



STANLEY MOTTA LIMITED

UNAUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019



Stanley Motta Limited
Year Ended 31 DECEMBER 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
Shareholders Profile	8



We are pleased to present the unaudited financial statements of Stanley Motta Limited for the year ended 31 December 2019.

The highlights are as follows:

- Total income for 2019 increased by 55% over previous year to J\$ 419M from J\$ 269.7M in 2018. This is due to the 100% occupancy of all rentable space for the full year.
- Total income for quarter 4 remained relatively stable at J\$ 107M when compared to quarter 3 at the same value and quarter 1 at J\$ 103M. This is expected as rental space remained fully occupied. While there were significant fluctuations in the dollar, it also remained stable.
- 2019 Administrative Expenses decreased year on year by 5% from J\$ 117M in 2018 to J\$ 111M in 2019 whilst the revenue increased by 55%.
- There was an 18% increase in Funds From Operations (FFO). FFO is calculated as net operating income plus depreciation.
- Net Operating Income (NOI) which is defined as rental income less the operating expenses was less than anticipated at J\$ 308M for the year. This was driven by unexpected changes in the foreign exchange rate. SML still boasts a healthy NOI margin of 74%, which is well above the industry average of approximately 25%.
- There were further revaluation gains of J\$ 43M for the year on the investment property which now sits at J\$ 4.8 BN on the balance sheet.
- Earnings Per Share which is calculated as profit after tax divided by weighted average number of shares dropped from J\$ 2.72 per share in 2018 to 37 cents per share in 2019; a 86% decrease. Prior year EPS was substantially greater due to a substantially higher revaluation gain of J\$ 1.9 BN. However, if revaluation gains were excluded from the equation, the EPS would have increased from 13 cents per share in 2018 to 32 cents in 2019. This is an increase of 146%.

Revenue for 2020 is expected to remain stable excluding significant fluctuations in the foreign exchange and property revaluations. 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
 Year Ended 31 December 2019
 (Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED TWELVE (12) MONTHS ENDED 31 DECEMBER 2019 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2018 \$'000	UNAUDITED QUARTER ENDED 31 DECEMBER 2019 \$'000	UNAUDITED QUARTER ENDED 31 DECEMBER 2018 \$'000
Revenue	418,556	269,763	106,047	97,048
Other operating income	88	37	20	24
Depreciation charge	(5,858)	(4,463)	(3,886)	(413)
Exchange gain/(loss)	(10,433)	8,295	20,760	(10,875)
Administrative expenses	(111,423)	(117,043)	(34,326)	(33,302)
Operating Profit	290,930	156,589	88,615	52,482
Finance cost	(47,988)	(59,223)	(13,556)	(2,746)
Revaluation gain on investment property	43,237	1,901,656	43,237	598,817
Profit before taxation	286,179	1,999,022	118,296	648,553
Taxation	(3,818)	(2,110)	(866)	(60)
Net Profit/(Loss)	282,361	1,996,912	117,430	648,493
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	(12,068)	11,549	(12,068)	-
	(12,068)	8,535	(12,068)	-
Total Comprehensive Income	270,293	2,005,447	105,362	648,493
Earning per stock unit for profit attributable to the equity holders of the Company during the year	0.37	2.72	0.15	0.88



Stanley Motta Limited
 Consolidated Statement of Financial Position
 As at 31 December 2019
 (Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED	AUDITED
	AT 31 DEC 2019 \$'000	YEAR ENDED 31 DECEMBER 2018 \$'000
Non-Current Assets		
Property, plant and equipment	34,972	18,947
Investment properties	4,776,077	4,689,316
Investments	765	765
	<u>4,811,814</u>	<u>4,709,028</u>
Current Assets		
Inventories	635	544
Receivables	15,162	22,771
Due from other related parties	-	-
Taxation recoverable	202	202
Cash and cash equivalents	31,539	92,601
	<u>47,538</u>	<u>116,118</u>
Current Liabilities		
Payables	74,929	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	59,379	62,459
	<u>134,308</u>	<u>213,857</u>
Net Current (Liabilities)/Assets	<u>(86,770)</u>	<u>(97,739)</u>
	<u>4,725,044</u>	<u>4,611,289</u>
Shareholders' Equity		
Share capital	811,933	811,933
Fair value reserve	762	762
Capital reserve	238,379	238,379
Cumulative translation reserve	15,342	3,274
Retained earnings/(accumulated deficit)	2,938,885	2,840,449
	<u>4,005,301</u>	<u>3,894,797</u>
Non-Current Liabilities		
Borrowings	685,303	716,492
Long term payable	34,440	-
	<u>719,743</u>	<u>716,492</u>
	<u>4,725,044</u>	<u>4,611,289</u>

