



STANLEY MOTTA LIMITED

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED 30 JUNE 2019

Stanley Motta Limited

Index

Quarter ended 30 June 2019

	Page
Report to Stockholders	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-7

STANLEY MOTTA LIMITED



STANLEY MOTTA LIMITED

Report to Stockholders

For the Quarter ended 30 June 2019

We are pleased to present the unaudited financial statements of Stanley Motta Limited for the quarter ended 30st June 2019.

The highlights are as follows:

- Revenue for the Quarter was J\$108m compared to J\$96 for the previous Quarter and J\$53m for the same period in 2018, an increase of 12.5% over the previous Quarter and 104% over the same period in 2018. The increase over 2018 is due to increased rental space.
- Net Profit for the Quarter was J\$46m compared to \$69m for the previous Quarter and J\$11m for Quarter 2, 2018. This is an increase of 318% over 2018 due mainly to a large increase in rental space in the second half of 2018. Without the J\$19m foreign exchange loss, Quarter 2 would have shown a profit of \$65m and would be in line with Quarter 1 Net Profit.
- YTD Net Profit is J\$115m compared to J\$22m for the same period in 2018. This represents a 523% increase. Again, without the J\$19m foreign exchange loss, YTD would have shown a profit of J\$134m compared to J\$22m for the same period prior year.
- Administrative Expenses for the Quarter were J\$49M compared to J\$23m for the previous Quarter and J\$31M for the same quarter last year. This was due mainly to foreign exchange loss of J\$19.5M on the revaluation of the long term loan, together with cost of printing the annual report. Without the foreign exchange loss administrative expenses would have been in line with expectation.
- Earnings per stock unit for the Quarter were J\$0.06 compared to J\$0.09 for the previous Quarter and J\$0.02 for the same period in 2018, an increase of 200%. Without the foreign exchange loss, earnings per share would have been J\$0.18 year to date and J\$0.09 for the Quarter, in line with previous Quarter.
- The foreign exchange movements have not had a direct impact from a cash flow perspective because the major long term loan is in US\$ and revenues are also in US\$.

Management Projections:

Revenue for 2019 will continue to be in line with results so far. Collection of rent in US dollars is expected to continue on a timely basis.

Melanie Subratie

Blondell Walker

Stanley Motta Limited
Consolidated Statement of Comprehensive Income
Quarter ended 30 June 2019

(Expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED SIX (6) MONTHS ENDED 30 JUNE 2019 \$'000	UNAUDITED SIX (6) MONTHS ENDED 30 JUNE 2018 \$'000	UNAUDITED QUARTER ENDED 30 JUNE 2019 \$'000	UNAUDITED QUARTER ENDED 30 JUNE 2018 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2018 \$'000
Revenue	205,417	94,175	108,553	53,003	269,763
Other operating income	53	10	36	10	37
Administrative expenses	(66,440)	(47,481)	(49,335)	(31,536)	(113,211)
Operating Profit	139,030	46,704	59,254	21,477	156,589
Finance cost	(22,702)	(24,480)	(12,862)	(9,942)	(59,223)
Revaluation gain on investment property	-	-	-	-	1,901,656
Profit before taxation	116,328	22,224	46,392	11,535	1,999,022
Taxation	(1,179)	-	-	-	(2,110)
Net Profit/(Loss)	115,149	22,224	46,392	11,535	1,996,912
Other Comprehensive Income					
Items that may be subsequently reclassified to the profit or loss:					
Unrealised losses on securities classified as FVOCI					(3,014)
Currency translation differences on net assets of foreign subsidiary	9,436	19,888	9,436	19,888	11,549
	9,436	19,888	9,436	19,888	8,535
Total Comprehensive Income	124,585	42,112	55,828	31,423	2,005,447
Earning per stock unit for profit attributable to the equity holders of the Company during the year	0.15	0.03	0.06	0.02	2.72

