



**UNAUDITED FINANCIAL STATEMENTS**  
**THREE MONTHS | ENDED 31 December 2023**



138 STUDENT LIVING JAMAICA LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
THREE MONTHS | ENDED 31 December 2023

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# Performance Highlights



## OCCUPANCY



## PROFITS FROM OPERATION (\$M)



## TOTAL REVENUE (\$M)




## NET PROFIT (\$M)



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## CHAIRMAN'S 1<sup>ST</sup> QUARTER REPORT TO SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (the Group or 138SL) presents the unaudited consolidated financial statements for the first quarter ended 31 December 2023.

### Overview

The Group's performance for the quarter is aligned with our projections with occupancy returning to its pre-pandemic levels recording a rate of 94% as at December 31, 2023.

Our outlook is that the positive trend will continue as 138SL is well positioned in a captive niche, where students prefer quality on campus accommodation in a secure environment. The UWI, has also indicated its preference for face-to-face learning experience.

### Financial Highlights

	3 months ended 31 Dec. 2023 \$'000	3 months ended 31 Dec. 2022 \$'000	Q-O-Q CHANGE %
Revenue	378,190	346,351	9
Expenses	205,184	173,787	(18)
<b>Operating Profit</b>	173,006	172,564	(0)
Finance Costs	87,568	91,558	4
<b>Profit before taxation</b>	85,438	81,006	5
Taxation	(14,603)	(96)	15,112
<b>Net Profit</b>	<b>70,834</b>	<b>80,910</b>	<b>(12)</b>

## Group Performance

### *Income Statement*

For the first quarter ended December 31, 2023, the Group's revenue was \$378 million, an increase of 9%, when compared to the \$346 million recorded in the prior year's corresponding period. The movement is derived from increases in rates across all halls and short rental revenue being on target.

For the three months ended December 31, 2023, short-term rental income contributed J\$23.7million or 6% of total revenue. This reflects an expected 37% decrease relative to the similar period ended December 31, 2022 as we returned rooms at the Geroge Alleyne Hall, that were previously used for short term rental, to the long-term rental pool as the



demand from university students increased. Seventy-two (72) rooms at the Gerald Lalor Flats are utilized for short-term rental. Rooms that become available at the other halls during the summer will be offered for short-term rental.

Other income contributed J\$7.7 million reflecting a 46% increase relative to the similar period ended December 31, 2022. The increase is primarily driven by increased intake from laundry operations.

The Group's activities resulted in an operating profit of J\$173.0 million for the three months ended December 2023 from J\$172.6 million in the corresponding prior period. The flat results come from an increase in administrative expenses for general insurance, salaries, and Internet. 138SL recorded an efficiency ratio of 54% at the end of the quarter when compared to an efficiency ratio of 50% for the corresponding period. Profit before taxation was recorded at J\$85.4 million for the three-month period ended December 2023 when compared to J\$81.0 million for the three-month period ended in December 2022.

Earnings per stock unit for the three months decreased to \$0.15 compared to \$0.20 for the three-month period to 31 December 2022, a 25% decrease. This is related to the increase in the number of shares in issue from the recent Additional Public Offering.

### ***Balance Sheet***

As at December 31, 2023, the Group recorded total assets of J\$10.3 billion, an increase from the prior year's balance of \$9.89 billion. This movement primarily originated from an increase in cash and cash equivalent.

Arising from the agreement with UWI Mona regarding the management of outstanding balances, we continue to work with them towards the reduction in receivables. As at December 31, 2023, the Balance Sheet reflected an amount from UWI, of J\$1.1 billion; an 18% or J\$200 million increase from the end of December 2022.

Approximately 84% of the total assets or J\$8.69 billion represents non-current assets, while the remaining 16% represents current assets. For the prior year, non-current and current assets represent 88% and 12% of total assets, respectively.

