



UNAUDITED FINANCIAL STATEMENTS
TWELVE MONTHS | ENDED 30 SEPTEMBER
2023



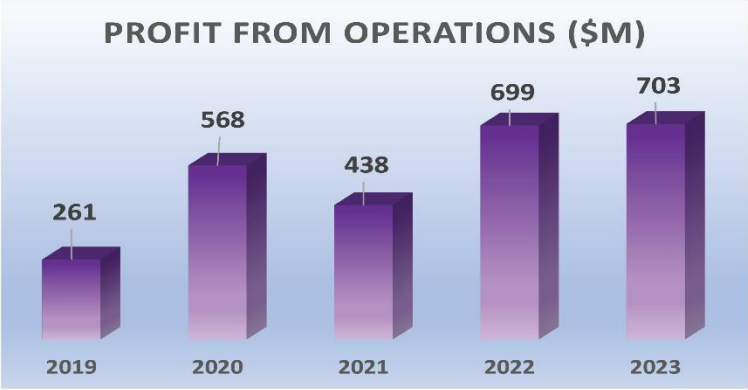
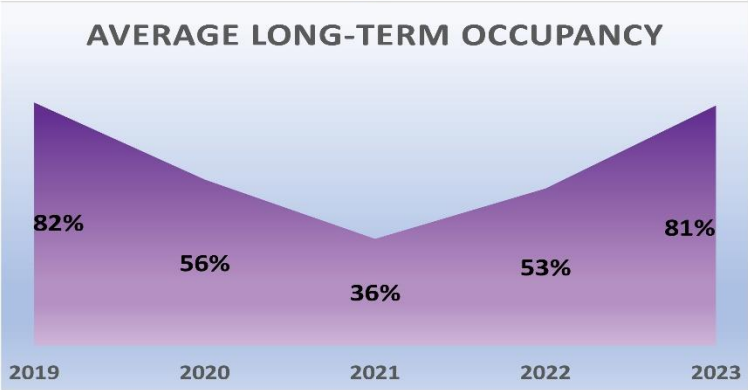
138 STUDENT LIVING JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS
TWELVE MONTHS | ENDED 30 SEPTEMBER 2023

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Performance Highlights





CHAIRMAN'S INTERIM REPORT TO THE SHAREHOLDERS

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

Overview

The Group continues to perform ahead of projections with:

1. The group achieving, during the financial year, its highest revenue and net profit in its history and
2. Occupancy returning to its pre-pandemic levels with occupancy rate being 94% as at September 30, 2023.

Our outlook is that the positive trend will continue into the foreseeable future as 138SL is well positioned in a captive niche, where students prefer quality on campus accommodation in a secure environment.

Financial Highlights

	3 months ended 30 Sept. 2023	3 months ended 30 Sept. 2022	Q-O-Q CHANGE %	12 months ended 30 Sept. 2023	12 months ended 30 Sept. 2022	Y-T-D CHANGE %
	\$'000	\$'000		\$'000	\$'000	
Revenue	342,893	309,336	11	1,390,999	1,199,854	16
Expenses	187,338	140,182	(34)	687,833	501,315	(37)
Finance Costs	91,036	90,909	(0)	360,864	363,487	1
Profit before taxation	64,519	78,245	(18)	342,303	335,052	2
Taxation	(3,675)	6,986	(153)	(11,395)	(16,690)	(32)
Net Profit	60,844	85,231	(29)	330,908	318,362	4

Group Performance

Income Statement

For the fourth quarter ended September 30, 2023 the Group's revenue was \$343 million, an increase of 11%, when compared to the \$309 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 robust.

For the twelve months ended September 30, 2023, the Group recorded its highest revenue and profit performance to date. Total revenue increased to J\$1.39 billion when compared to J\$1.20 billion in the prior year's corresponding period, representing a 16% improvement. Relative to the corresponding twelve-month period ended September 30, 2022, 138SL's primary revenue source, long-term rental income, increased from J\$872 million to J\$942 million which represents an 8% or J\$70 million improvement and is partly attributable to the increase in room rates.



For the twelve months ended September 30, 2023, short-term rental income contributed J\$132.19 million or 9% of total revenue. This reflects a 39% increase relative to the similar period ended September 30, 2022. This revenue was generated primarily from sporting and UWI affiliated groups. Accordingly, the Company continues to deepen its focus on the group booking segment which is showing buoyant demand.

The Group recorded J\$94.43 million in other operating income, an increase of J\$80.54 million which was derived from interest charged on receivables. Other operating income represented 7% of total revenue.

The Group's enhanced revenue performance resulted in an operating profit of J\$703.17 million for the twelve months ended September 2023 from J\$698.54 million in the corresponding prior period. Profit before taxation increased to J\$342.30 million for the twelve-month period ended September 2023 when compared to J\$335.05 million for the twelve-month period ended in September 2022. 138SL's efficiency ratio (expense/revenue) as at September 30, 2023 was 49%.

