



UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS | ENDED 30 June 2021

138 STUDENT LIVING JAMAICA LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
NINE MONTHS | ENDED 30 June 2021

INDEX

	PAGE
CHAIRMAN’S INTERIM REPORT TO THE SHAREHOLDERS	1-3
 <u>UNAUDITED FINANCIAL STATEMENTS</u>	
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Shareholders’ Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8-9
Top 10 Largest Shareholders	10
Shareholding of Directors and Connected Parties	10

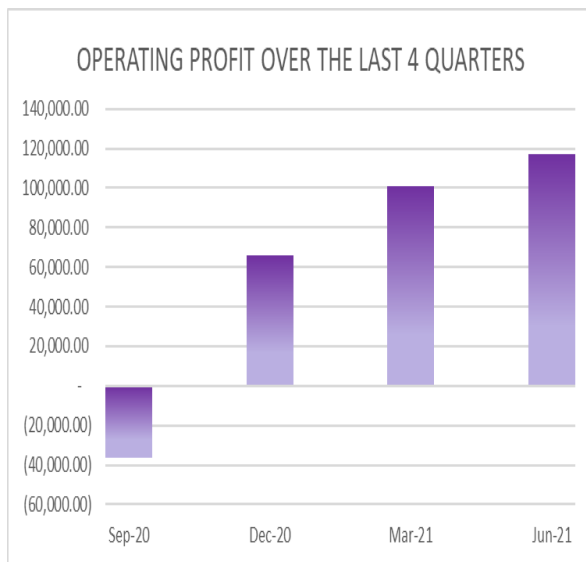
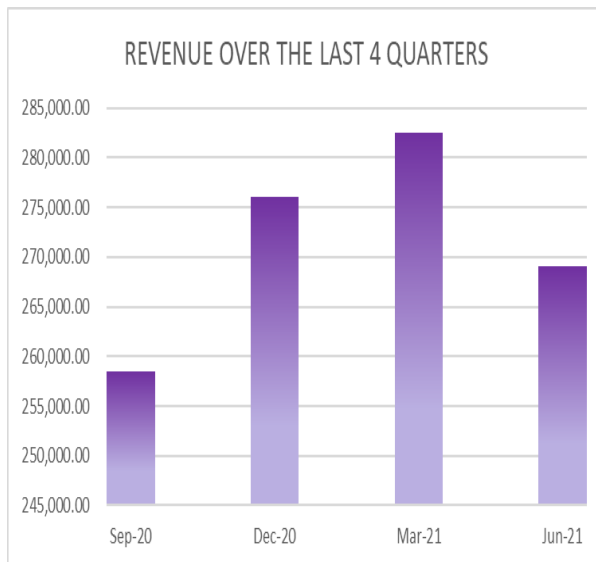
## CHAIRMAN'S INTERIM REPORT TO THE SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (138 SL) presents below the unaudited consolidated financial statements for the nine months ended 30 June 2021.

### Overview

For the nine-month period ending 30 June 2021, the Group recorded net profit, after tax, of \$283.7 million compared to \$401.7 million for the comparative period ending 30 June 2020. For the three-month period to 30 June 2021, the Group recorded net profit, after tax, of \$116.9 million compared to \$131.5 million for the quarter ending 30 June 2020.

### Financial Highlights



### Financial Results Highlights

	3 months ended 30 June 2021	3 months ended 30 June 2020	Q-O-Q CHANGE %	9 months ended 30 June 2021	9 months ended 30 June 2020	Y-T-D CHANGE %
	\$'000	\$'000		\$'000	\$'000	\$'000
Revenue	269,121	333,673	(19)	827,721	1,086,830	(24)
Expenses	92,436	149,064	38	371,078	506,638	27
Finance Costs	61,632	60,856	(1)	176,195	195,326	10
Operating Profit	115,053	123,753	(7)	280,448	384,866	(27)
Taxation	1,862	7,820	(76)	3,263	16,906	(81)
Net Profit after taxation	116,914	131,573	(11)	283,710	401,772	(29)

For the nine-month period, revenue declined by 24% as a result of the on-going negative impact of the pandemic. In addition, during the prior year comparative period the Group benefitted from hosting of repatriated Jamaicans.

Average occupancy levels for the current quarter were slightly below those for the quarter ended March 2021, due mainly to the summer break. During the quarter, 138 SL operated 1,464 world-class rooms at its four (4) locations on the UWI Mona Campus consisting of 1,692 beds. For Irvine Hall specifically, there was a decline by 8% from the prior period January 2021 to March 2021.

Administrative Expenses reflect a 38% reduction for this quarter versus last year, 27% year-to-date. This is a result of a one-off event which reduced bad debt provision and various initiatives implemented to contain costs.

### **Covid-19 Impact and Response**

Management continues to place high priority on the health and safety of our employees and residents, demonstrated through measures that were implemented. These measures allowed us to ensure the safety of our residents and staff and to continue the operation within the space of the new normal. Our staff members have been very instrumental in the implementation of these measures, and they have responded as the need arise.

