



UNAUDITED FINANCIAL STATEMENTS

TWELVE MONTHS | ENDED 30 SEPTEMBER 2020

138 STUDENT LIVING JAMAICA LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
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## CHAIRMAN'S INTERIM REPORT TO THE SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (138 SL) presents below its unaudited consolidated financial statements for the twelve months ended 30 September 2020.

### Overview

For the twelve-month period ending 30 September 2020, The Group recorded profit before taxation of \$441M and an after-tax profit of \$347M. This result continues to be positively impacted by: (i) effective management of operating costs (primarily utilities) and (ii) variation claims relating to Irvine Hall. The latter item includes a variation claim for the full year 2019 as well as the claim for the year 2020. Adjusting for the variation claims, the group recorded year-to-date profit amounting to \$78M.

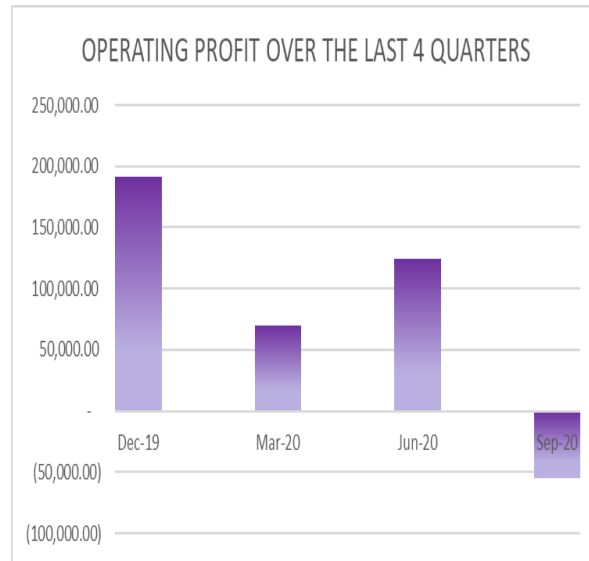
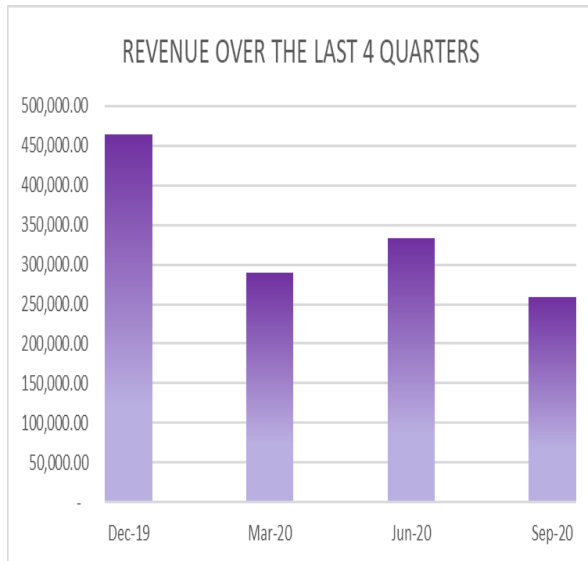
During the period under review, 138SL continued to operate 1,464 world-class rooms at its 4 locations on the UWI Mona Campus consisting of 1,692 beds. While the impact of the Covid-19 pandemic negatively impacted our business operations, we continue to see the positive impact of sustained measures that were previously implemented:

1. Effective execution of the Concession Agreements with our partner, the University of the West Indies (UWI).
2. Efficient Operations – We continue to improve on our efficiencies in all areas of business operations.
3. Receivables and Credit Management- The increase in receivables for the period under review is primarily due to the Irvine Hall variation claims mentioned previously. We continue to see reductions in accommodation receivables as a result of sustained efforts and measures implemented to manage this area.

### Financial Performance

#### Financial Results Highlights

	3 months ended 30 September 2020 \$'000	3 months ended 30 September 2019 \$'000	Q-O-Q CHANGE %	12 months ended 30 September 2020 \$'000	12 months ended 30 September 2019 \$'000	Y-T-D CHANGE %
Revenue	258,447	376,029	(31)	1,345,277	1,054,952	28
Expenses	266,106	233,047	(14)	772,744	794,028	3
Finance Costs	62,032	70,619	12	257,358	280,531	8
Operating (Loss)/ Profit before taxation	(69,690)	72,363	(196)	315,176	(19,607)	1,707
Taxation	15,144	11,030	37	32,049	42,575	(25)
Net (Loss) / Profit after taxation	(54,547)	83,394	(165)	347,224	22,968	1412



The above financial information reflects consistent revenue generation and profitability. Overall, revenue increased 28% while expenses reduced 3% when compared to prior year. This provides the basis for a solid foundation and enables future growth.