Profit per stock unit for the twelve months increased to \$0.80 compared to \$0.77 for the twelve-month period to 30 September 2022, a 4% increase.

Demonstrative of the Board of Directors intention to return value to its Ordinary Shareholders, 138SL paid its first dividend in February 23, 2023 of J\$0.13 per share.

Balance Sheet

As at September 30, 2023, the Group recorded total assets of J\$9.88 billion, an increase from the prior year's balance of \$9.72 billion. This movement primarily originated from the annual revaluation of the financial assets.

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 September 30, 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 September 2022.

Approximately 88% of the total assets or J\$8.70 billion represents non-current assets, while the remaining 12% represents current assets. For the prior year, non-current and current assets represent 89% and 11% respectively.

Current liabilities stood at J\$1.41 billion as at the September 2023, a J\$258.37 million or 18.07% increase from the J\$1.15 billion recorded at the end of the previous corresponding period.

Shareholders' equity increased by J\$310.50 million to end the fourth quarter of 2023 at J\$4.87 billion. This increase was primarily driven by the increase in retained earnings which reflected the J\$53.89 million dividend payment deducted from the J\$330.91 million net profit.



During the twelve-month period ended September 2023, the Group paid \$367.8m and \$338.8m 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.

Statement of Cash Flows

Cash flow from operations totalled J\$570.19 million, compared to J\$505.01 million in 2022; an 11% or J\$65.18 million increase. The cash flow from operations to net profit ratio was 1.72x which is indicative of the Company's earnings quality.

Corporate Social Responsibility

138SL continues to play an important 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, to twenty Resident Advisors (post graduate students) who are selected by the UWI.

In addition, 138SL participated in the following:

- provided sponsorship of one semester accommodation for the winning team of 2023 TVJ school challenge quiz competition.
- During the current quarter we visited and made donations to Sophie's Place in Gordon Town, Saint Andrew.

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 energy consumption across our four halls of residence.

The 138SL team is optimistic about the future of the Company as we continue our thrust to position the Company to capitalise on future growth opportunities whilst we remain focused on executing on our key strategic initiatives. Our continued improvement in year over year performance reflects the hard work 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. 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

TWELVE MONTHS | ENDED 30 SEPTEMBER 2023

	3 months ended 30 Sept. 2023 Unaudited J\$'000	3 months ended 30 Sept. 2022 Unaudited J\$'000	12 months ended 30 Sept. 2023 Unaudited J\$'000	12 months ended 30 Sept. 2022 Audited J\$'000
REVENUE				
Income	314,431	307,517	1,296,567	1,185,960
Other Operating Income	28,462	1,819	94,432	13,894
	342,893	309,336	1,390,999	1,199,854
EXPENSES				
Administrative Expenses	187,338	140,182	687,833	501,315
PROFIT FROM OPERATIONS	155,555	169,154	703,166	698,539
Finance Costs	91,036	90,909	360,864	363,487
PROFIT BEFORE TAXATION	64,519	78,245	342,303	335,052
Taxation	(3,675)	6,986	(11,395)	(16,690)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS	60,844	85,231	330,908	318,362
Other Comprehensive Income:				
Change In Fair Value of Financial Asset	-	-	33,474	(98,143)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO STOCKHOLDERS	60,844	85,231	364,381	220,219
Profit per stock unit	(Note 6) 0.15	0.21	0.80	0.77



UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 September 2023

	Unaudited 30-Sep-23 J\$'000	Audited 30-Sep-22 J\$'000
NON-CURRENT ASSETS		
Financial Asset -Service Commission Rights	8,509,828	8,442,711
Motor Vehicle	520	1,117
Deferred Tax Asset	185,152	180,643
	8,695,501	8,624,471
CURRENT ASSETS		
Receivables	1,103,530	903,293
Taxation Recoverable	24,850	24,767
Cash and Cash Equivalents	55,949	170,444
	1,184,329	1,098,504
Total Assets	9,879,830	9,722,975
EQUITY AND LIABILITIES		
Share Capital	721,153	721,153
Fair Value Reserve	2,982,903	2,949,430
Retained Earnings	1,161,574	884,551
	4,865,629	4,555,134
NON-CURRENT LIABILITIES:		
Long Term Loans	3,435,359	3,847,369
Redeemable Preference Shares	172,643	172,642
	3,608,002	4,020,011
CURRENT LIABILITIES:		
Payables	630,720	561,874
Taxation	20,610	13,322
Current Portion of Long Term Loan	435,844	362,634
Short Term Borrowing	319,025	210,000
	1,406,199	1,147,830
Total Equity & Liabilities	9,879,830	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 September 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	721,153	3,047,573	566,189	4,334,915
Change in Fair Value of Financial Asset-	-	(98,143)	-	(98,143)
Profit for the Period	-	-	318,362	318,362
Balance at 30 September 2022	721,153	2,949,430	884,551	4,555,134
Change in Fair Value of Financial Asset-	-	33,474	-	33,474
Profit for the Period	-	-	330,908	330,908
Dividend (Note 7)	-	-	(53,885)	(53,885)
Balance at 30 September 2023	721,153	2,982,904	1,161,574	4,865,629