### **Strategic Moves**

The management of 138 SL continues to manage the business within the current realities. Measures that were previously implemented to ensure the sustainability of the business, remains in force.

A series of reset meetings have been convened with our partner, The University of the West Indies, Mona (The UWI) to discuss and resolve various matters. These discussions are progressing well, some milestones have been achieved and we expect a continued amicable business relationship going forward.

We are optimistic that improved occupancy will be realized for the September 2021 semester, with a gradual return to normal pre-Covid-19 levels over the next two years. The rate of vaccinations to achieve herd immunity for Jamaica will have an impact on how quickly this is attained.

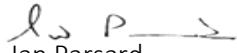
Discussions are currently being held with our Bondholders to renegotiate certain financing terms to assist in mitigating the impact of the Covid-19 pandemic on the business operations. These discussions are at an advanced stage and the outcome is expected shortly.

### **Outlook**

We remain steadfast in our strategic objectives of cost containment, revenue growth through our short-term rental business and seeking out future opportunities with positive impact on revenue and profitability. We anticipate stronger results going forward as vaccinations increase and the university gets back to more normal operations with increased in person classes and higher residencies.

## Appreciation

We express gratitude to our various partners, stakeholders our team members and our residents who have helped us to navigate during these very challenging times. We look forward to your continued support.



Ian Parsard  
Chairman

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME


NINE MONTHS | ENDED 30 JUNE 2021

	Note			
	3 months ended 30 June 2021 J\$'000	3 months ended 30 June 2020 J\$'000	9 Months ended 30 June 2021 J\$'000	9 Months ended 30 June 2020 J\$'000
<b>REVENUE</b>				
Income	259,893	262,916	782,528	996,506
Other Operating Income	9,228	70,757	45,193	90,324
	269,121	333,673	827,721	1,086,830
<b>EXPENSES</b>				
Administrative Expenses	92,436	149,064	371,078	506,638
<b>PROFIT FROM OPERATIONS</b>	176,685	184,609	456,643	580,192
Finance Costs	61,632	60,856	176,195	195,326
<b>PROFIT BEFORE TAXATION</b>	115,053	123,753	280,448	384,866
Taxation	1,862	7,820	3,263	16,906
<b>NET PROFIT FOR THE PERIOD</b>	116,914	131,573	283,710	401,772
Other Comprehensive Income				
Change In Fair Value of Financial Asset	-	191	-	191
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	116,914	131,764	283,710	401,963
Profit per stock unit	5	0.28	0.32	0.68
		0.32	0.68	0.97

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Unaudited 30-Jun-21 J\$'000	Unaudited 30-Jun-20 J\$'000	Audited 30-Sep-20 J\$'000
<b>NON-CURRENT ASSETS</b>			
Financial Asset -Service Commission Rights	8,871,140	10,185,603	8,861,443
Motor Vehicle	1,924	2,548	2,392
Deferred Tax Asset	246,172	246,198	267,830
Other Asset	2,866	3,891	3,850
	9,122,102	10,438,240	9,135,515
<b>CURRENT ASSETS</b>			
Receivables	1,184,093	552,282	619,946
Taxation Recoverable	24,736	23,910	24,509
Short Term Deposits	760	206,906	258,561
Cash and Cash Equivalents	22,492	47,563	43,484
	1,232,081	830,661	946,500
	<b>10,354,183</b>	<b>11,268,901</b>	<b>10,082,015</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	721,153	721,153	721,153
Fair Value Reserve	3,403,390	4,731,238	3,403,391
Retained Earnings	693,674	494,955	409,963
	4,818,217	5,947,346	4,534,507
<b>NON-CURRENT LIABILITIES:</b>			
Long Term Loans	4,008,545	4,157,822	4,206,004
Redeemable Preference Shares	172,643	172,643	172,643
	4,181,188	4,330,465	4,378,647
<b>CURRENT LIABILITIES:</b>			
Payables	946,862	629,676	825,179
Taxation	17,723	10,517	42,644
Current Portion of Long Term Loan	205,193	205,193	135,000
Short term Borrowing	185,000	145,704	166,038
	1,354,778	991,090	1,168,861
	<b>10,354,183</b>	<b>11,268,901</b>	<b>10,082,015</b>

  
IAN PARSARD  
CHAIRMAN

  
SHARON DONALDSON-LEVINE  
DIRECTOR

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 30 June 2021

	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>TOTAL COMPREHENSIVE INCOME</b>				
Balance at 30 September 2019	721,153	4,731,428	93,184	5,545,765
Change in Fair Value of Financial Asset-	-	(191)	-	(191)
Profit for the period	-	-	401,772	401,772
<b>Balance at 30 June 2020</b>	<b>721,153</b>	<b>4,731,237</b>	<b>494,956</b>	<b>5,947,346</b>
Change in Fair Value of Financial Asset-	-	(1,327,848)	-	(1,327,848)
Profit for the Period	-	-	(84,991)	(84,991)
<b>Balance at 30 September 2020</b>	<b>721,153</b>	<b>3,403,390</b>	<b>409,964</b>	<b>4,534,507</b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
Profit for the Period	-	-	283,710	283,710
<b>Balance at 30 June 2021</b>	<b>721,153</b>	<b>3,403,390</b>	<b>693,674</b>	<b>4,818,217</b>



CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED 30 June 2021

	Nine Months ended 30 June 2021 J\$'000	Nine Months ended 30 June 2020 J\$'000	Full Year audited 30 September J\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit	283,710	401,772	316,779
Items not Affecting Cash Resources:			
Effects of Foreign Exchange Gains	-	-	(1,799)
Deferred Taxation	(3,263)	(16,906)	(6,410)
Interest Income	(688)	(5,136)	(7,875)
Interest Expense	176,195	188,864	257,358
Depreciation	468	468	624
Loss on Disposal	-	-	10
	<u>456,423</u>	<u>569,062</u>	<u>558,687</u>
Changes in Operating Assets and Liabilities:			
Other Assets	(227)	(128)	(87)
Receivables	(542,249)	(324,087)	(323,245)
Taxation Recoverable	985	(1,139)	(1,739)
Payables	154,052	7,139	90,679
	<u>(387,440)</u>	<u>(318,215)</u>	<u>(234,392)</u>
<b>Net cash provided by operating activities</b>	<b>68,983</b>	<b>250,847</b>	<b>324,295</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Reduction to Financial Asset - Service Concession Rights	(9,697)	(6,316)	(10,071)
Additions to Motor Vehicle	-	-	690
Short Term Deposits	257,799	52,346	7,661
Interest Received	1,508	4,130	-
Interest Paid	(231,281)	(164,333)	(189,583)
Proceeds from disposal of financial assets	-	-	60.00
<b>Net Cash Provided by/Used in Investing Activities</b>	<b>18,329</b>	<b>(114,173)</b>	<b>(191,243)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Short Term Loans	50,000	(4,826)	-
Loan Repaid	(158,304)	(133,401)	(139,905)
<b>Net Cash Used in Financing Activities</b>	<b>(108,304)</b>	<b>(138,227)</b>	<b>(139,905)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(20,992)</b>	<b>(1,553)</b>	<b>(6,853)</b>
Exchange Gain on Foreign Cash Balance	-	-	1,221
Cash and Cash Equivalents at Start of The Period	43,484	49,116	49,116
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>22,492</u></b>	<b><u>47,563</u></b>	<b><u>43,484</u></b>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 June 2021

### 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-year 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, 138 SL Restoration Limited, a limited liability company, incorporated in Jamaica on 31 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, 138 SL 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 2020 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 profit attributable to stockholders by the weighted average number of ordinary stock units in issue.

	3 months ended 30 Jun 2021 <u>J\$</u> <u>000</u>	3 months ended 30 Jun 2020 <u>J\$</u> <u>000</u>	9 months ended 30 Jun 2021 <u>J\$</u> <u>000</u>	9 months ended 30 Jun 2020 <u>J\$</u> <u>000</u>
Net profit attributable to stockholders	116,914	131,573	283,710	401,772
Weighted average number of ordinary stock units ('000)	414,500	414,500	414,500	414,500
Earnings per stock unit	\$0.28	\$0.32	\$0.68	\$0.97

**138 STUDENT LIVING JAMAICA LIMITED**  
**QUARTERLY REPORT**  
**AS AT 30 JUNE 2021**

**TOP TEN (10) LARGEST SHAREHOLDERS**

SHAREHOLDER	NO. OF SHARES	TOTAL NO. OF SHARES	PERCENTAGE SHAREHOLDING
<b>SAGICOR</b>		<b>167,666,590</b>	<b>40.45%</b>
SAGICOR POOLED EQUITY FUND	91,814,520		
JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY	44,668,737		
SAGICOR POOLED MORTGAGE & REAL ESTATE FUND	16,233,333		
JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE	14,950,000		
<b>NCB INSURANCE CO. LTD. A/C WTO40</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>13,853,075</b>	<b>3.34%</b>
JCSD TRUSTEE SERVICES LIMITED A/C BARITA UNIT TRUST REAL ESTATE PORTFOLIO	10,974,925		
BARITA FINANCE LIMITED	2,878,150		
<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>MF&amp;G ASSET MANAGEMENT LTD. - JAMAICA INVESTMENTS FUND</b>		<b>6,111,300</b>	<b>1.47%</b>
<b>CLAUDETTE COOKE</b>		<b>5,294,315</b>	<b>1.28%</b>
<b>JMMB PENSION FUND</b>		<b>3,773,734</b>	<b>0.91%</b>
<b>TOTAL</b>		<b>373,446,549</b>	<b>90.10%</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 JUNE 2021** 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		