



**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 JUNE 2016**

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28 July 2016

### CHAIRMAN'S REPORT TO THE SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (138 SL) is pleased to present our unaudited consolidated financial statements for the 3rd quarter ended 30 June 2016.

#### **Financial Results Highlights**

The quarter ended June 2016 reflected a significant improvement on the March quarter and this trend is expected to continue into the next quarter. The year to date **consolidated net loss of \$35M** is comparable to the budgeted consolidated loss of \$30M. Revenue totaled \$200M, with long and short term rental income totaling \$170M contributing 85% of total Revenue compared to a budgeted Revenue of \$215M whilst Operating Expenses and Finance costs combined was 5% below budget.

The operations of the Gerald Lalor flats continue to show improvements with July and August bookings being above budget and initiatives are being put in place to ensure continuation of this trend.

Construction of phase 2 consisting of 576 rooms, 864 beds, and projected for completion in twelve (12) months commenced mid December 2015. The delivery of these units is scheduled on a phased basis, the first set of rooms, 288 or 432 beds is on target for occupancy in August 2016. Please see picture below. We are pleased to report that the two (2) buildings are being delivered within 2% of budgeted cost and on time.



The Company has executed a binding Memorandum of Understanding with the University of Technology, Jamaica for the construction and operation of 600 rooms housing up to 1,200 students. Construction is due to commence during the latter part of the calendar year.

Overall, the Group continues to perform according to expectation. The demand for on-campus housing coupled with the response to the product being offered by 138SL augurs well for the future success of the operations.



**John W Lee**  
**CHAIRMAN**

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED 30 JUNE 2016**

<u>Note</u>	<b>3 months ended 30 June 2016 J\$'000</b>	<b>3 months ended 30 June 2015 J\$'000</b>	<b>YTD 30 June 2016 J\$'000</b>	<b>3 months ended 31 MARCH 2016 J\$'000</b>	<b>3 months ended 31 Dec 2015 J\$'000</b>	<b>Audited 30 Sept 2015 J\$'000</b>
<b>REVENUE</b>						
Income	65,288	-	169,910	66,086	38,536	11,998
Other operating income	<u>10,595</u>	<u>-</u>	<u>30,121</u>	<u>10,864</u>	<u>8,662</u>	<u>91</u>
	75,883	-	200,031	76,950	47,198	12,089
<b>EXPENSES</b>						
Administrative expenses	<u>(42,810)</u>	<u>-</u>	<u>(123,440)</u>	<u>(47,520)</u>	<u>(33,110)</u>	<u>(11,223)</u>
<b>PROFIT FROM OPERATIONS</b>	33,073	-	76,591	29,430	14,088	866
<b>Finance costs</b>	<u>(38,611)</u>	<u>-</u>	<u>(112,561)</u>	<u>(43,271)</u>	<u>(30,679)</u>	<u>(2,046)</u>
<b>LOSS BEFORE TAXATION</b>	(5,538)	-	(35,970)	(13,841)	(16,591)	(1,180)
Taxation	<u>522</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>297</u>	<u>935</u>
NET LOSS FOR THE PERIOD, BEING TOTAL COMPREHENSIVE LOSS	<u>(5,016)</u>	<u>-</u>	<u>(35,151)</u>	<u>(13,841)</u>	<u>(16,294)</u>	<u>(245)</u>
<b>Loss per stock unit</b>	<u>5</u> (\$0.01)	<u>-</u>	<u>(\$0.08)</u>	<u>(\$0.03)</u>	<u>(\$0.04)</u>	<u>(\$0.00)</u>

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	<u>Note</u>	<u>UNAUDITED</u> <u>30 JUNE</u> <u>2016</u> <u>J\$'000</u>	<u>UNAUDITED</u> <u>30 JUNE</u> <u>2015</u> <u>J\$'000</u>	<u>AUDITED</u> <u>30 SEPT</u> <u>2015</u> <u>J\$'000</u>
<b>NON-CURRENT ASSETS:</b>				
Investment property		2,066,603	-	1,255,347
Property, plant and equipment		108,825	-	96,525
Construction in progress		919,497	1,039,650	646,852
Deferred tax asset		1,754	-	935
		3,096,679	1,039,650	1,999,659
<b>CURRENT ASSETS:</b>				
Receivables		237,286	193,995	38,185
Taxation recoverable		7,465	2,481	3,112
Short term deposits		473,222		509,868
Cash and cash equivalents		12,035	454,852	44,540
		730,008	651,328	595,705
		3,826,687	1,690,978	2,595,364
<b>EQUITY AND LIABILITIES:</b>				
Share capital		721,153	691,436	721,153
Accumulated deficit		(35,396)	-	(245)
		685,757	691,436	720,908
<b>NON-CURRENT LIABILITIES:</b>				
Long term loan	6	2,576,010	617,214	1,036,684
Redeemable preference shares		172,642	172,642	172,642
		2,748,652	789,856	1,209,326
<b>CURRENT LIABILITIES:</b>				
Payables		392,278	209,686	263,883
Short term borrowings		-	-	401,247
		392,281	209,686	665,130
		3,826,687	1,690,978	2,595,364

