DEQUITY CAPITAL MANAGEMENT LIMITED

DEQUITY CAPITAL
MANAGEMENT

Consolidated Management Accounts

For the period ended September 30, 2022

Dequity Capital Management Limited and its subsidiaries
Consolidated Statement of Financial Position (Unaudited)
as at September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Nine Months Ended	Year End
	30 September 2022	31 December 2021
	$	$
Assets		
Cash and cash equivalents	324,795	1,265,195
Due from related party	493,827	1,514,637
Convertible Loan Agreement	249,893	328,351
Investment in securities at FVTPL	60,159	33,550
Investment in associates	16,140,339	4,413,963
Repurchase agreement	534,976	-
Property, plant and equipment	80,819	76,305
Investment Property	525,088	-
Building - Right of Use Asset	117,856	120,489
Promissory note receivable	964,823	729,487
Interest receivable	105,375	2,522
Other assets and prepayments	409,168	43,062
Total Assets	**20,007,118**	**8,527,562**
Liabilities and Equity		
Liabilities		
Shareholder loan payable	383,937	379,850
Promissory notes payable	1,269,181	613,669
Margin loan payable	526,099	-
Lease Liabilities	136,137	129,303
Interest payable	16,932	-
Due to Related Party	837,958	1,877,730
Income tax payable	46,625	23,813
Other liabilities and accruals	470,331	223,510
Total Liabilities	**3,687,200**	**3,247,875**
Equity		
Retained Earnings	15,036,800	3,979,474
Dividend	(153,713)	-
Share Capital	1,436,832	1,300,213
Total Equity	**16,319,918**	**5,279,687**
Total Liabilities and Equity	**20,007,118**	**8,527,561**

The accompanying notes on pages 11 to 23 form and integral part of the financial statements

The financial statements on pages 11 to 23 were Approved for issue by the Board of Directors on November 7, 2022 and signed on its behalf by:

Director/Chairman

CEO

Consolidated Statement of Profit or Loss
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Nine Months Ended 30 September 2022	Year End 31 December 2021
	$	$
Net interest income and other revenue		
Interest income, calculated using the effective interest method	262,899	85,925
Interest expense	126,051	87,978
	136,847	(2,054)
Dividends	247	-
Fees and commissions	163,957	70,985
Cambio Revenues	278,266	240,948
Net Change in realized and unrealized gains/(loss)	10,518,345	3,957,241
Realized gains(loss)	464,258	-
FX gain/(loss)	(4,436)	3,726
Operating revenue, net of interest expense	**11,557,484**	**4,270,847**
Operating expenses		
Staff costs	255,620	41,749
Legal and professional fees	23,173	24,669
Other operating expenses	173,261	223,191
Total	**452,054**	**289,609**
Operating profit	11,105,430	3,981,237
Tax at source	(48,104)	(24,121)
Profit for the year	11,057,326	3,957,116

Dequity Capital Management Limited
Consolidated Statement of Changes in Equity (Unaudited)
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Number of Shares $	**Share Capital $**	**Fair value reserve $**	**Foreign exchange translation reserve $**	**Retained earnings $**	**Total $**
Balance at December 31, 2020	10,000,000	100,007	-	-	22,357	122,365
Profit for the year	-	-	-	-	3,957,116	3,957,116
Issue of Shares	1,574,070	1,200,206	-	-	-	1,200,206
Balance at December 31, 2021	11,574,070	1,300,213	-	-	3,979,474	5,279,687
Profit for the year	-	-	-	-	11,057,326	11,057,326
Issue of Shares	372,807	136,619	-	-	-	136,619
Dividend Paid	-	-	-	-	(153,713)	(153,713)
Balance at September 30, 2022	11,946,877	1,436,832	-	-	14,883,087	16,319,919

The accompanying notes on pages 11 to 23 form and integral part of the financial statements

