



STANLEY MOTTA LIMITED

**Unaudited Results for the Quarter
and Year ended December 31, 2018**



Report to Stockholders

We are pleased to present the Unaudited Financial Statements of Stanley Motta Limited for the quarter and year ended December 31, 2018.

The highlights are as follows:

- Net profit of J\$2.3bn compared to J\$853m for 2017, an increase of 172%, bolstered by the revaluation gain on the property.
- Net Operating Income of \$143.4m for 2018 was up 719% over 2017, comparing to \$17.5m for 2017.
- Revenue for the year was J\$269m compared to J\$72m for 2017, an increase of 273%.
- Earnings per share increased from \$1.99 at the end of 2017 to \$3.16 at December 2018, an increase of 59%.
- Revenue for the final quarter was approx. J\$97m as compared to J\$76.8m for Q3 2018, a 26% increase over the previous quarter. It also represents an increase of 126% over the same quarter in 2017 which recorded revenues of J\$43m.
- The increase in revenue for the year and the quarter was due to income from Unit 4 which was completed in 2018, and the acquisition of Unity Capital which owns what is now called Unit 5 and therefore increased square footage available to rent.
- Administrative expenses for the year were J\$126m as compared to \$56m for 2017. This was due mainly to \$21m in commission payments in regard to the lease for Unit 4 and legal expenses, advertising and consulting expenses which will not be necessary going forward.
- Finance costs increased over prior year since now the entire DBJ loan is subject to payment whereas a moratorium on interest and principal payments existed in 2017. Additionally, the figures include the finance costs for the mortgage on Unit 5, the Unity Capital building.

Revaluation Gain on investment property.

- A valuation was done on Unit 4 dated September 30th 2018 and on all other units dated December 31 2018 by accredited valuers. This accounts for the J\$2.2 billion in revaluation gain on the investment property in 2018.

Management Projections:

Revenue for 2019 will continue to be in line with Q4 2018's performance. Collection of rent in US dollars is expected to continue on a timely basis and expenses will lowered and become consistent during 2019.

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

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Melanie Subratie
Chairman

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

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Andrea Kinach
Director


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

	UNAUDITED TWELVE (12) MONTHS ENDED 31 DECEMBER 2018	AUDITED TWELVE (12) MONTHS ENDED 31 DECEMBER 2017	UNAUDITED QUARTER ENDED 31 DECEMBER 2018	UNAUDITED QUARTER ENDED 31 DECEMBER 2017
Revenue	269,254	72,257	97,048	42,760
Other operating income	37	1,531	24	1,531
Administrative expenses	(125,849)	(56,218)	(44,590)	(48,567)
Operating Profit	<u>143,442</u>	<u>17,570</u>	<u>52,482</u>	<u>(4,276)</u>
Finance cost	(40,158)	(7,453)	(2,746)	(7,453)
Revaluation gain on investment property	2,210,440	843,554	598,817	843,554
Profit before taxation	<u>2,313,724</u>	<u>853,671</u>	<u>648,553</u>	<u>831,825</u>
Taxation	(60)	(60)	(60)	(60)
Net Profit/(Loss)	<u>2,313,664</u>	<u>853,611</u>	<u>648,493</u>	<u>831,765</u>
Other Comprehensive Income				
Fair value gains/(losses) on available-for-sale investments	-	212	-	212
Currency transaction differences on net assets of foreign subsidiary	-	(8,275)	-	(8,275)
	<u>-</u>	<u>(8,063)</u>	<u>-</u>	<u>(8,063)</u>
Total Comprehensive Income	<u><u>2,313,664</u></u>	<u><u>845,548</u></u>	<u><u>648,493</u></u>	<u><u>823,702</u></u>
 Earning per stock unit for profit attributable to the equity holders of the Company during the year	 <u>3.16</u>	 <u>1.99</u>	 <u>0.86</u>	 <u>2.06</u>

* 101,488,725 shares valuing \$281M were added during the year.