Approved by the Board of Directors on February 12, 2020, and signed on its behalf by:

Melanie Subratie

Blondell Walker

Chairman

Director

Stanley Motta Limited
Consolidated Statement of Changes in Equity
Year Ended 31 December 2019
(Expressed in Jamaican Dollars Unless Otherwise Stated)

	Share Capital	Fair Value Reserve	Capital Reserve	Cumulative Translation Reserve	Retained Earnings/ (Accumulated Deficit)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 31 December 2017	530,809	3,776	238,379	(8,275)	840,523	1,605,212
Net profit for the year					1,996,912	1,996,912
Other comprehensive income:						
Fair value losses investments classified as FVOCI		(3,014)			3,014	-
Currency translation differences on net assets of foreign subsidiary				11,549		11,549
Total comprehensive income		(3,014)		11,549	1,999,926	2,008,461
Transactions with owners of the company:						
Issue of shares	281,124					281,124
Balance at 31 December 2018	811,933	762	238,379	3,274	2,840,449	3,894,797
Balance at 31 December 2018	811,933	762	238,379	3,274	2,840,449	3,894,797
Net profit for the year					282,361	282,361
Other comprehensive income:						
Currency translation differences on net assets of foreign subsidiary				12,068		12,068
Total comprehensive income		-		12,068	282,361	294,429
Transactions with owners of the company:						
Dividend paid	-				(183,925)	(183,925)
Balance at 30 September 2019	811,933	762	238,379	15,342	2,938,885	4,005,301

Stanley Motta Limited
Consolidated Statement of Cash Flows
Year Ended 31 December 2019
(Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED YEAR ENDED 31 DECEMBER 2019 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2018 \$'000
Cash Flows from Operating Activities		
Net profit	282,361	1,996,912
Adjusted for:		
Taxation	3,818	2,110
Depreciation	5,858	2,597
Interest income	(88)	(37)
Interest expenses	47,988	38,587
Revaluation gain on investment property	(43,237)	(1,901,656)
Exchange loss on foreign currency balances	18,797	41,905
	<u>315,497</u>	<u>180,418</u>
Changes in operating assets and liabilities		
Inventories	(91)	393
Receivables	7,609	20,984
Former parent company	(26,821)	(4,448)
Due to/(from) other related parties	(2,712)	(4,112)
Payables	(44,903)	53,810
Long term payables	34,440	-
Cash provided by operating activities	<u>283,019</u>	<u>247,045</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(21,840)	(720)
Addition to investment property	(43,524)	(419,966)
Proceeds from sale of equity investment	-	3,014
Interest received	88	37
Taxation paid	(5,849)	(79)
Cash used in investing activities	<u>(71,125)</u>	<u>(417,714)</u>
Cash Flows from Financing Activities		
(Payment) of /Proceeds from long-term loan (net)	(45,009)	21,741
Proceeds from the issue of shares	-	281,124
Dividend paid	(183,925)	-
Interest Paid	(47,988)	(41,829)
Cash (used in)/provided by financing activities	<u>(276,922)</u>	<u>261,036</u>
Effect of exchange rate changes on cash and cash equivalents	3,966	-
Increase in net cash and cash equivalents	<u>(61,062)</u>	<u>90,367</u>
Cash and cash equivalents at beginning of year	<u>92,601</u>	<u>2,234</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u>31,539</u>	<u>92,601</u>

Stanley Motta Limited
Notes to the Financial Statements
As at 31 December 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 are 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 (12) MONTHS ENDED 31 DEC 2019	AUDITED YEAR ENDED 31 DEC 2018	UNAUDITED QUARTER ENDED 31 DEC 2019	UNAUDITED QUARTER ENDED 31 DEC 2018
Net profit attributable to ordinary shareholders (\$'000)	282,361,000	1,996,912,000	117,430,000	648,493,000
Weighted average of number of ordinary shares in issue at the end of the period	757,828,490	733,466,864	757,828,490	733,466,864
Basic earnings per share	0.37 	2.72	0.15	0.88

Stanley Motta Limited
Shareholders Profile
As at 31 December 2019

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