Stanley Motta Limited


Consolidated Statement of Financial Position

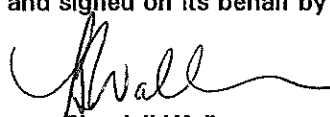
As at 30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED
	30 JUNE 2019	30 JUNE 2018	31 DECEMBER
	\$'000	\$'000	2018
			\$'000
Non-Current Assets			
Property, plant and equipment	22,635	22,133	18,947
Investment properties	4,722,782	2,676,566	4,689,316
Investments	765	3,779	765
	<u>4,746,182</u>	<u>2,702,478</u>	<u>4,709,028</u>
Current Assets			
Inventories	580	937	544
Receivables	14,536	54,659	22,771
Due from other related parties	-	1,284	-
Taxation recoverable	202	202	202
Cash and cash equivalents	47,086	39,646	92,601
	<u>62,404</u>	<u>96,728</u>	<u>116,118</u>
Current Liabilities			
Payables	113,981	82,789	119,834
Due to former parent company	-	-	26,821
Due to other related parties	-	-	2,712
Income tax payable	-	-	2,031
Current portion of borrowings	59,359	39,834	62,459
	<u>173,340</u>	<u>122,623</u>	<u>213,857</u>
Net Current (Liabilities)/Assets	<u>(110,936)</u>	<u>(25,895)</u>	<u>(97,739)</u>
	<u>4,635,246</u>	<u>2,676,583</u>	<u>4,611,289</u>
Shareholders' Equity			
Share capital	811,933	811,933	811,933
Fair value reserve	762	3,776	762
Capital reserve	238,379	238,379	238,379
Cumulative translation reserve	12,711	11,613	3,274
Retained earnings/(accumulated deficit)	2,862,612	862,737	2,840,449
	<u>3,926,397</u>	<u>1,928,438</u>	<u>3,894,797</u>
Non-Current Liabilities			
Borrowings	708,849	748,145	716,492
	<u>708,849</u>	<u>748,145</u>	<u>716,492</u>
	<u>4,635,246</u>	<u>2,676,583</u>	<u>4,611,289</u>

Approved by the Board of directors on July 29, 2019 and signed on its behalf by:


Melanie Subratie
Chairman


Blondell Walker
Director

Stanley Motta Limited

Consolidated Statement of Changes in Equity

Quarter ended 30 June 2019

(expressed in Jamaican dollars unless otherwise stated)

	Share Capital \$'000	Fair Value Reserve \$'000	Capital Reserve \$'000	Cumulative Translation Reserve \$'000	Retained Earnings/ (Accumulated Deficit) \$'000	Total \$'000
Balance at 31 December 2017	530,809	3,776	238,379	(8,275)	840,523	1,605,212
Net profit for the year					22,214	22,214
Other comprehensive income:						
Currency translation differences on net assets of foreign subsidiary				19,888		19,888
Total comprehensive income		-		19,888	22,214	42,102
Transactions with owners of the company:						
Issue of shares	281,124					281,124
Balance at 30 June 2018	811,933	3,776	238,379	11,613	862,737	1,928,438
Balance at 31 December 2018	811,933	762	238,379	3,274	2,840,449	3,894,797
Net profit for the year					115,149	115,149
Other comprehensive income:						
Currency translation differences on net assets of foreign subsidiary				9,437		9,437
Total comprehensive income		-		9,437	115,149	124,586
Transactions with owners of the company:						
Dividend paid	-				(92,986)	(92,986)
Balance at 30 June 2019	811,933	762	238,379	12,711	2,862,612	3,926,397

