



STANLEY MOTTA LIMITED

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED 31 MARCH 2020



Stanley Motta Limited
Quarter Ended 31 March 2020

	Page
Report to Stockholders	1-2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-8
Shareholders Profile	9



We are pleased to present the unaudited financial statements of Stanley Motta Limited for the quarter ended 31 March 2020.

The highlights are as follows:

- Total income for Q1 2020 increased by 10.3% to J\$112.0M over the same quarter in the previous year, due to an increase in rental space and the devaluation of Jamaican dollar to the US dollar over the same period which moved from an average of J\$125.0 to US\$1 at 31st of March 2019 to an average of J\$134.0 to US\$1.0 at the 31st of March 2020.
- Administrative expenses for this quarter increased from J\$18.6M to J\$36.0M over Q1 in 2019, primarily due to SEZ fees and associated SEZ expenses paid in 2020 (\$3.1m); additional depreciation costs associated with capital works done in the previous year (\$1.6m); an unexpected expense in repairs and maintenance (\$2.3M); and additional rent and expenses for space that we are now subletting (\$4m), and timing related booking of expenses (\$2m). The administrative expenses in Q1 2019 had been offset by a \$5m forex gain in 2019 which was only \$2m in 2020. Aside from the depreciation and the additional rent, these are not expenses that will be repeated in the next 3 quarters.
- Net Operating Income (NOI), which is defined as rental income less operating expenses, was J\$76.0M for Q1 2020, a \$7M or 8.48% reduction from Q1 2019 (J\$83.0M) and a \$12.6 M or 14% reduction from Q4 2019 (J\$88.6M) Net operating income is expected to increase as the company begins to benefit from the increased rental income from additional rental space.
- The quarter ended with a strong net profit margin of 56.4%, reflecting increased operational efficiencies and timely collection of rent.
- At the end of this quarter, investment properties stood at J\$ 4.8Bn, reflecting a revaluation increase of 3%.
- Earnings Per Share, which is calculated as profit after tax divided by weighted average number of shares, was 8 cents this quarter vs. 9 cents for the same quarter last year.

Revenue for the remainder of 2020 is expected to be stable excluding significant fluctuations in the foreign exchange. The collection of rent in US dollars will continue.



COVID-19 Outlook:

Our priority during this time is to keep our staff and tenants safe, and to support all government efforts to prevent the spread of the virus. We have implemented our own protocols to protect our visitors, tenants and staff, and we are working together with all government agencies to ensure adequate protection during this unprecedented global pandemic.

SML is working closely with its tenants to ensure that where there has been significant impact to their businesses, payment plans have been mutually agreed, and all tenants have committed to honoring their rent commitments.

Within the complex, we are supporting all endeavors to reduce the risk of exposure to those persons using the facilities. Additional costs in relation to cleaning and repairs and maintenance is anticipated but are not expected to materially affect our results.

In addition, to proactively managing our cash flow and liabilities, some capital projects for the year have been deferred to 2021. As our debt is all long term, we will not be impacted by any short-term financing issues which would traditionally impact REITS, as seen in other global markets.

We will continue to monitor the situation closely, consistently plan for contingencies, mitigate risks, and support all our tenants to the best of our ability, and safely ensure the best possible return for our shareholders.

Melanie Subratie
Chairman

Blondell Walker
Director



Stanley Motta Limited

Consolidated Statement of Comprehensive Income

Quarter Ended 31 March 2020

(Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED THREE (3) MONTHS ENDED 31 MARCH 2020 \$'000	UNAUDITED THREE (3) MONTHS ENDED 31 MARCH 2019 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2019 \$'000
Revenue	112,022	101,607	419,850
Other operating income	5	28	91
Administrative expenses	(36,071)	(18,637)	(121,715)
Operating Profit	75,956	82,998	298,226
Finance cost	(10,360)	(11,333)	(65,941)
Revaluation gain on investment property	-	-	53,018
Profit before taxation	65,596	71,665	285,303
Taxation	(2,389)	(1,166)	(4,009)
Net Profit/(Loss)	63,207	70,499	281,294
Other Comprehensive Income			
Items that may be subsequently reclassified to the profit or loss:			
Unrealised losses on securities classified as FVOCI			-
Fair value gains/(losses) on available-for-sale investments	-	-	-
Currency translation differences on net assets of foreign subsidiary	18,941	11,182	10,119
	18,941	11,182	10,119
Total Comprehensive Income	82,147	81,681	291,413
Earning per stock unit for profit attributable to the equity holders of the Company during the year	0.08	0.09	0.37



