

GWEST CORPORATION LIMITED  
Unaudited Financial Statements  
1st Quarter Ended June 30, 2020



GWest Corporation Ltd.  
Lot 6, Crane Boulevard  
Fairview  
Montego Bay, St. James  
Jamaica, W.I

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www.gwestcentre.com

## **GWEST CORPORATION LIMITED**

### **DIRECTOR'S REPORT**

#### **FOR THE FIRST QUARTER ENDING JUNE 30, 2020**

The Board of Directors of Gwest Corporation Limited is pleased to present the company's unaudited financial statements for first quarter ending June 30, 2020.

The results for the quarter showed a net loss of \$16.71M compared to \$20.76M for the corresponding quarter ending June 30, 2019.

#### **Revenue**

For the quarter ending June 30, 2020 Gwest Corporation Limited recorded total revenues of \$24.16M. This represents a decrease of \$8.98M or a 26% reduction over the corresponding quarter in the prior year. Revenue was mainly impacted by a 54% reduction in patient fees during the quarter. The reduction in patient fees was mainly due to the Covid 19 Pandemic, which resulted in stay-at-home orders, business closures and reduced operating hours.

Rental and lease income increased by 4% over the corresponding quarter in the prior year. During the quarter we finalized a new lease agreement for 8,000 sq. ft. of office space.

#### **Expenses**

For the quarter ending June 30, 2020, total expenses was \$44.08M compared to \$54.17M in corresponding quarter of the prior year. This represents a decrease of \$10.09M or a 19% decrease year over year.

This decrease was due to a \$6.92M or 19% reduction in administrative expenses. Cost of sales remains the same as in the previous quarter. Finance costs decreased by \$3.24M due to the pay-down of our loan balances.

Effective April 1, 2019, IFRS 16 became effective for the Company and replaced the previous lease standard IAS 17 which recognized operating leases as expenses. Adoption of IFRS 16 recognizes our long term leases as "Right-of-Use Assets", thus increasing our asset balances and thereby our depreciation charges.

Directors: Dr. Konrad Kirlew, Dr. Ladi Doonquah, Wayne Gentles, Dennis Samuels,  
Elva Williams-Richards, Peter Pearson, Karl Townsend

Mentor: Wayne Wray



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### **Financial Position**

Total assets as at June 30, 2020 was \$1.63 Billion a decrease of \$100M. The main contributing factor for the decrease in total value of our balance sheet was due to the sale of investment property during the period.

Current assets increased by \$13.02M over the previous quarter due to an increase in receivables and our cash balances.

Our borrowings inclusive of loans and lease commitment declined by \$78.86M over the corresponding quarter in the prior year due to pay-down of loan balances from cash received from sale of investment property as per our agreement with National Commercial Bank.

Our Cash Balances increased from \$14.47M the previous quarter to \$87.58M this quarter.

Total shareholder equity was \$651.34M as at June 30, 2020. This represents a \$43.45M reduction over the previous quarter.

### **Outlook**

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices.

We have instituted measures at our property to safeguard and protect our stakeholder's businesses, partners and clients. We have implemented a Tele-medicine platform which will allow customers to access our services remotely where applicable. Management has also implemented cost cutting measures in line with the reduction in business activity.

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These and other initiatives are intended to contain the financial impact should a continued reduction in business activity occur due to the COVID-19 crisis. The company is assessing the situation as part of its business continuity and contingency planning.

We are in the final design stages of our Surgery Centre and In-Patient unit and expect that these will be operational by January 2021. We continue our efforts in selling and leasing of our investment properties to increase our revenues and reduce the drag on our expenses.

We also continue to analyze and review our offerings and seek out joint venture opportunities and acquisitions to increase revenues and widen our service offerings where possible.

The management and Board will continue to pursue a strategy of revenue enhancement, and cost containment as we remain committed to increasing shareholder value.

The Board of Directors wish to thank our all our stakeholders including our patients, lessees, management staff and suppliers for their ongoing support and assistance in our continued effort in growing the company. We would also like to thank our shareholders for their patience and support while we work to bring your company into profitability and generate the shareholder value that you deserve

A handwritten signature in black ink, appearing to read 'Wayne Gentles', written over a horizontal line.