Dequity Capital Management Limited
Consolidated Statement of Cash Flow (Unaudited)
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Nine Months Ended 30 September 2022 $	Year End 2021 $
Cash flows from operating activities:		
Profit for the year	11,057,326	3,957,116
Adjustments for:		
Interest income	(262,899)	(85,925)
Interest expense	126,051	87,978
Depreciation	25,892	33,306
Dividend Income	(247)	-
Income Tax	48,104	24,121
Net Change in unrealized gains/(loss)	(10,518,345)	(3,957,241)
	475,882	59,356
Change in:		
Other assets	(366,106)	(4,778)
Other liabilities and equity	246,821	214,618
	(119,285)	209,840
Interest received	160,046	83,402
Interest paid	(109,119)	(87,978)
Dividend received	247	-
Taxes Paid	(25,292)	(308)
Net cash (used) by operating activities	407,770	264,312
Cash flows from investing activities:		
Acquisition of associate	(1,124,875)	(167,500)
Sale of associate	32,701	-
Purchase of Investments in Securities at FVTPL	(26,273)	(6,569)
Purchase of Repurchase Agreement	(534,976)	-
Investment in Investment Property	(525,088)	-
Property, plant and equipment	(6,091)	(51,784)
Building - Right of Use Asset	(5,263)	(83,992)
Investment in convertible loan	78,458	(328,351)
Net cash (used) by investing activities	(2,111,407)	(638,196)
Cash flows from financing activities:		
Issue of ordinary shares	136,619	1,202,002
Dividends paid	(153,713)	

Shareholder loan payable	4,087	191,562
Due to Related Party	(1,197,675)	1,643,769
Due from Related Party	1,020,811	(1,466,564)
Promissory Note Receivable	(235,336)	(729,487)
Promissory Note Payable	655,512	506,339
Margin Loan	526,099	-
Lease Liabilities	6,834	61,222
Net cash provided by financing activities	763,237	1,408,842
Net increase in cash and cash equivalents	(940,399)	1,034,958
Cash and cash equivalents at the beginning of the year	1,265,195	230,237
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	324,796	1,265,195

Dequity Capital Management Limited

Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Three months ended 30 September 2022 $	Three months ended 30 September 2021 $	Nine months ended 30 September 2022 $	Nine months ended 30 September 2021 $	Unaudited 31 December 2021 $
Investment income					
Dividends income	-	-	-	-	-
Realized gains/(loss)	75,829	-	464,258	-	-
Change in unrealized gains	(264,459)	-	10,518,755	-	3,957,241
FX gain/(loss)	3,610	18,170	2,177	17,988	20,624
	(185,019)	**18,170**	**10,985,190**	**17,988**	**3,977,865**
Interest income, calculated using the effective interest method	0	213	113	243	514.35
Interest expense	(9,884)	(30,000)	(24,285)	(60,000)	(60,000)
	(9,884)	**(29,788)**	**(24,172)**	**(59,757)**	**(59,486)**
Net investment income	**(194,903)**	**(11,617)**	**10,961,018**	**(41,769)**	**3,918,380**
Operating expenses					
Professional fees	-	3,000	9,519	3,000	3,000
Renewal fees	-	-	-	-	-
Transfer Tax & Stamp Duty	-	-	1,661	-	-
Bank charges and other expenses	11,872	385	22,611	1,384	1,628
Total	**11,872**	**3,385**	**33,791**	**4,384**	**4,628**
Operating profit/(loss)	**(206,775)**	**(15,002)**	**10,927,227**	**(46,153)**	**3,913,751**
Tax at source	-	-	-	-	-
Profit/(Loss) for the period	**(206,775)**	**(15,002)**	**10,927,227**	**(46,153)**	**3,913,751**

Dequity Capital Management Limited
Statement of Financial Position (Unaudited)
as at September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Unaudited 30 September 2022 $	Unaudited 31 December 2021 $
Assets		
Cash and cash equivalents	41,026	780,097
Convertible Debt	-	328,351
Due from related party	1,377,928	1,217,087
Investment in subsidiary	255,077	1,802
Investment in associates at FVTPL	16,140,339	4,413,963
Other assets	3,802	-
Total Assets	**17,818,171**	**6,741,300**
Liabilities and Equity		
Liabilities		
Shareholder loan payable	383,937	337,795
Due to Related Party	1,253,078	1,138,435
Other liabilities and accruals	4,621	2,050
Total Liabilities	**1,641,635**	**1,478,280**
Equity		
Retained Earnings	14,888,246	3,961,019
Dividend Paid	(153,713)	-
Share Capital	1,442,003	1,302,002
Total Equity	**16,176,536**	**5,263,020**
Total Liabilities and Equity	**17,818,171**	**6,741,300**

The financial statements on pages 11 to 23 were Approved for issue by the Board of Directors on November 7, 2022 and signed on its behalf by:

