



**UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS | ENDED 30 June 2023**



138 STUDENT LIVING JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS
NINE MONTHS | ENDED 30 June 2023

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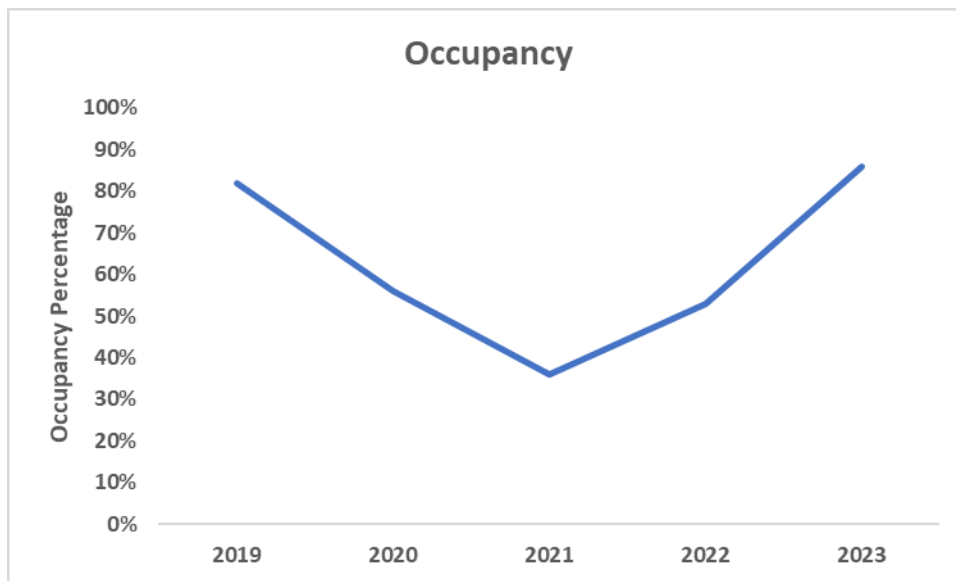


CHAIRMAN'S INTERIM REPORT TO THE SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (the Group) presents the unaudited consolidated financial statements for the third quarter ended 30 June 2023.

Overview

The Group continues to perform according to projections with average room occupancy of 86% for the nine-month period.



The 138SL team is very optimistic about the remainder of the financial year. We have emerged to be more resilient, having overcome the challenges of the last two and a half years. Our revenue and profit are on target for the remainder of the financial year, and we remain focused on executing on our key strategic initiatives. Looking ahead to the upcoming academic semester beginning September 2023, we see strong indications that operations have returned to normalcy, as applications for accommodation have significantly surpassed our current capacity.

Our outlook is that this trend will continue into the foreseeable future as the University of The West Indies, Mona, has signalled its full return to face to face classes. 138 Student living is well positioned as many students prefer quality on campus accommodation in a secure environment. We also have additional layers of security, including 24 hour monitored CCTV camera system, to give our residents added assurance about their safety.