### Covid-19 Impact and Response

The Covid-19 pandemic has had a negative impact on our long-term occupancy revenues which saw occupancy before March 2020 of 99% falling to levels below 20%. This translates into a reduction in long-term rental revenue for the fourth quarter of approximately \$101M.

We continue to place priority on the health and safety of our employees and residents through the following measures that were implemented;

- I. work from home arrangements for our administration staff,
- II. established social distancing and other Covid-19 protocols,
- III. installed hand sanitizers on all Halls and implemented contactless thermometers checks at the security entrance of the Halls of Residence.
- IV. established enhanced cleaning and sanitization procedures.

The Management of 138SL took the necessary steps to align the business within the current realities. These actions include but are not limited to:

- I. Consolidation of accommodation to house the students who remained on campus, after the UWI issued a notice for local students to return to their homes, on one building of each of the halls of residence, thus reducing utilities and staff costs (primarily security and housekeeping which forms our largest staff classifications).
- II. Deferral of capital expenditure plans for the remainder of the financial year.
- III. Minimize maintenance activities to only essential services.

- IV. Seeking opportunities for new sources of revenue during the COVID-19 period by engaging the Government of Jamaica for the housing during their Covid-19 quarantine period.
- V. Discussions held with our bankers and financiers to negotiate financing options to mitigate the impact of the Covid-19 pandemic on the business operation.

The University of the West Indies moved classes online for the first semester effective September 7, 2020. As a result, students who had previously applied for on-campus accommodation, decided to defer their accommodation requirement to the next semester.

During the period, management implemented additional safety measures including but not limited to:

- I. Sanitization of common area spaces
- II. Mandatory wearing of mask
- III. Minimizing the number of persons allowed to congregate at any one place including in common areas and elevators
- IV. New and returning residents required to be quarantined for fourteen (14) days
- V. Temperature checks on each person at the gate and before entry to the Halls

We remain grateful to our employees who have made and continue to make significant contribution and sacrifices during this very difficult period. Thanks to our business partners and to our stockholders for your continued confidence in the business.



Ian Parsard  
Chairman

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

TWELVE MONTHS | ENDED 30 SEPTEMBER 2020

Note

	3 months ended 30 September 2020 J\$'000	3 months ended 30 September 2019 J\$'000	12 months ended 30 September 2020 J\$'000	12 months ended 30 September 2019 J\$'000
<b>REVENUE</b>				
Income	219,839	362,286	1,216,345	1,013,450
Other Operating Income	38,608	13,743	128,932	41,502
	<u>258,447</u>	<u>376,029</u>	<u>1,345,277</u>	<u>1,054,952</u>
<b>EXPENSES</b>				
Administrative Expenses	266,106	233,047	772,744	794,028
<b>PROFIT FROM OPERATIONS</b>	<u>(7,658)</u>	<u>142,982</u>	<u>572,534</u>	<u>260,924</u>
Finance Costs	62,032	70,619	257,358	280,531
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<u>(69,690)</u>	<u>72,363</u>	<u>315,176</u>	<u>(19,607)</u>
Taxation	15,144	11,030	32,049	42,575
<b>NET (LOSS)/ PROFIT FOR THE PERIOD</b>	<u>(54,547)</u>	<u>83,394</u>	<u>347,224</u>	<u>22,968</u>
Other Comprehensive Income				
Change In Fair Value of Financial Asset	(566,365)	2,181,410	(566,365)	2,181,410
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(620,911)</u>	<u>2,264,804</u>	<u>(219,141)</u>	<u>2,204,378</u>
<b>(Loss) /Profit per stock unit</b>	5 <b>(0.13)</b>	<b>0.20</b>	<b>0.84</b>	<b>0.06</b>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Unaudited 30-Sep-20 J\$'000	Audited 30-Sep-19 J\$'000
<b>NON-CURRENT ASSETS</b>		
Financial Asset -Service Commission Rights	9,623,116	10,179,479
Motor Vehicle	2,392	3,016
Deferred Tax Asset	261,342	229,293
Other Asset	3,850	3,763
	9,890,700	10,415,551
<b>CURRENT ASSETS</b>		
Receivables	624,755	236,387
Taxation Recoverable	24,509	22,771
Short Term Deposits	258,560	259,250
Cash and Cash Equivalents	43,483	49,116
	951,309	567,524
	<b>10,842,009</b>	<b>10,983,075</b>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	721,153	721,153
Fair Value Reserve	4,165,063	4,731,428
Retained Earnings	440,409	93,184
	5,326,625	5,545,765
<b>NON-CURRENT LIABILITIES:</b>		
Long Term Loans	4,157,822	4,306,749
Redeemable Preference Shares	172,643	172,643
	4,330,465	4,479,392
<b>CURRENT LIABILITIES:</b>		
Payables	825,182	607,203
Taxation	10,517	10,517
Current Portion of Long Term Loan	205,193	315,198
Short term Borrowing	144,027	25,000
	1,184,920	957,918
	<b>10,842,009</b>	<b>10,983,075</b>



