



STANLEY MOTTA LIMITED

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED 31 MARCH 2022



Stanley Motta Limited
Quarter Ended 31 MARCH 2022

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The Board of Directors of Stanley Motta Limited is pleased to present the unaudited financial statements of Stanley Motta Limited for the quarter ended 31 March 2022.

The highlights are as follows:

- Revenue for the period ended March 2022 increased by 5.3% from J\$119.6M to J\$126M over the corresponding period of the previous year. The increase is attributable to the depreciation of the Jamaican dollar which moved from an average of J\$147.86:US\$1 as at 31st March 2021 to J\$156.06:US\$1 at 31st March 2022. The company didn't earn any rental income from Unit 1 during the quarter as preparations were being made for the expansion of the space into a new, 126,000 square feet state-of-the-art building.
- Administrative expenses for the Year to Date (YTD) period represent an increase of 20.5% over the prior year, moving from J\$55.4M to J\$66.8M. This Year over Year (YOY) increase is mainly due to a significant FX (foreign exchange) loss of J\$19M arising from the revaluation of the USD denominated loan. The company refinanced the USD loan for a JMD loan with a local financial institution which will eliminate the FX losses incurred in the past which have averaged at around J\$45M per year
- Net Operating Income (NOI) was flat year over year, moving from J\$66.1M for March 2021 to J\$67.6M for the period ended March 31, 2022.
- Funds from Operations (FFO) of J\$53.1M was generated YTD March 2022 compared to J\$56.6M generated for March 2021, a 6.3% decrease.
- Finance costs increased by 88.8% from J\$10.8M to J\$20.4M. The company incurred new fees in the first quarter during the refinancing which included processing and commitment fees.
- Net Profit Margin for the Quarter ending March 31, 2022, stands at 36% compared to 45% for the period ending March 31, 2021. Without the FX Loss, the Net Profit Margin for the same Quarter would have been at 52%. The company continues to demonstrate its commitment to maintaining strong operational efficiency, while collecting rent in a timely manner.
- Earnings Per Share which is calculated as profit after tax divided by the weighted average number of shares was J\$0.06 for the three-month period ending March 2022 compared to J\$0.07 over the corresponding period of the previous year.
- The Board declared a dividend of J\$0.112 per share on March 31, 2022, totalling J\$84.9M. This represents a 21.7% increase on the \$0.09 declared in the quarter ended March 31, 2021. The dividend was paid on April 23, 2022 to our shareholders on record as of March 26, 2022.



OUTLOOK:

Utility and security expenses increased at the start of April 2022 which was influenced by higher oil prices and increases in compensation respectively. There is currently a substantial rise in inflationary costs across the globe.

The company was able to secure an additional three year lease term on 50,000 square feet of space which was subject to a 25% increase in rental rate that became effective on April 1, 2022.

Unit 1

Over the course of financial year 2021, the company spent significant time designing a new, state-of-the-art building – Unit 1. The Unit 1 building comprises 126,000 square feet over 10 floors, and includes 84,000 square feet of rentable space and two (2) floors of structured parking. Construction of the Unit 1 building is anticipated to start in the next 2 months, and completed in 2024.

In advance of construction, the company is minimising its risk by ensuring it obtains rental tenants for the Unit 1 building prior to its construction completion. The company's expected benefit of the Unit 1 building is that it will increase the company's exposure to a more varied tenant composition. In addition, the company is in advanced negotiations relating to financing of the building and construction.

The company looks forward to progressive development on its Unit 1 building project which it expects to significantly boost company revenue and profits, while improving shareholder value in the future.