Stanley Motta Limited
 Consolidated Statement of Financial Position
 As at 31 March 2020
 (Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT	AT	YEAR ENDED
	31 MARCH	31 MARCH	31 DECEMBER
	2020	2019	2019
	\$'000	\$'000	\$'000
Non-Current Assets			
Property, plant and equipment	33,123	22,646	34,961
Investment properties	4,814,595	4,675,601	4,784,152
Investments	765	765	765
	<u>4,848,482</u>	<u>4,699,012</u>	<u>4,819,878</u>
Current Assets			
Inventories	630	1,697	630
Receivables	35,279	9,086	14,030
Due from other related parties	-	-	-
Taxation recoverable	-	202	-
Cash and cash equivalents	84,614	98,284	33,705
	<u>120,523</u>	<u>109,269</u>	<u>48,365</u>
Current Liabilities			
Payables	115,915	71,773	79,881
Due to former parent company	-	26,821	-
Due to other related parties	-	-	-
Income tax payable	3,806	-	3,806
Current portion of borrowings	51,779	59,189	64,665
	<u>171,500</u>	<u>157,783</u>	<u>148,352</u>
Net Current (Liabilities)/Assets	<u>(50,977)</u>	<u>(48,514)</u>	<u>(99,987)</u>
	<u>4,797,505</u>	<u>4,650,498</u>	<u>4,719,891</u>
Shareholders' Equity			
Share capital	811,933	811,933	811,933
Fair value reserve	762	762	762
Capital reserve	238,379	238,379	238,379
Cumulative translation reserve	32,334	(7,908)	13,393
Retained earnings/(accumulated deficit)	3,001,025	2,910,948	2,937,818
	<u>4,084,433</u>	<u>3,954,114</u>	<u>4,002,285</u>
Non-Current Liabilities			
Borrowings	678,547	696,384	683,166
Long term payable	34,526	-	34,440
Parent company loan	-	-	-
	<u>713,072</u>	<u>696,384</u>	<u>717,606</u>
	<u>4,797,505</u>	<u>4,650,498</u>	<u>4,719,891</u>

Approved by the Board of Directors on May 14, 2020, and signed on its behalf by:

Melanie Subratie
 Chairman

Blondell Walker
 Director

Stanley Motta Limited

Consolidated Statement of Changes in Equity

Quarter Ended 31 March 2020

(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 2018	811,933	762	238,379	3,274	2,840,449	3,894,797
Net profit for the year					70,499	69,079
Other comprehensive income						
Fair value gains on available-for-sale investments		-				-
Currency translation differences on net assets of foreign subsidiary				(11,182)		(11,182)
Total comprehensive income		-		(11,182)	70,499	59,317
Capital reserve on acquisition			-			-
Transactions with owners of the company:						
Issue of shares	-					-
Balance at 31 March 2019	811,933	762	238,379	(7,908)	2,910,948	3,954,114
Balance at 31 December 2019	811,933	762	238,379	13,393	2,937,818	4,002,285
Net profit for the year					63,207	63,207
Other comprehensive income						-
Fair value gains on available-for-sale investments		-				-
Currency translation differences on net assets of foreign subsidiary				18,941		18,941
Total comprehensive income		-		18,941	63,207	82,147
Capital reserve on acquisition						-
Transactions with owners of the company:						
Issue of shares	-					-
Balance at 31 March 2020	811,933	762	238,379	32,334	3,001,025	4,084,432

Stanley Motta Limited

Consolidated Statement of Cash Flows

Quarter Ended 31 March 2020

(Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED	UNAUDITED	AUDITED
	AT 31 MARCH 2020 \$'000	AT 31 MARCH 2019 \$'000	YEAR ENDED 31 DECEMBER 2019 \$'000
Cash Flows from Operating Activities			
Net profit	63,207	70,499	281,294
Adjusted for:			
Taxation	-	-	4,009
Depreciation	2,248	601	5,875
Interest income	(5)	(28)	(91)
Interest expenses	10,360	11,260	44,840
Revaluation gain on investment property	-	-	(53,018)
Exchange (gains)/losses on foreign currency balances	(9,627)	(11,182)	27,795
	<u>66,183</u>	<u>71,150</u>	<u>310,704</u>
Changes in operating assets and liabilities			
Inventories	-	(1,153)	(86)
Receivables	(21,249)	13,685	8,741
Former parent company	-	-	(26,821)
Due to/(from) other related parties	-	(2,712)	(2,712)
Payables	36,034	(48,061)	(5,513)
Cash (used in)/provided by operating activities	<u>80,968</u>	<u>32,909</u>	<u>284,313</u>
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	-	(4,300)	(21,588)
Addition to investment property	-	13,715	(29,760)
Proceeds from sale of equity investment	-	-	-
Interest received	5	28	121
Taxation paid	(2,389)	(2,031)	(2,032)
Cash used in investing activities	<u>(2,384)</u>	<u>7,412</u>	<u>(53,259)</u>
Cash Flows from Financing Activities			
Repayment of long-term loan	(20,331)	-	(61,192)
Proceeds from long-term loan (net)	-	(23,378)	-
Proceeds from the issue of shares	-	-	-
Dividend paid	-	-	(183,925)
Interest Paid	(10,360)	(11,260)	(44,840)
Cash provided by financing activities	<u>(30,691)</u>	<u>(34,638)</u>	<u>(289,957)</u>
Effect of exchange rate changes on cash and cash equivalents	3,016	-	7
(Decrease)/Increase in net cash and cash equivalents	50,909	5,683	(58,903)
Cash and cash equivalents at beginning of year	33,705	92,601	92,601
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u>84,614</u>	<u>98,284</u>	<u>33,705</u>

Stanley Motta Limited

Notes to the Unaudited Financial Statements

As at 31 March 2020

(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, 2019. 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 number of shares in Issue at the end of the period

	Unaudited Quarter ended March 2020	Unaudited Quarter ended March 2019	Audited Year ended December 2019
Net profit attributable to ordinary shareholders (\$'000)	<u>63,206,846</u>	70,499,049	281,294,000
Weighted average of number of ordinary shares in issue at the end of the period	<u>757,828,490</u>	<u>757,828,490</u>	<u>757,828,490</u>
Basic earnings per share	<u>0.08</u>	<u>0.09</u>	<u>0.37</u>

Stanley Motta Limited

Shareholders Profile

As at 31 March 2020

Ten Largest Shareholders		Number of Shares
1.	Stony Hill Capital Limited	113,844,873
2.	VM Wealth Property Fund	110,712,729
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	13,614,390
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