Approved and signed on behalf of the Board by:



John W Lee – Chairman



Sharon Donaldson - Director

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE NINE MONTHS ENDED 30 JUNE 2016**

	<b>SHARE CAPITAL</b>	<b>ACCUMULATED DEFICIT</b>	<b>TOTAL</b>
	<b><u>J\$' 000</u></b>	<b><u>J\$' 000</u></b>	<b><u>J\$' 000</u></b>
TOTAL COMPREHENSIVE INCOME			
<b>Balance at 14 November 2014</b>	435,565	-	435,565
TRANSACTION WITH OWNERS			
Net Issue of shares	255,871	-	255,871
<b>Balance at 30 June 2015</b>	691,436	-	691,436
Net Loss	-	(245)	(245)
TRANSACTION WITH OWNERS			
Adjustment to transaction costs	29,717	-	29,717
<b>Balance at 30 September 2015</b>	721,153	(245)	720,908
<b>Net Loss</b>	-	(35,151)	(35,151)
<b>Balance at 30 June 2016</b>	721,153	(35,396)	685,757

## 138 STUDENT LIVING JAMAICA LIMITED

## UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE NINE MONTHS ENDED 30 JUNE 2016

	Unaudited 30 June 2016 <u>J\$' 000</u>	Unaudited 30 June 2015 <u>J\$' 000</u>	Audited 30 Sept 2015 <u>J\$' 000</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net loss	(35,151)	-	(245)
Items not affecting cash resources:			
Deferred taxation	(819)	-	(935)
Interest income	(8,349)	-	(67)
Interest expense	72,297	-	1,958
Depreciation	7,194	-	1,638
	<u>35,172</u>	<u>-</u>	<u>2,349</u>
Changes in operating assets and liabilities:			
Receivables	(190,752)	(193,995)	(38,118)
Taxation recoverable	(4,352)	(2,481)	(3,112)
Other payables	56,097	209,686	261,925
	<u>(139,007)</u>	<u>13,210</u>	<u>220,695</u>
Net cash (used in)/ provided by operating activities	<u>(103,835)</u>	<u>13,210</u>	<u>223,044</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>			
Additions to property, plant and equipment	(19,495)	-	(98,162)
Construction in progress	(639,634)	(604,085)	(429,070)
Investment property	(444,267)	-	(1,037,565)
Short term deposits	36,646	-	(509,868)
Net cash used in investing activities	<u>(1,066,750)</u>	<u>(604,085)</u>	<u>(2,074,665)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>			
Share capital	-	255,871	285,588
Preference shares	-	172,642	172,642
Short term loan	(401,247)	617,214	401,247
Long term loans	1,539,327	-	1,036,684
Net cash provided by financing activities	<u>1,138,080</u>	<u>1,045,727</u>	<u>1,896,161</u>
Net (decrease)/ increase in cash and cash equivalents	<u>(32,505)</u>	<u>454,852</u>	<u>44,540</u>
Cash and cash equivalents at start of the period	44,540	-	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>12,035</u>	<u>454,852</u>	<u>44,540</u>



**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 JUNE 2016**

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) 138 Student Living Jamaica Limited (138 SL) is a limited liability company. The company was incorporated in Jamaica on 15 August 2014 and is domiciled in Jamaica. The registered office of the company is located at 7<sup>th</sup> Floor, Scotiabank Centre, Corner of Duke and Port Royal Streets, Kingston.
- (b) The company is established to construct and rent living facilities at the University of the West Indies under a 65 years concession agreement granted by the University of the West Indies.
- (c) The company, (138SL), is a public listed company and was listed on the Jamaica Stock Exchange on 18 December 2014.
- (d) The company has a 100% subsidiary, 138SL Restoration Limited, a limited liability company, incorporated in Jamaica on 30 April 2015 and domiciled in Jamaica and which has a 35 year concession agreement. The concession was granted by the University of the West Indies, Mona, for the restoration and reconstruction of certain traditional Halls.

**2. REPORTING CURRENCY:**

Items included in the financial statements of the company are measured using the primary economic environment in which the company operates ("the functional currency"). These financial statements are presented in Jamaican dollars which is considered the company's functional and presentation currency.

**3. BASIS OF CONSOLIDATION:**

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiary, 138SL Restoration Limited.

**4. SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements are prepared in accordance International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board and comply with the provisions of the Jamaican Companies Act.

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2015 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting).

**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 30 JUNE 2016**

**5. Loss per stock unit**

Loss per stock unit is calculated by dividing the net loss attributable to stockholders by the weighted average number of ordinary stock units in issue.