IAN PARSARD  
CHAIRMAN



SHARON DONALDSON-LEVINE  
DIRECTOR

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	SHARE CAPITAL <u>J\$'000</u>	FAIR VALUE RESERVE <u>J\$'000</u>	RETAINED EARNINGS <u>J\$'000</u>	TOTAL <u>J\$'000</u>
<b>Balance at 30 September 2018</b>	721,153	2,550,018	81,262	3,352,433
IFRS 9 - Adjustment to opening retained earnings	-	-	(11,046)	(11,046)
Change in Fair Value of Financial Asset-	-	2,181,410	-	2,181,410
Loss for the Period	-	-	22,968	22,968
<b>Balance at September 30, 2019</b>	<b>721,153</b>	<b>4,731,428</b>	<b>93,184</b>	<b>5,545,765</b>
Change in Fair Value of Financial Asset-	-	(566,365)	-	(566,365)
Profit for the Period	-	-	347,224	347,224
<b>Balance at september 30, 2020</b>	<b>721,153</b>	<b>4,165,063</b>	<b>440,409</b>	<b>5,326,625</b>



CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE-MONTH PERIOD ENDED 30 SEPTEMBER 2020

	Unaudited 30-Sep-20 J\$'000	Audited 30-Sep-19 J\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit	347,224	22,968
Items not Affecting Cash Resources:		-
Effects of Foreign Exchange Gains	-	2,594
Deferred Taxation	(32,049)	(42,575)
Adjustment for IFRS 9 Retrospective Implementation	-	(11,048)
Interest Income	(6,454)	(9,258)
Interest Expense	248,727	280,531
Depreciation	624	104
	558,072	254,364
Changes in Operating Assets and Liabilities:		
Other Assets	(87)	(1,133)
Receivables	(458,251)	82,981
Taxation Recoverable	(1,740)	(2,344)
Payables	204,120	(13,756)
	(255,957)	65,748
<b>Net cash provided by operating activities</b>	302,115	320,112
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Additions to Financial Asset - Service Concession Rights	(10,003)	(58,069)
Additions to Motor Vehicle	-	(3,120)
Short Term Deposits	691	78,356
Interest Received	6,046	9,414
Interest Paid	(164,578)	(275,454)
<b>Net Cash Used in Investing Activities</b>	(167,844)	(248,873)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short Term Loans	(6,503)	150,531
Loan Repaid	(133,401)	(205,197)
<b>Net Cash Provided by Financing Activities</b>	(139,904)	(54,666)
<b>Net increase in cash and cash equivalents</b>	(5,634)	16,573
Exchange Gain on Foreign Cash Balance	-	(476)
Cash and Cash Equivalents at Start of The Period	49,116	33,019
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>43,483</b>	<b>49,116</b>

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) 138 Student Living Jamaica Limited (138 SL) is a limited liability company. The company was incorporated in Jamaica on 15 August 2014 and is domiciled in Jamaica. The registered office of the company is located at 2 Castries Drive, UWI Mona, Kingston 7.
- (b) The company is established to construct and rent living facilities at the University of the West Indies under a 65 years concession agreement granted by the University of the West Indies.
- (c) The company, (138SL), is a public listed company and was listed on the Jamaica Stock Exchange on 18 December 2014.
- (d) The company has a 100% subsidiary, 138SL Restoration Limited, a limited liability company, incorporated in Jamaica on 30 April 2015 and domiciled in Jamaica and which has a 35-year concession agreement. The concession was granted by the University of the West Indies, Mona, for the restoration and reconstruction of certain Traditional Halls.

**2. REPORTING CURRENCY:**

Items included in the financial statements of the company are measured using the primary economic environment in which the company operates (“the functional currency”). These financial statements are presented in Jamaican dollars which is considered the company’s functional and presentation currency.

**3. BASIS OF CONSOLIDATION:**

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiary, 138SL Restoration Limited.

**4. SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), their interpretations issued by the International Accounting Standards Board and have been prepared under the historical cost convention as modified by revaluation of financial asset – services concession rights. The financial statements also comply with the provisions of the Jamaican Companies Act.