Current liabilities stood at J\$1.33 billion as at the December 2023, a J\$67.9 million or 4.83% decrease from the J\$1.41 billion recorded at the end of the 2023 financial year. This was primarily driven by repayment of short-term loan notes.

Shareholders' equity increased by J\$536.15 million to end the first quarter of 2024 financial year at J\$5.41 billion. This increase was primarily driven by the increase in retained earnings and increase in share capital resulting from the recently concluded Additional Public Offering.

### ***Statement of Cash Flows***

Cash flow from operations totalled J\$122.38 million, compared to J\$112.4 million in December 2022 a 9% or J\$9.98 million increase. The cash flow from operations to net profit ratio was 1.73x which is indicative of the Company's earnings quality.



## Corporate Social Responsibility

138SL continues to play a vital role in shaping the future leaders of our society by offering world class accommodation and social programs which are being facilitated through the provision of free housing, valued at \$15.68 million per year, to twenty Resident Advisors (post graduate students) who are selected by the UWI.

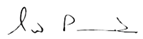
138SL participated in the following activities during the quarter:

- Hosted a Christmas Treat for a total fifty-five (55) residents of the Jamaica National Childrens Home and gifted the home with a Microwave and a washing machine;
- The City of Refuge Home was gifted with a selection of toys for the children and clothes donated by the residents and staff of 138SL;
- Our maintenance team effected repairs and replacement of lighting fixtures and plumbing to toilets and shower areas of the homes; and
- Our Information Technology personnel assisted with Internet and connectivity issues

Our efforts continued with 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 utility consumption across our four halls of residence.

The 138SL team is highly motivated and remains optimistic as we continue to execute on our key strategic initiatives. Our continued performance improvement reflects the diligence and commitment of our team in the delivery of sustained positive results to our stakeholders. We remain committed to providing world class accommodation offering safe, comfortable, and affordable living spaces.

  
Ian Parsard  
Chairman



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

THREE MONTHS | ENDED 31 December 2023

	3 months ended 31 Dec. 2023 Unaudited J\$'000	3 months ended 31 Dec. 2022 Unaudited J\$'000
<b>REVENUE</b>		
Income	351,405	341,066
Other Operating Income	26,785	5,285
	378,190	346,351
<b>EXPENSES</b>		
Administrative Expenses	205,184	173,787
<b>PROFIT FROM OPERATIONS</b>	173,006	172,564
Finance Costs	87,568	91,558
<b>PROFIT BEFORE TAXATION</b>	85,438	81,006
Taxation	(14,603)	(96)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS</b>	70,834	80,910
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS</b>	70,834	80,910
Earnings per stock unit	(Note 7) 0.15	0.20



**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 December 2023

	Unaudited 31-Dec-23 J\$'000	Unaudited 31-Dec-22 J\$'000	Audited 30-Sep-23 J\$'000
<b>NON-CURRENT ASSETS</b>			
Financial Asset -Service Commission Rights	8,516,272	8,450,956	8,509,828
Motor Vehicle	364	961	520
Deferred Tax Asset	176,458	186,797	185,152
	<b>8,693,094</b>	<b>8,638,714</b>	<b>8,695,500</b>
<b>CURRENT ASSETS</b>			
Receivables	1,191,649	976,578	1,115,622
Taxation Recoverable	24,885	24,823	24,850
Short Term Deposits	-	83,359	-
Cash and Cash Equivalents	407,947	113,058	55,948
	<b>1,624,481</b>	<b>1,197,818</b>	<b>1,196,420</b>
<b>Total Assets</b>	<b>10,317,575</b>	<b>9,836,532</b>	<b>9,891,920</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital	1,186,464	721,153	721,153
Fair Value Reserve	2,982,902	2,949,430	2,982,902
Retained Earnings	1,244,503	965,461	1,173,667
	<b>5,413,869</b>	<b>4,636,044</b>	<b>4,877,722</b>
<b>NON-CURRENT LIABILITIES:</b>			
Long Term Loans	3,362,806	4,210,003	3,435,359
Redeemable Preference Shares	172,642	172,642	172,642
	<b>3,535,448</b>	<b>4,382,645</b>	<b>3,608,001</b>
<b>CURRENT LIABILITIES:</b>			
Payables	668,128	591,946	630,718
Taxation	26,520	15,897	20,610
Current Portion of Long Term Loan	435,844	-	435,844
Short Term Borrowing	237,766	210,000	319,025
	<b>1,368,258</b>	<b>817,843</b>	<b>1,406,197</b>
<b>Total Equity &amp; Liabilities</b>	<b>10,317,575</b>	<b>9,836,532</b>	<b>9,891,920</b>