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

	UNAUDITED	AUDITED
	AT	YEAR ENDED 31
	31 DECEMBER	DECEMBER
	2018	2017
Non-Current Assets		
Property, plant and equipment	18,872	22,263
Investment property	4,996,201	2,350,068
Investments	765	3,779
	<u>5,015,838</u>	<u>2,376,110</u>
Current Assets		
Inventories	544	937
Receivables	16,784	43,755
Taxation recoverable	202	202
Cash and cash equivalents	92,672	2,234
	<u>110,202</u>	<u>47,128</u>
Current Liabilities		
Payables	112,327	66,024
Due to holding company	-	31,269
Due to other related parties	-	6,824
Current portion of borrowings	40,537	39,634
	<u>152,864</u>	<u>143,751</u>
Net Current (Liabilities)/Assets	<u>(42,662)</u>	<u>(96,623)</u>
	<u>4,973,176</u>	<u>2,279,487</u>
Shareholders' Equity		
Share capital	811,933	530,809
Fair value reserve	3,776	3,776
Capital reserve	238,379	238,379
Cumulative translation reserve	5,532	(8,275)
Retained earnings/(accumulated deficit)	3,154,187	840,523
	<u>4,213,807</u>	<u>1,605,212</u>
Non-Current Liabilities		
Borrowings	728,105	674,275
Long term payable	31,264	
	<u>759,369</u>	<u>674,275</u>
	<u>4,973,176</u>	<u>2,279,487</u>



Melanie Subratie
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	40,349	3,564			(13,088)	30,825
Net profit for the year					853,611	853,611
Other comprehensive income						
Fair value gains on available-for-sale investments		212				212
Currency translation differences on net assets of foreign subsidiary				(8,275)		(8,275)
Total comprehensive income		212		(8,275)	853,611	845,548
Capital reserve on acquisition			238,379			238,379
Transactions with owners of the company:						-
Issue of shares	490,460					490,460
Balance at 31 December 2017	530,809	3,776	238,379	(8,275)	840,523	1,605,212
Balance at 31 December 2017	530,809	3,776	238,379	(8,275)	840,523	1,605,212
Net profit for the year					2,313,664	2,313,664
Other comprehensive income						-
Fair value gains on available-for-sale investments						-
Currency translation differences on net assets of foreign subsidiary				13,807		13,807
Total comprehensive income				13,807	2,313,664	2,327,471
Capital reserve on acquisition						-
Transactions with owners of the company:						-
Issue of shares	281,124					281,124
Balance at 31 December 2018	811,933	3,776	238,379	5,532	3,154,187	4,213,807

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

	UNAUDITED	AUDITED
	AT 31 DECEMBER 2018	YEAR ENDED 31 DECEMBER 2017
Cash Flows from Operating Activities		
Net profit	2,313,664	853,611
Adjusted for:		
Taxation	60	60
Depreciation	4,523	1,466
Dividend Income	-	(313)
Interest income	(37)	(374)
Interest expenses	40,158	7,035
Revaluation gain on investment property	(2,210,440)	(843,554)
Exchange losses on foreign currency balances	13,807	(16,191)
	<u>161,735</u>	<u>1,740</u>
Changes in operating assets and liabilities		
Inventories	393	183
Receivables	26,971	(34,265)
Parent company	(31,269)	(200,852)
Due to/(from) other related parties	(6,824)	(22,132)
Payables	46,303	34,164
Long term payables	31,264	-
Cash (used in)/provided by operating activities	<u>228,573</u>	<u>(221,162)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(544)	(10,207)
Addition to investment property	(435,693)	(547,748)
Acquisition of subsidiaries, net of cash	-	(151,765)
Proceeds from the sale of investment in shares	3,014	-
Dividend received	-	313
Interest received	37	374
Taxation paid	(60)	(107)
Cash used in investing activities	<u>(433,246)</u>	<u>(709,140)</u>
Cash Flows from Financing Activities		
Proceeds from long-term loan (net)	54,733	374,162
Proceeds from the issue of shares	281,124	490,460
Interest Paid	(40,158)	(1,134)
Cash provided by financing activities	<u>295,699</u>	<u>863,488</u>
Effect of exchange rate changes on cash and cash equivalents	(588)	59
Increase in net cash and cash equivalents	<u>90,438</u>	<u>(66,755)</u>
Cash and cash equivalents at beginning of year	<u>2,234</u>	<u>68,989</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u><u>92,672</u></u>	<u><u>2,234</u></u>

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 31 December 2018

Ten Largest Shareholders	No. Of Shares
1. Stony Hill Capital Limited	113,844,873
2. NCB Capital Markets Limited A/C 2231	97,157,354
3. Caona Investments Limited	75,782,849
4. General Accident Insurance Company Limited	73,590,920
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. VM Wealth Property Fund	33,898,200
9. NCB Insurance Company Limited -A/C WT161	28,248,000
10. Pooled Equity Fund	18,832,300

Shareholding of Directors, along with their connected persons	No. Of Shares
1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849
2. Sandra Glasgow	100,000
3. Sharon Donaldson	100,000
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	No. Of Shares
1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849
2. Tina Smart	94,000
3. Clifton Morgan	NIL