Melanie Subratie
Chairman

Blondell Walker
Director



Stanley Motta Limited
 Unaudited Consolidated Statement of Comprehensive Income
 Quarter Ended 31 March 2022
 (Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED	UNAUDITED	AUDITED
	THREE (3) MONTHS ENDED 31 MARCH 2022 \$'000	THREE (3) MONTHS ENDED 31 MARCH 2021 \$'000	YEAR ENDED 31 DECEMBER 2021 \$'000
Revenue	126,015	119,644	492,620
Other operating income	8,344	1,930	40,132
Administrative expenses	(66,788)	(55,437)	(180,576)
Operating Profit	<u>67,571</u>	<u>66,137</u>	<u>352,176</u>
Finance cost	(20,367)	(10,807)	(102,917)
Revaluation gain on investment property	-	-	553,986
Profit before taxation	<u>47,204</u>	<u>55,330</u>	<u>803,245</u>
Taxation	(1,296)	(1,033)	(4,945)
Net Profit/(Loss)	<u>45,908</u>	<u>54,297</u>	<u>798,300</u>
Other Comprehensive Income			
Items that may be subsequently reclassified to the profit or loss:			
Unrealised losses on securities classified as FVOCI			
Currency translation differences on net assets of foreign subsidiary	(13,943)	55,285	78,992
	<u>(13,943)</u>	<u>55,285</u>	<u>78,992</u>
Total Comprehensive Income	<u>31,965</u>	<u>109,582</u>	<u>877,292</u>
Earning per stock unit for profit attributable to the equity holders of the Company during the year	<u>0.06</u>	<u>0.07</u>	<u>1.05</u>



Stanley Motta Limited

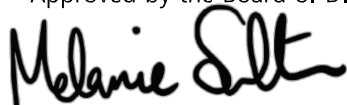
Unaudited Consolidated Statement of Financial Position

As at 31 March 2022

(Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED AT 31 MARCH 2022 \$'000	UNAUDITED AT 31 MARCH 2021 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2021 \$'000
Non-Current Assets			
Property, plant and equipment	15,741	24,733	17,896
Investment properties	6,193,525	5,542,503	6,169,094
Right of use Asset	205,653	102,779	209,819
	<u>6,414,919</u>	<u>5,670,015</u>	<u>6,396,809</u>
Current Assets			
Receivables	34,982	9,309	37,190
Taxation recoverable	-	-	528
Cash and cash equivalents	126,617	168,344	81,696
	<u>161,600</u>	<u>177,654</u>	<u>119,414</u>
Current Liabilities			
Payables	19,742	55,962	16,037
Dividends Payable	84,877	69,718	-
Income tax payable	2,143	333	1,745
Current portion of borrowings	35,000	38,528	40,499
Current portion of lease liability	26,578	2,107	21,948
	<u>168,340</u>	<u>166,648</u>	<u>80,229</u>
Net Current (Liabilities)/Assets	<u>(6,740)</u>	<u>11,005</u>	<u>39,185</u>
	<u>6,408,179</u>	<u>5,681,020</u>	<u>6,435,994</u>
Shareholders' Equity			
Share capital	811,933	811,933	811,933
Capital reserve	238,379	238,379	238,379
Cumulative translation reserve	116,154	106,390	130,097
Retained earnings/(accumulated deficit)	4,212,714	3,627,419	4,251,683
	<u>5,379,180</u>	<u>4,784,121</u>	<u>5,432,092</u>
Non-Current Liabilities			
Borrowings	810,391	758,011	776,607
Lease Liabilities	183,866	104,317	192,637
Long term payable	34,742	34,572	34,658
	<u>1,028,999</u>	<u>896,900</u>	<u>1,003,902</u>
	<u>6,408,179</u>	<u>5,681,020</u>	<u>6,435,994</u>

Approved by the Board of Directors on May 9, 2022, and signed on its behalf by:


 Melanie Subratie
 Chairman


 Blondell Walker
 Director

Stanley Motta Limited
 Unaudited Consolidated Statement of Changes in Equity
 Quarter Ended 31 March 2022
 (Expressed in Jamaican Dollars Unless Otherwise Stated)