*Ian Parsard*  
IAN PARSARD  
CHAIRMAN

*Sharon Donaldson-Levine*  
SHARON DONALDSON-LEVINE  
DIRECTOR





UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 December 2023

	SHARE CAPITAL J\$'000	FAIR VALUE RESERVE J\$'000	RETAINED EARNINGS J\$'000	TOTAL J\$'000
Balance at 30 September 2022	721,153	2,949,430	884,551	4,555,134
Profit for the Period	-	-	80,910	80,910
<b>Balance at 31 December 2022</b>	<b>721,153</b>	<b>2,949,430</b>	<b>965,461</b>	<b>4,636,044</b>
Change in Fair Value of Financial Asset-	-	33,472	-	33,472
Profit for the Period	-	-	262,091	262,091
Dividend	-	-	(53,885)	(53,885)
<b>Balance at 30 September 2023</b>	<b>721,153</b>	<b>2,982,902</b>	<b>1,173,667</b>	<b>4,877,722</b>
<b>Transaction with Owners of the Company:</b>				
Issue of additional ordinary shares	510,476	-	-	510,476
Transaction cost	(45,163)	-	-	(45,163)
Profit for the Period	-	-	70,834	70,834
<b>Balance at 31 December 2023</b>	<b>1,186,466</b>	<b>2,982,902</b>	<b>1,244,501</b>	<b>5,413,869</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS PERIOD ENDED 31 December 2023

	Unaudited 31-Dec-23 J\$'000	Unaudited 31-Dec-22 J\$'000	Audited 30-Sep-23 J\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit	70,834	80,910	343,001
Items not Affecting Cash Resources:			
Effects of Foreign Exchange Gains	-	-	2,938
Taxation	8,694	(3,769)	(4,509)
Interest Income	(19,132)	(309)	(57,643)
Interest Expense	87,568	91,558	360,863
Depreciation	156	156	597
	148,120	168,546	645,247
Changes in Operating Assets and Liabilities:			
Receivables	(54,127)	(98,364)	(191,857)
Taxation Recoverable	(35)	(12)	(83)
Payables	28,426	42,253	146,935
	(25,737)	(56,123)	(45,005)
<b>Net cash provided by operating activities</b>	122,384	112,423	600,242
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Additions to Financial Asset - Service Concession Rights	(6,443)	(8,244)	(33,645)
Short Term Deposits	-	(83,209)	-
Interest Received	-	172	1,079
<b>Net Cash used in Investing Activities</b>	(6,443)	(91,281)	(32,566)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Short Term Loans	(81,259)	-	100,000
Dividends Paid	-	-	(53,885)
Interest Paid	(75,440)	(78,527)	(367,808)
Loan Repaid	(72,553)	-	(357,541)
Share Capital	465,311	-	-
<b>Net Cash used in Financing Activities</b>	236,059	(78,527)	(679,234)
<b>Net increase/(decrease) in cash and cash equivalents</b>	351,999	(57,386)	(111,558)
Exchange Loss on Foreign Cash Balance	-	-	(2,938)
Cash and Cash Equivalents at Start of The Period	55,948	170,444	170,444
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>407,947</b>	<b>113,058</b>	<b>55,948</b>



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED 31 December 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 2023 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. INCREASE IN AUTHORISED SHARE CAPITAL**

At an Extra-ordinary General meeting held March 20, 2023, 138SL's shareholders approved a resolution to increase the number of ordinary shares from 480,500,000 to unlimited authorised shares. During the period, the company executed an Additional Public Offer in which 122,355,600 shares were issued and fully paid. As at the reporting date, total number of shares issued and paid was 536,855,600 (December 2022 : 414,500,000).