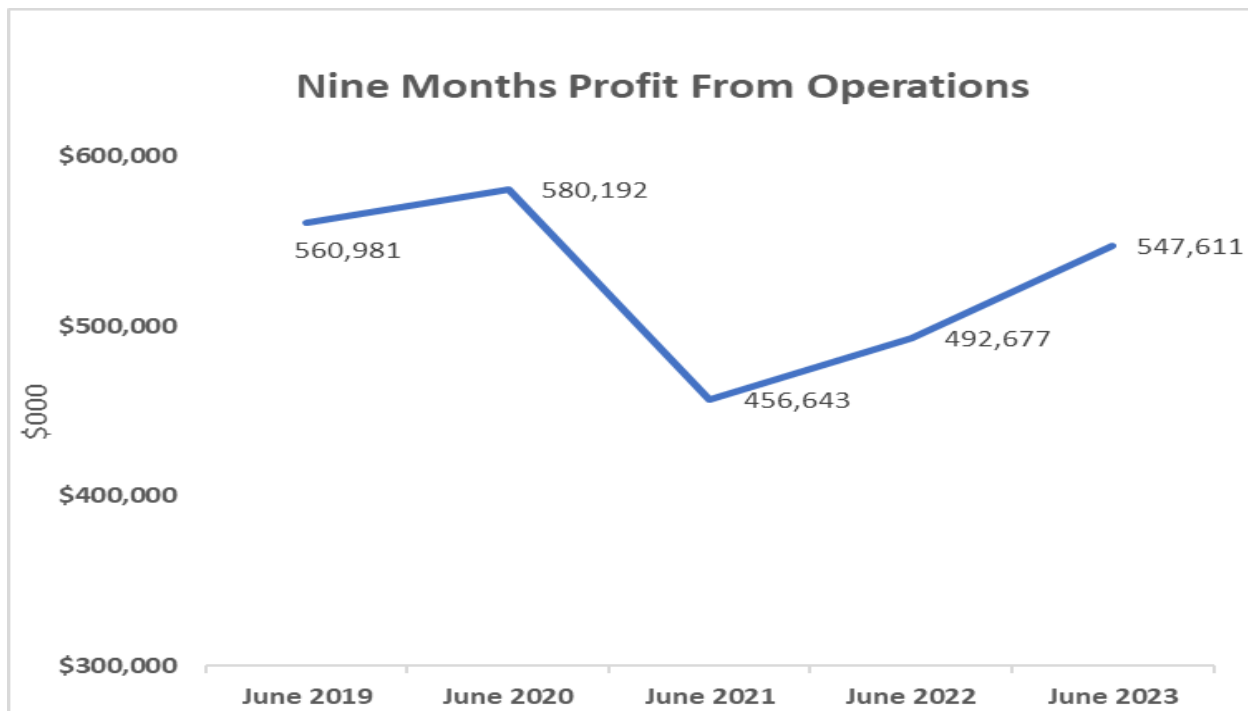


Financial Highlights

	3 months ended 30 June 2023 \$'000	3 months ended 30 June 2022 \$'000	Q-O-Q CHANGE %	9 months ended 30 June 2023 \$'000	9 months ended 30 June 2022 \$'000	Y-T-D CHANGE %
Revenue	347,452	309,336	12	1,048,106	893,565	17
Expenses	164,660	140,182	(17)	500,495	400,888	(25)
Finance Costs	88,429	90,909	3	269,827	271,928	1
Profit before taxation	94,363	78,245	21	277,784	220,749	26
Taxation	(5,442)	6,986	(178)	(7,720)	17,915	(143)
Net Profit	88,921	85,231	4	270,064	238,664	13

Group's Performance

For the quarter under review the Group's revenue was \$347m, an increase of 12%, when compared to the \$309m recorded in the corresponding period last year. The increase was partly due to the strong performance in long-term occupancy as well as our short-term rental business. To bolster revenue, the Group has implemented multiple strategies geared towards energizing short term rentals. Evidently these have proven successful as short-term rental income contributed \$35m for the quarter and \$96m for the 9 months, compared to \$32m and \$55m for the corresponding prior year periods, respectively.



Primarily emanating from the improved performance in short term rentals, the Group recorded \$94m in profit before taxation for the quarter ending 30 June 2023, compared to \$78m for the corresponding



quarter ending 30 June 2022; a 21% or \$16m increase over the previous corresponding period. Profit before taxation for the nine-month period ending 30 June 2023 was \$278m compared to \$221m for the corresponding period ending 30 June 2022; a 26% or \$57m increase over the previous corresponding period.

Profit per stock unit for the nine months increased to \$0.65 compared to \$0.58 for the nine-month period to 30 June 2022, a 12% increase.

Factors such as improved occupancy and efficiency measures have resulted in the Group continuing to record strong operating profit margins, with our margin for the nine-month period being 52%.