Wayne Gentles

Acting CFO on behalf of the Board of Directors

Directors: Dr. Konrad Kirlaw, Dr. Ladi Doonquah, Wayne Gentles, Dennis Samuels,  
Elva Williams-Richards, Peter Pearson, Karl Townsend

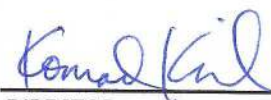
Mentor: Wayne Wray

GWEST CORPORATION LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 June 30, 2020

	(UNAUDITED) JUNE 30, 2020 \$'000	(UNAUDITED) JUNE 30, 2019 \$'000	(AUDITED) MARCH 31, 2020 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land and development costs			
Property and equipment	229,349	511,518	230,960
Investment property	946,715	915,596	946,715
Right of Use Assets	132,633	-	141,476
Deferred tax asset	19,001	12,606	19,001
<b>Total non-current assets</b>	<b>1,327,698</b>	<b>1,439,720</b>	<b>1,338,152</b>
<b>Current assets</b>			
Receivables	115,278	107,886	249,435
Due from related parties	97,464	134,589	77,289
Tax recoverable	731	784	760
Short term deposits	37,966	44,781	37,169
Cash and bank balances	49,619	-	2,080
<b>Total current assets</b>	<b>301,059</b>	<b>288,040</b>	<b>366,733</b>
<b>Total assets</b>	<b>1,628,757</b>	<b>1,727,760</b>	<b>1,704,885</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
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	82,995	39,545	66,285
<b>Total shareholders' equity</b>	<b>651,343</b>	<b>694,793</b>	<b>668,053</b>
<b>Non-current liabilities</b>			
Borrowings - shareholders' loans	439,087	425,443	435,274
Borrowings - others	205,847	374,016	270,625
Lease liabilities	89,306	-	100,310
<b>Total non-current liabilities</b>	<b>734,240</b>	<b>799,459</b>	<b>806,209</b>
<b>Current liabilities</b>			
Borrowings	24,371	26,826	4,070
Lease liabilities	36,914	-	36,914
Owed to related parties	4,491	58,387	11,162
Provisions	672	21,095	672
Trade and other payables	176,727	96,903	175,417
Bank overdraft	-	30,297	2,388
<b>Total current liabilities</b>	<b>243,174</b>	<b>233,508</b>	<b>230,623</b>
<b>Total equity and liabilities</b>	<b>1,628,757</b>	<b>1,727,760</b>	<b>1,704,885</b>



DIRECTOR



DIRECTOR

GWEST CORPORATION LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
 THREE MONTHS ENDED JUNE 30, 2020

	3 MONTHS ENDED June 30, 2020 \$'000	3 MONTHS ENDED June 30, 2019 \$'000
Revenue	24,158	33,138
Cost of sales	( 6,034)	( 6,083)
	18,124	27,055
Other gains or losses	3,215	267
Administrative expenses	( 28,753)	( 35,670)
Other operating expenses	( 521)	( 406)
Operating Loss	( 7,935)	( 8,754)
Interest income	-	-
Finance costs	( 8,775)	( 12,010)
<b>Loss before taxation</b>	( 16,710)	( 20,764)
Taxation	-	-
<b>NET LOSS BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>( 16,710)</u>	<u>( 20,764)</u>
<b>Earnings per share (Note 4)</b>	<u>0.03</u>	<u>0.04</u>

GWEST CORPORATION LIMITED  
 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
 THREE MONTHS ENDED JUNE 30, 2020

<u>Three months ended June 30, 2020</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, 2020	669,152	65,186	(66,285)	668,053
Net loss being total comprehensive income for the period	-	-	(16,710)	(16,710)
Balance at June 30, 2020	<u>669,152</u>	<u>65,186</u>	<u>82,995</u>	<u>651,343</u>

<u>Three months ended June 30, 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	-	-	(20,762)	20,762
Balance at June 30, 2019	<u>669,152</u>	<u>65,186</u>	<u>39,545</u>	<u>694,793</u>