**7. EARNINGS PER STOCK UNIT**

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the weighted average number of ordinary stock units in issue at the end of period.

Net profit attributable to stockholders	<u>J\$70,834</u>	<u>J\$80,910</u>
	<u>000</u>	<u>000</u>
Number of ordinary stock units at 1 October 2023	414,500	414,500
Number of stock units issued 15 November 2023	122,355	-
Weighted average number of ordinary stock units at 31 December 2023	477,035	414500
Earnings per Stock unit	J\$0.15	J\$0.20



**138 STUDENT LIVING JAMAICA LIMITED  
QUARTERLEY REPORT  
AS AT DECEMBER 31, 2023**

**Top Ten Shareholders**

Shareholder	Shareholdings	% Shareholding
<b><u>Sagicor Related Share Accounts</u></b>		
Sagicor Pooled Equity Fund	88,540,121	31.49
JCSD Trustee Services Limited - Sigma Equity	42,426,655	
Sagicor Pooled Mortgage & Real Estate Fund	9,233,333	
JCSD Trustee Services Ltd - Sigma Global Venture	11,798,314	
Sagicor Equity Fund	17,045,500	
	<b>169,043,923</b>	
NCB Insurance Agency and Fund Managers Ltd WT040	<b>144,561,170</b>	26.93
K Limited	<b>73,403,832</b>	13.67
VMPPM - Pooled Pension Real Estate	<b>15,727,753</b>	2.93
<b><u>Barita Related Share Accounts</u></b>		
JCSD Trustee Services Limited a/c Barita Unit Trust Real Estate Portfolio	10,974,925	2.42
Barita Investment Ltd - Long A/C (Trading)	2,041,386	
	<b>13,016,311</b>	
<b><u>JMMB Related Share Accounts</u></b>		
JMMB Pension Fund	3,773,734	1.88
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	
	<b>10,114,529</b>	
Wisynco Group Limited Pension Fund	10,000,000	1.86
Heart Trust/NTA Pension Scheme	9,091,000	1.69
First Jamaica/UHWI Pension Scheme	7,954,600	1.48
Barrington Brown	7,334,592	1.37
<b>TOTAL AGGREGATED SHAREHOLDINGS</b>	<b>460,247,710</b>	<b>85.73</b>
Other Minority Shareholdings	76,607,890	14.27
<b>TOTAL ISSUED ORDINARY SHARE CAPITAL</b>	<b>536,855,600</b>	<b>100.00</b>



### Shareholdings of Directors & Connected Parties

Name of Director	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Ian Parsard (Chair)	Nil	Karen Parsard*	2,000,000 (ordinary)
John W. Lee	Nil	K Limited	73,403,832 (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	73,403,832 (ordinary)
Brenda-Lee Martin	Nil	N/A	N/A
Peter Pearson	Nil	Yvonne Pearson*	550,000 (ordinary)
Donnette Scarlett	Nil	N/A	N/A
Mark Chishlom	Nil	N/A	N/A
Stephen Greig (Company Secretary)	Nil	N/A	N/A

\*Joint ownership with director

\*\*Director Appointed December 31, 2023

### Shareholdings of Senior Management and Connected Parties

Senior Manager	Personal / Sole Ownership	Connected Parties	Combined Shareholdings
Cranston Ewan	NIL	Denise Ewan	500,100
		Joel Ewan	
		Stephen Ewan	
Semour Millen	NIL	Dominique Millen	18,000
		Antoine Millen	
		Aniyah Millen	
Renelle Wilson-Pearson	NIL	Elvis Pearson	NIL