The Consolidated Statement of Financial Position shows Assets at \$9.7 billion and Shareholders' Equity at \$4.8 billion. The lower receivables are due to arrangements arrived at with the UWI, Mona for settlement of outstanding balances. Student receivable balances reduced significantly as we continue to enforce strict collection measures.

Capital Structure

During the nine-month period ended June 2023, the Group paid \$254.5m and \$197m in interest and principal payments, respectively. For context, the Group paid \$0.13 per share or \$53.9m in dividends in February 2023. This figure represents only 11.9% of the total interest and principal payments.

Accordingly, the Board is implementing initiatives to significantly reduce the Group's debt to a level that facilitates the prospect of higher and consistent dividend payments to shareholders. This would be in alignment with intentions previously outlined in the Company's initial public offering prospectus.

Digital Transformation

We continue to give our residents new ways to communicate with us, as we seek to be at the cutting edge of technology. Recently we implemented Manager Plus, a maintenance, inventory and asset management software which allows our residents to directly communicate maintenance and other issues in real time from their mobile phones.

In addition, a digital payment wallet was implemented which allows our residents to seamlessly pay their fees from their phones or other digital devices at their own convenience.



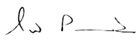
Corporate Social Responsibility

138 Student Living takes the view that sustainability extends beyond just environmental issues and therefore we continue to positively impact the lives of people in the community that we serve through our programme of corporate social responsibility. On labour day, our staff journeyed to the Jamaica National Children’s Home, located in Papine, where we renovated the administration building and planted several fruit trees.

We have embarked on projects aimed at reducing our carbon footprint and integrating an environmental conscious culture across the organization. These include:

- plastic bottles recycling
- implementation of energy efficiency devices
- examining ways and means to reduce our energy consumption across our four halls of residence

Our strong performance reflects the hard work and commitment of our team to deliver sustained positive results to our stakeholders. We remain committed to providing world class accommodation offering safe, comfortable, and affordable living spaces. The Staff, Management, and Board of Directors of 138 Student Living remain grateful to our investors, partners, and residents for believing in and supporting us. 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 2023

	3 months ended 30 June 2023 Unaudited J\$'000	3 months ended 30 June 2022 Unaudited J\$'000	9 months ended 30 June 2023 Unaudited J\$'000	9 months ended 30 June 2022 Unaudited J\$'000	12 months ended 30 Sept. 2022 Audited J\$'000	
REVENUE						
Income	321,012	307,517	982,136	878,701	1,185,960	
Other Operating Income	26,440	1,819	65,970	14,864	13,894	
	347,452	309,336	1,048,106	893,565	1,199,854	
EXPENSES						
Administrative Expenses	164,660	140,182	500,495	400,888	501,315	
PROFIT FROM OPERATIONS	182,792	169,154	547,611	492,677	698,539	
Finance Costs	88,429	90,909	269,827	271,928	363,487	
PROFIT BEFORE TAXATION	94,363	78,245	277,784	220,749	335,052	
Taxation	(5,442)	6,986	(7,720)	17,915	(16,690)	
NET PROFIT FOR THE PERIOD	88,921	85,231	270,064	238,664	318,362	
Other Comprehensive Income:						
Change In Fair Value of Financial Asset	-	-	-	-	(98,143)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	88,921	85,231	270,064	238,664	220,219	
Profit per stock unit	(Note 6)	0.21	0.21	0.65	0.58	0.77



UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2023

	Unaudited 30-Jun-23 J\$'000	Unaudited 30-Jun-22 J\$'000	Audited 30-Sep-22 J\$'000
NON-CURRENT ASSETS			
Financial Asset -Service Commission Rights	8,468,838	8,528,729	8,442,711
Motor Vehicle	649	1,300	1,117
Deferred Tax Asset	186,490	298,592	180,643
	8,655,977	8,828,621	8,624,471
CURRENT ASSETS			
Receivables	987,885	1,595,933	903,293
Taxation Recoverable	24,847	24,757	24,767
Short Term Deposits	-	760	-
Cash and Cash Equivalents	26,420	27,408	170,444
	1,039,151	1,648,858	1,098,504
Total Assets	9,695,128	10,477,479	9,722,975
EQUITY AND LIABILITIES			
Share Capital	721,153	721,153	721,153
Fair Value Reserve	2,949,430	3,047,573	2,949,430
Retained Earnings	1,100,730	893,189	884,551
	4,771,313	4,661,915	4,555,134
NON-CURRENT LIABILITIES:			
Long Term Loans	3,577,129	4,210,003	3,847,369
Redeemable Preference Shares	172,643	172,643	172,642
	3,749,772	4,382,646	4,020,011
CURRENT LIABILITIES:			
Payables	511,271	1,215,735	561,874
Taxation	18,274	7,183	13,322
Current Portion of Long Term Loan	435,844	-	362,634
Short Term Borrowing	208,654	210,000	210,000
	1,174,043	1,432,918	1,147,830
Total Equity & Liabilities	9,695,128	10,477,479	9,722,975

IAN PARSARD

IAN PARSARD
CHAIRMAN

SHARON DONALDSON-LEVINE

SHARON DONALDSON-LEVINE
DIRECTOR



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 30 June 2023

	SHARE CAPITAL <u>J\$'000</u>	FAIR VALUE RESERVE <u>J\$'000</u>	RETAINED EARNINGS <u>J\$'000</u>	TOTAL <u>J\$'000</u>
Balance at 30 September 2021 (Restated)	721,153	3,047,573	566,189	4,334,915
Deferred Tax Adjustment	-	-	88,336	88,336
Balance at 30 September 2021	721,153	3,047,573	654,525	4,423,251
Profit for the Period	-	-	238,664	238,664
Balance at 30 June 2022	721,153	3,047,573	893,189	4,661,915
Change in Fair Value of Financial Asset-	-	(98,143)	-	(98,143)
Profit for the Period	-	-	(8,638)	(8,638)
Balance at 30 September 2022	721,153	2,949,430	884,551	4,555,134
Profit for the Period	-	-	270,064	270,064
Dividend (Note 7)	-	-	(53,885)	(53,885)
Balance at 30 June 2023	721,153	2,949,430	1,100,730	4,771,313



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 June 2023

	Unaudited 30-Jun-23 J\$'000	Unaudited 30-Jun-22 J\$'000	Audited 30-Sep-22 J\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit	270,064	238,664	318,362
Items not Affecting Cash Resources:			
Effects of Foreign Exchange Gains	3,135	-	4,353
Taxation	(5,847)	(17,915)	16,690
Interest Income	(335)	-	(62)
Interest Expense	269,827	271,928	363,487
Depreciation	468	468	624
Loss on disposal of financial assets	-	-	(12)
Adjustment to property, plant & equipment	-	-	27
	<u>537,312</u>	<u>493,145</u>	<u>703,469</u>
Changes in Operating Assets and Liabilities:			
Receivables	(144,023)	(301,361)	374,540
Taxation Recoverable	(79)	(14)	(25)
Payables	(1,278)	68,298	(572,973)
	<u>(145,381)</u>	<u>(233,076)</u>	<u>(198,458)</u>
Net cash provided by operating activities	391,931	260,069	505,011
CASH FLOW FROM INVESTING ACTIVITIES:			
Additions to Financial Asset - Service Concession Rights	(26,126)	(15,729)	(27,854)
Short Term Deposits	-	-	760
Interest Received	99	-	62
Interest Paid	(254,532)	(253,976)	(340,237)
Proceeds from Disposal of Financial Assets	-	-	12
Net Cash used in Investing Activities	(280,559)	(269,705)	(367,257)
CASH FLOW FROM FINANCING ACTIVITIES:			
Short Term Loans	(1,346)	-	75,000
Dividends Paid	(53,885)	-	-
Loan Repaid	(197,030)	(1,892)	(76,892)
Net Cash used in Financing Activities	(252,261)	(1,892)	(1,892)
Net (decrease)/increase in cash and cash equivalents	(140,889)	(11,527)	135,862
Exchange Loss on Foreign Cash Balance	(3,135)	-	(4,353)
Cash and Cash Equivalents at Start of The Period	170,444	38,935	38,935
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>26,420</u>	<u>27,408</u>	<u>170,444</u>



NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 June 2023

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, 138SL Restoration Limited, a limited liability company, incorporated in Jamaica on 31 April 2015 and domiciled in Jamaica. 138SL Restoration Limited has a 35-year concession agreement, that 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 Companies Act of Jamaica.