Stanley Motta Limited

Consolidated Statement of Cash Flows

Quarter ended 30 June 2019

(expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED
	30 JUNE 2019	30 JUNE 2018	31 DECEMBER
	\$'000	\$'000	2018
			\$'000
Cash Flows from Operating Activities			
Net profit	115,149	22,214	1,996,912
Adjusted for:			
Taxation	1,179	-	2,110
Depreciation	1,279	130	2,597
Interest income	(53)	(4)	(37)
Interest expenses	22,702	24,480	38,587
Revaluation gain on investment property	-	-	(1,901,656)
Exchange loss on foreign currency balances	27,928	19,888	41,905
	<u>168,184</u>	<u>66,708</u>	<u>180,418</u>
Changes in operating assets and liabilities			
Inventories	(36)	-	393
Receivables	8,235	(10,904)	20,984
Former parent company	(26,821)	(31,269)	(4,448)
Due to/(from) other related parties	(2,712)	(8,108)	(4,112)
Payables	(5,853)	9,561	53,810
Cash provided by operating activities	<u>140,997</u>	<u>25,988</u>	<u>247,045</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(4,967)	-	(720)
Addition to investment property	(33,466)	(326,498)	(419,966)
Proceeds from sale of equity investment	-	-	3,014
Interest received	53	4	37
Taxation paid	(3,210)	-	(79)
Cash used in investing activities	<u>(41,590)</u>	<u>(326,494)</u>	<u>(417,714)</u>
Cash Flows from Financing Activities			
(Payment) of/Proceeds from long-term loan (net)	(32,785)	74,070	21,741
Proceeds from the issue of shares	-	281,124	281,124
Dividend paid	(92,986)	-	-
Interest Paid	(22,702)	(17,276)	(41,829)
Cash (used in)/provided by financing activities	<u>(148,473)</u>	<u>337,918</u>	<u>261,036</u>
Effect of exchange rate changes on cash and cash equivalents	3,551	-	-
Increase in net cash and cash equivalents	<u>(45,515)</u>	<u>37,412</u>	<u>90,367</u>
Cash and cash equivalents at beginning of year	<u>92,601</u>	<u>2,234</u>	<u>2,234</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u>47,086</u>	<u>39,646</u>	<u>92,601</u>

Stanley Motta Limited

Notes to the Financial Statements

As at 30 June 2019

(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 publicly listed on the main market of the Jamaica Stock Exchange. 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 Unity Capital 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, 2018. These financial statements are expressed in Jamaican dollars which is the currency of the primary economic environment in which the company operates.

3. Earnings per Stock Unit

Earnings per share is calculated on net profit and is based on the weighted average shares in issues during both years.

	UNAUDITED SIX (6) MONTHS ENDED 30 JUNE 2019	UNAUDITED SIX (6) MONTHS ENDED 30 JUNE 2018	UNAUDITED QUARTER ENDED 30 JUNE 2019	UNAUDITED QUARTER ENDED 30 JUNE 2018	AUDITED YEAR ENDED 31 DECEMBER 2018
Net profit attributable to ordinary shareholders (\$'000)	115,149,000	22,224,000	46,392,000	11,535,000	1,996,912,000
Weighted average of number of ordinary shares in issue at the end of the period	757,828,490	656,339,765	757,828,490	656,339,765	733,466,864
Basic earnings per share	0.15	0.03	0.06	0.02	2.72

Stanley Motta Limited

Shareholders Profile

As at 30 June 2019

SHAREHOLDERS' PROFILE

Ten Largest Shareholders	Number of Shares
1. Stony Hill Capital Limited	113,844,873
2. VM Wealth Property Fund	85,110,230
3. Caona Investments Limited	75,782,849
4. General Accident Insurance Company Limited	73,591,200
5. PAM- JPS Employees Superannuation Ltd	65,913,300
6. PAM- Lascelles Demercado Defined Contribution Fund	52,284,916
7. Perseverance Limited	37,891,425
8. NCB Capital Markets Limited A/C 2231	37,324,621
9. PAM- Pooled Equity Fund	28,838,750
10. NCB Insurance Company Limited -A/C WT161	28,248,000
Shareholding of Directors, along with their connected persons	Number of Shares
1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849
2. Sandra Glasgow	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	Number of Shares
1. Melanie Subratie	Nil
Shareholding of connected person	75,782,849