	3 months ending 30 June 2016 <u>J\$</u>	YTD 30 June 2016 <u>J\$</u>	3 months ending 31 March 2016 <u>J\$</u>	3 months ending 31 Dec 2015 <u>J\$</u>	Audited 30 Sept 2015 <u>J\$</u>
Net loss attributable to stockholders	(5,016,000)	(35,151,000)	(13,841,000)	(16,294,000)	(245,000)
Weighted average number of ordinary stock units	414,500,000	414,500,000	414,500,000	414,500,000	414,500,000
Loss per stock unit	0.01	0.08	0.03	0.04	0.00

**6. LONG TERM LOAN:**

	Group 30 June 2016 <u>J\$' 000</u>	Company June 2015 <u>J\$' 000</u>	Group 30 Sept 2015 <u>J\$' 000</u>
Long Term Promissory Notes	1,868,867	-	1,036,684
Jamaica Mortgage Bank/ National Commercial Bank	707,143	617,214	-
	<u>2,576,010</u>	<u>617,214</u>	<u>1,036,684</u>

Long Term Promissory Notes have been issued through CIBC First Caribbean International Bank and held by JCSD Trustee Services Limited, as Trustees for the Noteholders, with a fifteen (15) year tenure carrying interest at 6 months weighted average treasury bill yield (WATBY) plus 350 basis points. During the nine-month period, additional Long Term Notes were issued on the completion and hand over of the third block in the amount of \$832M.

The subsidiary, 138 SL Restoration also raised funding for the renovation works for Gerald Lalor Hall through long term instruments issued through Victoria Mutual Wealth Management and MoneyMasters Limited to raise up to \$2.795B for a period of 15 years. Interest is fixed at 11.5% for the first six months and thereafter a variable rate of 350 basis points above the weighted average rate applicable to the six month Jamaica Treasury Bill Tender (WATBY). JCSD Trustee Services Limited are the Trustee for the long term instruments and \$442M has been raised to date.

A joint loan with Jamaica Mortgage Bank Limited (JMB) and National Commercial Bank Jamaica Limited (NCB) of up to \$1.52B was negotiated to facilitate the construction of Phase 2 of the Concession Agreement. The loan's tenure is up to 18 months with a fixed interest rate of 11.5%. In December 2014, a similar joint loan had been negotiated with the same institutions in the amount of \$1.35B to facilitate the construction of Phase 1 of the Project and of which \$617,214,000 had been disbursed to the company at the end of June 2015. The loan tenure was for a period up to 15 months with a 13.5% fixed interest rate.

## 138 STUDENT LIVING JAMAICA LIMITED

## TOP TEN (10) LARGEST SHAREHOLDERS

SHAREHOLDER	HOLDINGS AS AT 30 JUNE 2016	% SHAREHOLDING
K LIMITED	167,439,627	40.4%
SAGICOR	125,240,000	30.21%
Sagicor Pooled Equity Fund	49,323,333	
JCSD Trustee Services Ltd – Sigma Optima	59,683,334	
Sagicor Pooled Mortgage & Real Estate Fund	16,233,333	
STIEBEL, DOUGLAS/ CHRISTINE STIEBEL	15,673,025	3.78%
BARITA INVESTMENTS LIMITED	14,477,800	3.49%
FIRST CARIBBEAN INTERNATIONAL SECURITIES – A/ C BARITA REAL ESTATE PORTFOLIO	12,200,000	2.94%
WISYNCO GROUP LIMITED PENSION FUND	10,000,000	2.41%
BROWN BARRINGTON PHILLIP	7,334,592	1.77%
BEACH, HELINE	5,000,000	1.21%
WILLIAMS, ENITH MARTIN	4,825,676	1.16%
THOMAS, KINGSLEY CHARLES ST. GEORGE	4,008,813	0.97%

## 138 STUDENT LIVING JAMAICA LIMITED

## SHAREHOLDING OF DIRECTORS AND CONNECTED PERSONS

For purposes of compliance with Rule 407 of the Jamaica Stock Exchange Rules, details of stockholdings of Directors and Senior Management and their connected persons as at **30 June 2016** are set out hereunder:

DIRECTORS	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
JOHN W. LEE	NIL	K LIMITED MARRYNETTE LEE	167,439,627 NIL
MARRYNETTE LEE	NIL	K LIMITED JOHN W LEE	167,439,627 NIL
DOUGLAS STIEBEL	NIL	DOUGLAS/CHRISTINE STIEBEL CHRISTINE STIEBEL	15,673,025 NIL
ANGELA LEE LOY	NIL	IAN ANDREW LEE AEGIS BUSINESS SOLUTIONS LTD EVE ANDERSON RECRUITMENT LTD	NIL NIL NIL
PETER PEARSON	NIL	PETER/YVONNE PEARSON	400,000
DEBBIE-ANN GORDON	NIL	ERIC CRAWFORD	NIL
SHARON DONALDSON	100,000	JUNIOR LEVINE	NIL

## SHAREHOLDING OF SENIOR MANAGEMENT AND CONNECTED PERSONS

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PERSONS	SHAREHOLDING
ROSE HAMILTON	NIL	SEZVIN HAMILTON DEC'D	NIL
MICHELLE MORRISON	NIL	DAVE MORRISON	NIL