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 2022 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 the current year's presentation.

An entity shall apply International Financial Reporting Standards (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 the full year's results.

6. EARNINGS PER STOCK UNIT:

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the 414,500,000 weighted average number of ordinary stock units in issue.

7. The Company at its Board of Directors Meeting on December 19, 2022, declared and paid an interim dividend of \$0.13 per stock.



**138 STUDENT LIVING JAMAICA LIMITED
QUARTERLEY REPORT
AS AT JUNE 30, 2023**

Top Ten Shareholders

Shareholder	Shareholdings	% Shareholding
<u>Sagicor Related Share Accounts</u>		
Sagicor Pooled Equity Fund	90,974,452	37.29
JCSD Trustee Services Limited - Sigma Equity	42,542,679	
Sagicor Pooled Mortgage & Real Estate Fund	9,233,333	
JCSD Trustee Services Ltd - Sigma Global Venture	11,810,353	
	154,560,817	
NCB Insurance Agency and Fund Managers Ltd WT040	82,832,770	19.98
K Limited	68,803,832	16.60
<u>Barita Related Share Accounts</u>		
JCSD Trustee Services Limited a/c Barita Unit Trust Real Estate Portfolio	10,974,925	3.14
Barita Investment Ltd - Long A/C (Trading)	2,041,386	
	13,016,311	
<u>JMMB Related Share Accounts</u>		
JMMB Pension Fund	3,773,734	2.44
JMMB Fund Managers Ltd. T1-Equities Fund	2,535,595	
JMMB Retirement Scheme (Moderate)	2,345,300	
JMMB Retirement Scheme (Conservative)	767,300	
JMMB Retirement Scheme (Aggressive)	692,600	
	10,114,529	
Wisynco Group Limited Pension Fund	10,000,000	2.41
VMPM - Pooled Pension Real Estate	13,729,048	3.31
Mr. Barrington Brown	7,334,592	1.77
Conley Salmon/Juliet Salmon	5,000,000	1.21
MF&G Asset Management - Jamaica Investments Fund	3,761,300	0.91
TOTAL AGGREGATED SHAREHOLDINGS	369,153,199	89.06
Other Minority Shareholdings	45,346,801	10.94
TOTAL ISSUED ORDINARY SHARE CAPITAL	414,500,000	100.00



Shareholdings of Directors & Connected Parties

Name of Director	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Ian Parsard (Chair)	Nil	Karen Parsard	1,000,000 (ordinary)
John W. Lee	Nil	K Limited	68,803,832 (ordinary)
Ivan Carter	Nil	N/A	N/A
Sharon Donaldson	100,000 (ordinary)	N/A	225,000
	125,000 (preference)		
Marrynette Lee	Nil	K. Limited	68,803,832 (ordinary)
Brenda-Lee Martin	Nil	N/A	N/A
Peter Pearson	Nil	Yvonne Pearson*	400,000 (ordinary)
Donnette Scarlett	Nil	N/A	N/A
Mark Chishlom	Nil	N/A	N/A
Stephen Greig (Company Secretary)	Nil	N/A	N/A

Shareholdings of Senior Management and Connected Parties

Senior Manager	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Cranston Ewan	NIL	N/A	NIL
Semour Millen	NIL	Dominique Millen	NIL
		Antoine Millen	
		Aniyah Millen	
Renelle Wilson-Pearson	NIL	Elvis Pearson	NIL