



STANLEY MOTTA LIMITED

**UNAUDITED FINANCIAL STATEMENT
QUARTER ENDED 30 SEPTEMBER 2018**



Interim Report to the Stockholders

Overview of our Q3 2018 results

For the nine (9) months ended 30 September 2018, Stanley Motta Ltd achieved revenues of J\$172 million, an increase of J\$129million or 300% over the corresponding period in 2017. This increase represents the new rental income from Unit 4 which was handed over to the tenant in May of 2017.

Net profit for the period was J\$1.665 billion, an increase of J\$1.643 billion or 11422% over the corresponding period in 2017. The net profit was bolstered by the revaluation gain of \$1.611 billion on the Unit 4 investment property, as a result of a valuation completed in September 2018. Had this valuation not been done then the net profit would have been J\$53.5 million an increase of J\$39.1 million, and an increase of 272%.

Administrative expenses for Q3 YTD were \$J81m as compared to \$28m for YTD 2017. This was due to one off expenses from a realtor commission payment of \$13m, and also expenses for the IPO. The property management services fee is reflected in the 2018 figures and not in the 2017 figures.

Management projection

Growth in monthly income will continue in the fourth quarter due to the full rental income becoming payable monthly for Unit 4 from November. This will mean that from November onwards all square footage of the property will be billed fully.

We thank all our partners, suppliers, tenants at 58 HWT, for which Stanley Motta Ltd is responsible, for their continued support.

A handwritten signature in black ink that reads "Melanie Subratie".

Melanie Subratie

Chairman

A handwritten signature in black ink that reads "Andrea Kinach".

Andrea Kinach

Director

STANLEY MOTTA LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Jamaican dollars in thousands)


	UNAUDITED NINE (9) MONTHS ENDED 30 SEPTEMBER 2018	UNAUDITED NINE (9) MONTHS ENDED 30 SEPTEMBER 2017	UNAUDITED QUARTER ENDED 30 SEPTEMBER 2018	UNAUDITED QUARTER ENDED 30 SEPTEMBER 2017	AUDITED YEAR ENDED 31 DECEMBER 2017
Revenue	172,206	42,742	76,861	29,497	72,257
Other operating income	13	-	3	-	1,531
Administrative expenses	(81,259)	(28,355)	(42,231)	(7,651)	(56,218)
Operating Profit	90,960	14,387	34,633	21,846	17,570
Finance cost	(37,412)	-	(12,393)	-	(7,453)
Revaluation gain on investment property	1,611,623	-	1,611,623	-	843,554
Profit before taxation	1,665,171	14,387	1,633,863	21,846	853,671
Taxation	-	-	-	-	(60)
Net Profit/(Loss)	1,665,171	14,387	1,633,863	21,846	853,611
Other Comprehensive Income					
Fair value gains/(losses) on available-for-sale investments	-	937	-	-	212
Currency transaction differences on net assets of foreign subsidiary	6,454	-	-	-	(8,275)
Total Comprehensive Income	1,671,625	15,324	1,633,863	21,846	845,548
Earning per stock unit for profit attributable to the equity holders of the Company during the year	2.30*	0.04	2.16	0.05	1.99

* Shares valuing \$281M were added during the year.

STANLEY MOTTA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Jamaican dollars in thousands)

	UNAUDITED AT 30 SEPTEMBER 2018	UNAUDITED AT 30 SEPTEMBER 2017	AUDITED YEAR ENDED 31 DECEMBER 2017
Non-Current Assets			
Property, plant and equipment	20,767	11,361	22,263
Investment property	4,400,356	635,132	2,350,068
Investments	765	4,504	3,779
	<u>4,421,888</u>	<u>650,997</u>	<u>2,376,110</u>
Current Assets			
Inventories	937	-	937
Receivables	25,685	26,703	43,755
Due from other related parties	-	27,785	-
Taxation recoverable	202	202	202
Cash and cash equivalents	58,725	5,949	2,234
	<u>85,549</u>	<u>60,639</u>	<u>47,128</u>
Current Liabilities			
Payables	102,369	16,197	66,024
Due to holding company	-	-	31,269
Due to other related parties	33,012	-	6,824
Current portion of borrowings	40,011	-	39,634
	<u>175,392</u>	<u>16,197</u>	<u>143,751</u>
Net Current (Liabilities)/Assets	<u>(89,843)</u>	<u>44,442</u>	<u>(96,623)</u>
	<u>4,332,045</u>	<u>695,439</u>	<u>2,279,487</u>
Shareholders' Equity			
Share capital	811,933	40,348	530,809
Fair value reserve	3,776	4,501	3,776
Capital reserve	238,379	-	238,379
Cumulative translation reserve	(1,821)	-	(8,275)
Retained earnings/(accumulated deficit)	2,505,694	1,299	840,523
	<u>3,557,961</u>	<u>46,148</u>	<u>1,605,212</u>
Non-Current Liabilities			
Borrowings	742,820	400,220	674,275
Long term payable	31,264	13,178	-
Parent company loan	-	235,893	-
	<u>774,084</u>	<u>649,291</u>	<u>674,275</u>
	<u>4,332,045</u>	<u>695,439</u>	<u>2,279,487</u>

Approved by the Board of Directors on November 12, 2018 and signed on its behalf by:



Melanie Subratie (Mrs)
CHAIRMAN



Andrea Kinach
DIRECTOR

Stanley Motta Limited
Consolidated Statement of Changes in Equity
(Jamaican dollars in thousands)

