 1 April 2019 and has not restated comparatives for the prior reporting period as permitted under the specific transitional provisions in the standard in applying the simplified transition approach. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening statement of financial position on 1 April 2019.

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use-asset" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases of low-value assets. For lessors, the accounting stays almost the same.

Effective 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability each period. The right-of-use-asset is depreciated over the shorter of the asset's useful life and the lease term on the straight-line basis. Assets and liabilities arising from a lease are initially measure on a present value basis.

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 segments' 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.

GWEST CORPORATION LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED DECEMBER 31, 2019

4. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit or loss 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:

	2 nd Quarter December 31 2019	2 nd Quarter December 31 2018	Nine Month Ended December 31 2019	Nine Month Ended December 31 2018
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. EFFECT OF ADOPTION OF IFRS 16

On adoption of IFRS 16, the company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average company's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 8.5%.

The table below shows the reconciliation of the operating lease commitments disclosed as at 31 March 2019 to the lease liabilities recognized as at 1 April 2019.

	April 1, 2019
<u>Operating Lease commitments disclosed as at 31 March 2019</u>	<u>191,739,000.00</u>
<u>Discounted using the incremental borrowing rate at the date of initial application</u>	<u>127,515,144.00</u>
<u>Lease Liabilities recognized on adoption of IFRS 16 on 1 April 2019</u>	<u>127,515,144.00</u>

As stated in the accounting policy for the new standard, the transition provisions applied by the company do not require comparative figures to be restated. The total impact of adoption is therefore recognized in the opening statement of financial position on 1 April 2019.

The right-of-use assets were measured at the amount equal to the lease liability. There were onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The adoption of IFRS 16 resulted in an increase in the lease liabilities of \$127,515,144 and a corresponding increase in the right-of-use assets of \$17,515,144 on 1 April 2019.

GWEST CORPORATION LIMITED
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR NINE (9) MONTHS ENDED DECEMBER 31, 2019

The company incurred depreciation charges of \$19,127,272 to 31 December 2019 on the right-of-use assets and interest expense of \$12,223,361.25 to 31 December 2019 on the lease liabilities during the period.

GWEST CORPORATION LIMITED

Top 10 shareholdings as at December 31, 2019

	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.	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 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 DECEMBER 31, 2019

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 Wraay	Mentor	Self	400,000	0.08%
		Christene Randie		
Karl Townsend	Director	None	189,170	0.004%
Peter Pearson	Director	None	142,159	0.02%
SENIOR MANAGERS				
Konrad Kirlew	Chief Executive Officer	Self	62,210,449	12.83%
		Northcoast Imagining Ltd	30,760,319	6.34%
Wayne Gentles	Chief Financial Officer	Self	1,538,016	0.32%
		Bull Investments Limited	34,374,366	7.09%
Karen Christie-Harris	Chief Accountant	None	0.00	0.00%