	Share Capital \$'000	Capital Reserve \$'000	Cumulative Translation Reserve \$'000	Retained Earnings/ (Accumulated Deficit) \$'000	Total \$'000
Balance at 31 December 2020	811,933	238,379	51,105	3,642,840	4,744,257
Net profit for the year				54,297	54,297
Currency translation differences on net assets of foreign subsidiary			55,285		55,285
Total comprehensive income			55,285	54,297	109,582
Transactions with owners of the company:					
Dividend Proposed/Paid	-			69,718	69,718
Balance at 31 March 2021	811,933	238,379	106,390	3,627,419	4,784,121
Balance at 31 December 2021	811,933	238,379	130,097	4,251,683	5,432,092
Net profit for the year				45,908	45,908
Currency translation differences on net assets of foreign subsidiary			(13,943)		(13,943)
Total comprehensive income			(13,943)	45,908	31,965
Transactions with owners of the company:					
Dividend Proposed/Paid	-			84,877	84,877
Balance at 31 March 2022	811,933	238,379	116,154	4,212,714	5,379,180

Stanley Motta Limited
 Unaudited Consolidated Statement of Cash Flows
 Quarter Ended 31 March 2022
 (Expressed in Jamaican Dollars Unless Otherwise Indicated)

	UNAUDITED AT 31 MARCH 2022 \$'000	UNAUDITED AT 31 MARCH 2021 \$'000	AUDITED YEAR ENDED 31 DECEMBER 2021 \$'000
Cash Flows from Operating Activities			
Net profit	45,908	54,297	798,300
Adjusted for:			
Taxation	1,296	-	4,945
Depreciation	7,155	2,310	23,880
Impairment of financial assets	-	-	966
Interest income	(26)	(30)	(131)
Interest expenses	17,075	10,807	56,389
Revaluation gain on investment property	-	-	(553,986)
Exchange (gains)/losses on foreign currency balances	19,939	9,446	13,725
	<u>91,346</u>	<u>76,830</u>	<u>344,088</u>
Changes in operating assets and liabilities			
Receivables	2,208	40,095	11,249
Payables	(5,637)	9,178	(24,454)
Long term payables	84	-	248
Cash (used in)/provided by operating activities	<u>88,001</u>	<u>126,103</u>	<u>331,131</u>
Cash Flows from Investing Activities			
Addition to investment property	(19,123)	-	(45,818)
Interest received	26	30	130
Taxation paid	(1,296)	(1,033)	(3,355)
Cash used in investing activities	<u>(20,393)</u>	<u>(1,003)</u>	<u>(49,043)</u>
Cash Flows from Financing Activities			
Repayment of long-term loan	(8,740)	(1,634)	(20,625)
Dividend paid	-	-	(189,457)
Interest Paid	(17,075)	(10,807)	(56,389)
Cash provided by financing activities	<u>(25,815)</u>	<u>(12,441)</u>	<u>(266,471)</u>
Effect of exchange rate changes on cash and cash equivalents	3,128	1,464	11,858
(Decrease)/Increase in net cash and cash equivalents	<u>44,921</u>	<u>114,123</u>	<u>15,617</u>
Cash and cash equivalents at beginning of year	<u>81,696</u>	<u>54,221</u>	<u>54,221</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR	<u><u>126,617</u></u>	<u><u>168,344</u></u>	<u><u>81,696</u></u>

Stanley Motta Limited

Notes to the Unaudited Financial Statements

As at 31 March 2022

(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 2022	Unaudited Quarter ended March 2021	Audited Year ended December 2021
Net profit attributable to ordinary shareholders (\$'000)	45,907,849	54,296,744	798,300,000
Weighted average of number of ordinary shares in issue at the end of the period	757,828,490	757,828,490	757,828,490
Basic earnings per share	0.06	0.07	1.05

Stanley Motta Limited

Shareholders Profile

As at 31 March 2022

Ten Largest Shareholders	Number of Shares
1. Stony Hill Capital Limited	113,844,873
2. Caona Investments Limited	75,782,849
3. General Accident Insurance Company Limited	73,591,200
4. PAM- Pooled Equity Fund	73,448,377
5. PAM- JPS Employees Superannuation Ltd	65,913,300
6. Sagicor Life - Lascelles Demercado Defined Contribution Fund	52,284,916
7. VMWealth Property Fund	39,482,726
8. Perseverance Limited	37,891,425
9. VMWealth Equity Fund	35,198,000
10. NCB Insurance Company Limited -A/C WT161	28,248,000

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	200,000
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