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2019 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting). Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

An entity shall apply IFRS 16 to all leases, including leases of right-of-use assets in a sublease, except for Service Concession Arrangements within the scope of IFRIC 12 Service Concession Arrangements, accordingly IFRS 16 is not applicable to the company.

## 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain amounts recorded in these unaudited consolidated financial statements reflect estimates and assumptions made by management. Actual results may differ from the estimates and assumptions made. Interim results are not necessarily indicative of full year results.

## 6. EARNINGS PER STOCK UNIT:

Profit per stock unit

Profit per stock unit is calculated by dividing the net (loss)/Profit attributable to stockholders by the weighted average number of ordinary stock units in issue.

	3 months ended 30 Sept 2020 <u>J\$</u> <u>000</u>	3 months ended 30 Sept 2019 <u>J\$</u> <u>000</u>	12 months ended 30 Sept 2020 <u>J\$</u> <u>000</u>	12 months ended 30 Sept 2019 <u>J\$</u> <u>000</u>
Net profit/(loss) attributable to stockholders	(54,547)	83,394	347,224	22,968
Weighted average number of ordinary stock units ('000)	414,500	414,500	414,500	414,500
Earnings per stock unit	(\$0.13)	\$0.20	\$0.84	\$0.06

**138 STUDENT LIVING JAMAICA LIMITED**  
**QUARTERLY REPORT**  
**AS AT 30 SEPTEMBER 2020**

**TOP TEN (10) LARGEST SHAREHOLDERS**

SHAREHOLDER	NO. OF SHARES	TOTAL NO. OF SHARES	PERCENTAGE SHAREHOLDING
<b>SAGICOR</b>		<b>167,686,187</b>	<b>40.46%</b>
JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE	14,950,000		
SAGICOR POOLED MORTGAGE & REAL ESTATE FUND	16,233,333		
JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY	44,688,334		
SAGICOR POOLED EQUITY FUND	91,814,520		
<b>NCB INSURANCE CO. LTD. A/C WT040</b>		<b>82,832,770</b>	<b>19.98%</b>
<b>K LIMITED</b>		<b>68,803,832</b>	<b>16.60%</b>
<b>BARITA INVESTMENTS</b>		<b>13,836,898</b>	<b>3.34%</b>
BARITA FINANCE LIMITED	2,878,150		
JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST REAL ESTATE PORTFOLIO	10,958,748		
<b>WISYNCO GROUP LIMITED PENSION FUND</b>		<b>10,000,000</b>	<b>2.41%</b>
<b>DOUGLAS O. STIEBEL/CHRISTINE STIEBEL</b>		<b>7,776,341</b>	<b>1.88%</b>
<b>BARRINGTON PHILLIP BROWN</b>		<b>7,334,592</b>	<b>1.77%</b>
<b>CLAUDETTE COOKE</b>		<b>5,400,000</b>	<b>1.30%</b>
<b>JMMB PENSION FUND</b>		<b>3,773,734</b>	<b>0.91%</b>
<b>MF&amp;G TRUST &amp; FINANCE LTD A/C 57</b>		<b>3,761,300</b>	<b>0.91%</b>
<b>TOTAL</b>		<b>371,205,654</b>	<b>89.56%</b>

**138 STUDENT LIVING JAMAICA LIMITED**

For purposes of compliance with Rule 407 of the Jamaica Stock Exchange Rules, details of stockholdings of Directors and Senior Management and their connected persons as at **30 SEPTEMBER 2020** are set out hereunder:

**SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES**

DIRECTORS	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING
IAN PARSARD	NIL	IAN PARSARD/KAREN PARSARD	1,000,000
JOHN W. LEE	NIL	K LIMITED	68,803,832
IVAN CARTER	NIL		
SHARON DONALDSON	100,000		
MARRYNETTE LEE	NIL	K LIMITED	68,803,832
BRENDA-LEE MARTIN	NIL		
PETER PEARSON	NIL	PETER/YVONNE PEARSON	400,000

**SHAREHOLDINGS OF SENIOR MANAGEMENT AND CONNECTED PARTIES**

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING
CRANSTON EWAN	NIL		
SEMOUR MILLEN (*)	NIL	DOMINIQUE MILLEN/ANTOINE MILLEN/ANIYAH MILLEN	NIL
RENELLE WILSON-PEARSON (**)	NIL	ELVIS PEARSON	NIL

COMPANY SECRETARY	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING
STEPHEN GREIG	NIL		

**Notes:**

**Semour MilLEN was appointed Chief Accountant (\*)**

**Renelle Wilson-Pearson was appointed Accountant (\*\*)**

