

STANLEY MOTTA LIMITED

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED 30 SEPTEMBER 2019

Stanley Motta Limited

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Quarter ended 30 September 2019

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STANLEY MOTTA LIMITED



STANLEY MOTTA LIMITED

Report to Stockholders

For the Quarter ended 30 September 2019

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

The highlights are as follows:

- Net Operating Income (NOI) for the Quarter was J\$63m compared to J\$34m for the same period last year, an increase of 85%. YTD NOI was J\$202m compared to J\$91m for the same period last year, an increase of 124%.
- Revenue for the Quarter was J\$107m compared to J\$108m for the previous Quarter and J\$76m for the same period in 2018, maintaining the same level as compared to the previous quarter and an increase of 38% over the same period in 2018. The increase over 2018 is due to increased rental space.
- Year to date revenue was J\$313m compared to J\$172m for the same period in 2018 due to increased rental space, an increase of 81%.
- Net Profit for the Quarter was J\$49.7m compared to \$46m for the previous Quarter and J\$1.633b for Quarter 3, 2018. Included in the results for Quarter 3 2018 was a revaluation gain on investment property of J\$1.611b. Without this extra ordinary gain there would have been a Net Profit increase of \$22m or 123%.
- YTD Net Profit was J\$165m compared to J\$1.665b for the same period in 2018. Without this extraordinary gain, the 2019 YTD results would represent a 153% increase over the same period last year.
- Total Expenses for the Quarter were J\$42m compared to J\$49m for the previous Quarter and J\$42m for the same quarter last year. The results for the previous quarter included foreign exchange loss of J\$19.5M on the revaluation of the long term loan. For this quarter the foreign exchange loss was J\$15m.
- Earnings per stock unit for the Quarter were J\$0.07 compared to J\$0.06 for the previous Quarter and J\$2.16 for the same period in 2018, an increase of 17% over the previous quarter. When adjusted for the revaluation gain, the EPS for the third quarter 2018 would be 0.03 reflecting an increase of 133% compared to the third quarter 2018.
- The foreign exchange movements have not had a direct impact on the company's cash flow because the major long term loan and revenues are also denominated in United States dollars.

Management Projections:

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

Melanie Subratie
Chairman

Blondell Walker
Director

Stanley Motta Limited

Consolidated Statement of Comprehensive Income

Quarter ended 30 September 2019

(Expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED NINE (9) MONTHS ENDED 30 SEPT 2019 \$'000	UNAUDITED NINE (9) MONTHS ENDED 30 SEPT 2018 \$'000	UNAUDITED QUARTER ENDED 30 SEPT 2019 \$'000	UNAUDITED QUARTER ENDED 30 SEPT 2018 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2018 \$'000
Revenue	312,509	172,206	107,092	76,861	269,763
Other operating income	68	13	15	3	37
Administrative expenses	(110,262)	(81,259)	(43,822)	(42,231)	(113,211)
Operating Profit	202,315	90,960	63,285	34,633	156,589
Finance cost	(34,432)	(37,412)	(11,730)	(12,393)	(59,223)
Revaluation gain on investment property	-	1,611,623	-	1,611,623	1,901,656
Profit before taxation	167,883	1,665,171	51,555	1,633,863	1,999,022
Taxation	(2,952)	-	(1,773)	-	(2,110)
Net Profit/(Loss)	164,931	1,665,171	49,782	1,633,863	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	27,032	6,454	27,032	-	11,549
	27,032	6,454	27,032	-	8,535
Total Comprehensive Income	191,963	1,671,625	76,814	1,633,863	2,005,447
Earning per stock unit for profit attributable to the equity holders of the Company during the year	0.22	2.30	0.07	2.16	2.72

Stanley Motta Limited

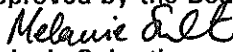
Consolidated Statement of Cash Flows


Quarter ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED 31
	30 SEPT 2019	30 SEPT 2018	DECEMBER
	\$'000	\$'000	2018
			\$'000
Non-Current Assets			
Property, plant and equipment	22,447	20,767	18,947
Investment properties	4,748,799	4,400,356	4,689,316
Investments	765	765	765
	<u>4,772,011</u>	<u>4,421,888</u>	<u>4,709,028</u>
Current Assets			
Inventories	630	937	544
Receivables	41,497	25,685	22,771
Due from other related parties	-	-	-
Taxation recoverable	202	202	202
Cash and cash equivalents	76,847	58,725	92,601
	<u>119,176</u>	<u>85,549</u>	<u>116,118</u>
Current Liabilities			
Payables	125,280	133,633	119,834
Due to former parent company	-	-	26,821
Due to other related parties	-	33,012	2,712
Income tax payable			2,031
Current portion of borrowings	59,471	40,011	62,459
	<u>184,751</u>	<u>206,656</u>	<u>213,857</u>
Net Current (Liabilities)/Assets	<u>(65,575)</u>	<u>(121,107)</u>	<u>(97,739)</u>
	<u>4,706,436</u>	<u>4,300,781</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	27,032	(1,821)	3,274
Retained earnings/(accumulated deficit)	2,912,394	2,505,694	2,840,449
	<u>3,990,500</u>	<u>3,557,961</u>	<u>3,894,797</u>
Non-Current Liabilities			
Borrowings	715,936	742,820	716,492
	<u>715,936</u>	<u>742,820</u>	<u>716,492</u>
	<u>4,706,436</u>	<u>4,300,781</u>	<u>4,611,289</u>