	Share Capital	Fair Value Reserve	Capital Reserve	Cumulative Translation Reserve	Retained Earnings/(Accumulated Deficit)	Total
Balance at 31 December 2016	40,348	3,564			(13,088)	30,824
Net profit for the year					14,387	14,387
Other comprehensive income:						
Fair value gains on available-for-sale investments		937				937
Total comprehensive income		937			14,387	15,324
Balance at 30 September 2017	40,348	4,501	-	-	1,299	46,148
Balance at 31 December 2017	530,809	3,776	238,379	(8,275)	840,523	1,605,212
Net profit for the year					1,665,171	1,665,171
Other comprehensive income:						
Fair value gains on available-for-sale investments		-				-
Currency translation differences on net assets of foreign subsidiary				6,454		6,454
Total comprehensive income				6,454	1,665,171	1,671,625
Transactions with owners of the company:						
Issue of shares	281,124					281,124
Balance at 30 September 2018	811,933	3,776	238,379	(1,821)	2,505,694	3,557,961

Stanley Motta Limited
Consolidated Statement of Cash Flows
(Jamaican dollars in thousands)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED
	30 SEPTEMBER	30 SEPTEMBER	31 DECEMBER
	2018	2017	2017
Cash Flows from Operating Activities			
Net profit	1,665,171	14,387	853,611
Adjusted for:			
Taxation	60	60	60
Depreciation	2,040	548	1,466
Dividend Income	-	(313)	(313)
Interest income	-		(374)
Interest expenses	37,412		7,035
Revaluation gain on investment property	(1,611,623)		(843,554)
Exchange losses on foreign currency balances	(1,841)	(1,220)	(16,191)
	<u>91,219</u>	<u>13,462</u>	<u>1,740</u>
Changes in operating assets and liabilities			
Inventories	-	1,120	183
Receivables	18,070	(19,245)	(34,265)
Parent company	(31,269)	3,772	(200,852)
Due to/(from) other related parties	26,188	(27,785)	(22,132)
Payables	36,345	(4,556)	34,164
Long term payables	31,264	13,178	-
Cash (used in)/provided by operating activities	<u>171,817</u>	<u>(20,054)</u>	<u>(221,162)</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(544)	(10,207)	(10,207)
Addition to investment property	(438,665)	(235,734)	(547,748)
Acquisition of subsidiaries, net of cash	-		(151,765)
Proceeds from the sale of investment in shares	3,014		-
Dividend received	-	313	313
Interest received	-		374
Taxation paid	(60)	(107)	(107)
Cash used in investing activities	<u>(436,255)</u>	<u>(245,735)</u>	<u>(709,140)</u>
Cash Flows from Financing Activities			
Proceeds from long-term loan (net)	76,407	202,749	374,162
Proceeds from the issue of shares	281,124		490,460
Interest Paid	(37,412)		(1,134)
Cash provided by financing activities	<u>320,119</u>	<u>202,749</u>	<u>863,488</u>
Effect of exchange rate changes on cash and cash equivalents	810	-	59
Increase in net cash and cash equivalents	<u>56,491</u>	<u>(63,040)</u>	<u>(66,755)</u>
Cash and cash equivalents at beginning of year	<u>2,234</u>	<u>68,989</u>	<u>68,989</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u><u>58,725</u></u>	<u><u>5,949</u></u>	<u><u>2,234</u></u>

Stanley Motta Limited

Notes to the Financial Statements

Period ending 30 September 2018

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activity

Stanley Motta Limited, (the Company) is a company limited by shares incorporated and domiciled in Jamaica. The company is a public listed company with its listing on the Jamaica Stock Exchange Main Market. The registered office of the company is located at 58 Half-Way-Tree Road, Kingston 10.

In November 2017 the Company acquired 100% of the shares of Unity Capital Incorporated resulting in this fellow subsidiary becoming a wholly owned subsidiary of the Company.

These financial statements present the results of operations and financial position of the Company and its subsidiary, which are collectively referred to as “the Group”. The principal activity of the Group is property rental.

2. Statement of Compliance and Basis of Preparation

These unaudited interim consolidated financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), and the relevant provisions of the Companies Act.

The interim consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale securities and investment property.

The accounting policies and method of computation are consistent with the audited financial statements for year ended December 31, 2017. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

Stanley Motta Limited

Shareholders' Profile as at 30 September 2018

Ten Largest Shareholders

1. Stony Hill Capital Limited	113,844,873
2. NCB Capital Markets Limited A/C 2231	97,108,204
3. Caona Investments Limited	75,782,849
4. General Accident Insurance Company Limited	73,566,200
5. Prime Asset Management JPS Employees Superannuation Limited	65,913,300
6. Lascelles Demercado Defined Contribution Fund	47,080,900
7. Perseverance Limited	37,891,425
8. NCB Insurance Company Limited -A/C WT161	28,248,000
9. University Hospital Scheme of Pensions	24,482,100
10. Pooled Equity Fund	18,832,300

Shareholding of Directors, along with their connected persons

1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849
2. Sandra Glasgow	100,000
3. Sharon Donaldson	600,000
4. Minna Israel	100,000
5. Patricia Sutherland	Nil
6. Jennifer Scott	Nil
Shareholding of connected person	37,891,425
7. Andrea Kinach	100,000

Shareholding of Management

1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849
2. Tina Smart	94,000
3. Clifton Morgan	Nil