**GWEST CORPORATION LIMITED**  
**STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED JUNE 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>OPERATING ACTIVITIES</b>		
Net loss	(16,710)	(20,762)
Adjustments for:		
Depreciation of property and equipment	1,740	7,981
Depreciation right of use assets	8,842	
Foreign exchange rate adjustments	3,812	
Taxation	29	-
	<u>(2,287)</u>	<u>(12,780)</u>
(Increase) decrease in receivables/prepayments	134,157	(8,871)
Increase (decrease) in payables	<u>1,310</u>	<u>42,109</u>
Cash provided by operating activities	133,179	20,458
<b>INVESTING ACTIVITIES</b>		
Property and equipment /Land and development costs	<u>(129)</u>	<u>(129,522)</u>
Cash provided by (used in) investing activities	133,050	(109,064)
<b>FINANCING ACTIVITIES</b>		
Bank borrowings (repaid) received	(44,477)	111,516
Lease liability payments	(11,004)	-
(Repayments from) advances to related parties	<u>(26,846)</u>	<u>1,445</u>
Cash flows (used in) provided by financing activities	<u>(82,326)</u>	<u>112,961</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	50,724	3,897
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>36,861</u>	<u>10,570</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>87,585</u></u>	<u><u>14,467</u></u>



GWEST CORPORATION LIMITED  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THREE (3) MONTHS ENDED JUNE 30, 2020

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 Commercial Office space inclusive of 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 30 June 2019.

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 2020.

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>1st Quarter</u> <u>June 30, 2020</u>	<u>1st Quarter</u> <u>June 30, 2019</u>
Weighted Average number of Ordinary shares held during the period	<u>484,848,485</u>	<u>484,848,485</u>

**GWEST CORPORATION LIMITED**  
**TOP 10 SHAREHOLDER AST AT JUNE 30, 2020**

PRIMARY ACCOUNT HOLDER	JOINT HOLDER	VOLUME	PERCENTAGE
1 CORNWALL MEDICAL AND DENTAL SUPPLIES	DENISE SAMULES DENNIS SAMUELS TOTAL OWNERSHIP	71,232,461 71,232,461	14.6917% 14.6917%
2 DR KONRAD KIRLEW	TOTAL OWNERSHIP	62,210,449	12.8309%
3 LEYFORD DOONQUAH	TOTAL OWNERSHIP	62,520,637	12.6886%
4 MG&F TRUST & FINANCE LTD A/C58	TOTAL OWNERSHIP	37,826,312	7.6900%
5 BULL INVESTMENTS LTD	TOTAL OWNERSHIP	34,374,366	7.0897%
6 JMMB FUND MANAGERS LTD TI EQUITIES	TOTAL OWNERSHIP	32,173,018	6.6357%
7 ELVA RICHARDS	JHAMEQUE RICHARDS TOTAL OWNERSHIP	115,665 30,760,319 30,875,984	0.0239% 6.3443% 6.3682%
8 NORTH COAST IMAGING LTD	TOTAL OWNERSHIP	30,760,319	6.3443%
9 JMMBSL AVAILABLE FOR SALE	TOTAL OWNERSHIP	16,393,009	3.3811%
10 JMMB RETIREMENT SCHEEME CONSERVATIVE	TOTAL OWNERSHIP	10,200,000	2.1037%
TOTAL OWNED BY TOP TEN SHAREHOLDERS		387,026,555	
TOTAL ISSUED CAPITAL		484,848,485	
TOTAL PERCENTAGE OWNED BY TOP TEN		79.8242%	

**GWEST CORPORATION LIMITED**

**DIRECTORS AND CONNECTED PARTIES AS AT JUNE 30, 2020**

<b>NAME</b>	<b>POSITION</b>	<b>CONNECTED PARTY</b>	<b>UNITS</b>
Konrad Kirlew	Director	Self	62,210,449
		North Coast Imaging	30,760,319
Dennis Samuels	Director	Cornwall Medical and Dental Supplies Denise Samuels	71,232,461
Leyford Doonquah	Director	Self	61,520,637
Wayne Gentles	Director	Self	1,538,016
		Bull Investments Ltd	34,374,366
Elva Williams -Richards	Director	Self	30,760,319
		Jhameque Richards	115,665
Wayne Wray	Director	Self Christine Randle	400,000
Karl Townsend	Director	None	189,170
Peter Pearson	Director	None	142,159
<b>Senior Managers</b>			
Konrad Kirlew	Chief Executive Officer	Self	62,210,449
		North Coast Imaging	30,760,319
Wayne Gentles	Acting Chief Financial Officer	Self	1,538,016
		Bull Investments Ltd	34,374,366
Angella Porter	Human Resource Manager	None	nil
Arden Hamilton	Chief Accountant	None	nil