Approved by the Board of directors on November 8, 2019, and signed on its behalf by:


Melanie Subratie
Chairman


Blondell Walker
Director

Stanley Motta Limited

Consolidated Statement of Cash Flows

Quarter ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

	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					1,665,171	1,665,171
Other comprehensive income:						
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
Balance at 31 December 2018	811,933	762	238,379	3,274	2,840,449	3,894,797
Net profit for the year					164,931	164,931
Other comprehensive income:						
Currency translation differences on net assets of foreign subsidiary				23,758		23,758
Total comprehensive income				23,758	164,931	188,689
Transactions with owners of the company:						
Dividend paid					(92,986)	(92,986)
Balance at 30 September 2019	811,933	762	238,379	27,032	2,912,394	3,990,500

Stanley Motta Limited

Consolidated Statement of Cash Flows

Quarter ended 30 September 2019

(expressed in Jamaican dollars unless otherwise indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED
	30 SEPT 2019	30 SEPT 2018	31 DECEMBER
	\$'000	\$'000	2018
			\$'000
Cash Flows from Operating Activities			
Net profit	164,931	1,665,171	1,996,912
Adjusted for:			
Taxation	2,952	60	2,110
Depreciation	1,973	2,040	2,597
Interest income	(68)	-	(37)
Interest expenses	34,432	37,412	38,587
Revaluation gain on investment property	-	(1,611,623)	(1,901,656)
Exchange loss on foreign currency balances	61,114	(1,841)	41,905
	<u>265,334</u>	<u>91,219</u>	<u>180,418</u>
Changes in operating assets and liabilities			
Inventories	(86)	-	393
Receivables	(18,726)	18,070	20,984
Former parent company	(26,821)	(31,269)	(4,448)
Due to/(from) other related parties	(2,712)	26,188	(4,112)
Payables	5,446	67,609	53,810
Cash provided by operating activities	<u>222,435</u>	<u>171,817</u>	<u>247,045</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(5,473)	(544)	(720)
Addition to investment property	(59,483)	(438,665)	(419,966)
Proceeds from sale of equity investment	-	3,014	3,014
Interest received	68	-	37
Taxation paid	(4,983)	(60)	(79)
Cash used in investing activities	<u>(69,871)</u>	<u>(436,255)</u>	<u>(417,714)</u>
Cash Flows from Financing Activities			
(Payment) of /Proceeds from long-term loan (net)	(45,256)	76,407	21,741
Proceeds from the issue of shares	-	281,124	281,124
Dividend paid	(92,986)	-	-
Interest Paid	(34,432)	(37,412)	(41,829)
Cash (used in)/provided by financing activities	<u>(172,674)</u>	<u>320,119</u>	<u>261,036</u>
Effect of exchange rate changes on cash and cash equivalents	4,356	810	-
Increase in net cash and cash equivalents	(15,754)	56,491	90,367
Cash and cash equivalents at beginning of year	92,601	2,234	2,234
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u>76,847</u>	<u>58,725</u>	<u>92,601</u>

Stanley Motta Limited

Notes to the Financial Statements

As at 30 September 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 the 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 are calculated on net profit and are based on the weighted average shares in issues during both years.

	UNAUDITED NINE (9) MONTHS ENDED 30 SEPT 2019	UNAUDITED NINE (9) MONTHS ENDED 30 SEPT 2018	UNAUDITED QUARTER ENDED 30 SEPT 2019	UNAUDITED QUARTER ENDED 30 SEPT 2018	AUDITED YEAR ENDED 31 DECEMBER 2018
Net profit attributable to ordinary shareholders (\$'000)	164,931,000	1,665,171,000	49,782,000	1,633,863,000	1,996,912,000
Weighted average of number of ordinary shares in issue at the end of the period	757,828,490	757,818,862	757,828,490	757,818,862	733,466,864
Basic earnings per share	0.22	2.30	0.07	2.16	2.72

Stanley Motta Limited

Shareholders Profile

As at 30 September 2019

SHAREHOLDERS' PROFILE

Ten Largest Shareholders

	Number of Shares
1. Stony Hill Capital Limited	113,844,873
2. VM Wealth Property Fund	96,440,951
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. PAM- Pooled Equity Fund	28,838,750
9. NCB Insurance Company Limited -A/C WT161	28,248,000
10. NCB Capital Markets Limited A/C 2231	26,407,541

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
3. Blondell Walker	200,000
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