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS PERIOD ENDED 30 September 2023

	Unaudited 30-Sep-23 J\$'000	Audited 30-Sep-22 J\$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	330,908	318,362
Items not Affecting Cash Resources:		
Effects of Foreign Exchange Gains	-	4,353
Taxation	(4,509)	16,690
Interest Income	(912)	(62)
Interest Expense	360,864	363,487
Depreciation	597	624
Loss on disposal of financial assets	-	(12)
Adjustment to property, plant & equipment	-	27
	686,948	703,469
Changes in Operating Assets and Liabilities:		
Receivables	(235,850)	374,540
Taxation Recoverable	(82)	(25)
Payables	119,170	(572,973)
	(116,762)	(198,458)
Net cash provided by operating activities	570,186	505,011
CASH FLOW FROM INVESTING ACTIVITIES:		
Additions to Financial Asset - Service Concession Rights	(33,644)	(27,854)
Short Term Deposits	-	760
Interest Received	431	62
Proceeds from Disposal of Financial Assets	-	12
Net Cash used in Investing Activities	(33,213)	(27,020)
CASH FLOW FROM FINANCING ACTIVITIES:		
Short Term Loans	109,025	75,000
Dividends Paid	(53,885)	-
Interest Paid	(367,808)	(340,237)
Loan Repaid	(338,800)	(76,892)
Net Cash used in Financing Activities	(651,468)	(342,129)
Net (decrease)/increase in cash and cash equivalents	(114,495)	135,862
Exchange Loss on Foreign Cash Balance	-	(4,353)
Cash and Cash Equivalents at Start of The Period	170,444	38,935
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	55,949	170,444



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 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. DIVIDENDS

The Company at its Board of Directors Meeting on December 19, 2022, declared a dividend of \$0.13 per stock unit which was paid on February 23, 2023.

8. SUBSEQUENT EVENT – ADDITIONAL PUBLIC OFFERING

At an Extra-ordinary General Meeting held on March 20, 2023, the Company's shareholders approved a resolution for an Additional Public Offer of shares. The offer closed on October 23, 2023, with 152 applications received for 122,355,600 ordinary shares and \$510,475,974 raised.



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

Top Ten Shareholders

Shareholder	Shareholdings	% Shareholding
<u>Sagicor Related Share Accounts</u>		
Sagicor Pooled Equity Fund	88,540,121	
JCSD Trustee Services Limited - Sigma Equity	42,469,839	
Sagicor Pooled Mortgage & Real Estate Fund	9,233,333	36.68
JCSD Trustee Services Ltd - Sigma Global Venture	11,810,353	
	152,053,646	
<u>NCB Insurance Agency and Fund Managers Ltd WT040</u>		
	82,832,770	19.98
<u>K Limited</u>		
	68,803,832	16.60
<u>VMPM - Pooled Pension Real Estate</u>		
	15,727,753	3.79
<u>Barita Related Share Accounts</u>		
JCSD Trustee Services Limited a/c Barita Unit Trust Real Estate Portfolio	10,974,925	
Barita Investment Ltd - Long A/C (Trading)	2,041,386	3.14
	13,016,311	
<u>JMMB Related Share Accounts</u>		
JMMB Pension Fund	3,773,734	
JMMB Fund Managers Ltd. T1-Equities Fund	2,535,595	
JMMB Retirement Scheme (Moderate)	2,345,300	
JMMB Retirement Scheme (Conservative)	767,300	2.44
JMMB Retirement Scheme (Aggressive)	692,600	
	10,114,529	
<u>Wisynco Group Limited Pension Fund</u>		
	10,000,000	2.41
<u>Mr. Barrington Brown</u>		
	7,334,592	1.77
<u>Conley Salmon/Juliet Salmon</u>		
	5,000,000	1.21
<u>MF&G Asset Management - Jamaica Investments Fund</u>		
	3,761,300	0.91
TOTAL AGGREGATED SHAREHOLDINGS	368,644,733	88.94
<u>Other Minority Shareholdings</u>		
	45,855,267	11.06
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		NIL
		N/A	
Semour Millen	NIL	Dominique Millen	NIL
		Antoine Millen	
		Aniyah Millen	
Renelle Wilson-Pearson	NIL		NIL
		Elvis Pearson	