Director/Chairman

CEO

Dequity Capital Management Limited
Statement of Changes in Equity (Unaudited)
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Number of Shares	Share Capital	Fair value reserve	Foreign exchange translation reserve	Retained earnings	Total
	$	$	$	$	$	$
Balance at December 31, 2020	**10,000,000**	**100,000**	**-**	**-**	**47,267**	**147,267**
Profit for the year	-	-	-	-	3,913,751	3,913,751
Issue of Shares	1,574,070	1,202,002	-	-	-	1,202,002
Balance at December 31, 2021	**11,574,070**	**1,302,002**	**-**	**-**	**3,961,018**	**5,263,020**
Profit for the year	-	-	-	-	10,927,227	10,927,227
Dividends	-	-	-	-	(153,713)	(153,713)
Issue of Shares	372,807	140,000	-	-	-	140,000.94
Balance at September 30, 2022	**11,946,877**	**1,442,002**	**-**	**-**	**14,734,532**	**16,176,535**

The accompanying notes on pages 11 to 23 form and integral part of the financial statements

Dequity Capital Management Limited
Statement of Cash Flow (Unaudited)
for the period ended September 30, 2022
(Presented in United States dollars, except as otherwise stated)

	Unaudited 30 September 2022	Unaudited 31 December 2021
	$	$
Cash flows from operating activities:		
Profit for the year	10,927,227	3,913,751
Adjustments for:		
Interest income	(113)	(243)
Interest expense	24,285	60,000
Change in realized (gains)	(10,518,755)	(3,957,241)
	432,644	**16,266**
Change in:		
Other assets	(3,802)	-
Other liabilities and accruals	(1,429)	-
	(5,231)	-
Interest received	113	(59,757)
Interest paid	(20,285)	-
Net cash (used) by operating activities	**407,241**	**(43,490)**
Cash flows from investing activities:		
Acquisition of associate	(1,225,861)	(167,237)
Sale of associate	18,264	-
Investment in subsidiaries	(253,228)	(2,000)
Convertible Loan	328,351	(328,351)
Net cash (used) by investing activities	**(1,132,474)**	**(497,588)**
Cash flows from financing activities:		
Issue of ordinary shares	140,000	1,202,002
Dividend payment	(153,713)	-
Shareholder loan payable	46,142	337,795
Due from related party	(160,841)	(1,169,015)
Due to related party	114,643	944,225
Loan Payable	-	(105,429)
Net cash provided by financing activities	**(13,769)**	**1,209,578**
Net increase in cash and cash equivalents	**(739,002)**	**668,500**
Cash and cash equivalents at the beginning of the year	780,096	111,596
Effect of exchange rate fluctuations on cash and cash equivalents	(69)	-
Cash and cash equivalents at the end of the year	**41,026**	**780,096**

Presented in United States Dollars unless otherwise stated

1. Reporting Entity

Dequity Capital Management Limited ("the Group") is incorporated and domiciled in Saint Lucia under the International Business Companies Act, with registered office at 20 Micoud Street, Castries, Saint Lucia on August 13, 2019.

The primary activities of the Group are the holding equity in investments in its subsidiaries and associate companies. The Group's core focus is creating a diversified portfolio with investments in multiple market segments including financial services, health care, real estate, business process outsourcing and media with the aim of providing a steady stream of dividend income and above market capital appreciation.

The Group has the following subsidiaries and associated companies which together form the "Group":

	Country of Incorporation	Nature of Business	Ownership %	
			2022	2021
Subsidiary Companies				
Dequity Capital Fund Managers Limited	Jamaica	Asset Management	100%	100%
M-Twenty Four Investments Limited	Jamaica	Cambia and Remittance	100%	100%
Real Estate Acquisition Limited	St. Lucia	Real Estate Investments Trust	100%	100%
Associate Companies				
Dolla Financial Services Limited	Jamaica	Micro- Finance	25%	25%
Johnston Development Group	Jamaica	Real Estate Development	20%	20%
Icreate Limited	Jamaica	Education	26.39%	0
Elite Conceptz and Solutions Limited	Jamaica	Marketing Production	30%	0
Royale Medical Company Limited	Jamaica	Medical	40%	0
Mairco Computer Technologies Limited	Jamaica	Machine Gaming	33.33%	33.33%

2. Basis of Accounting

The financial statements of the Group have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the as modified by the revaluation of investment securities at fair value through other comprehensive income ("FVTOCI"), investments in associates at fair value through profit or loss ("FVTPL") and financial assets and liabilities at FVTPL. The company has determined that it is a similar entity to an investment entity as defined in IFRS 10 and it continues to meet this definition (see note 5 (b))..

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

3. Functional and presentation currency

These financial statements are presented in United States Dollars ("USD"), which is the Group's functional currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

4. Use of Judgements and Estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

5. Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (see also Note 6). Certain comparative amounts in the statement of financial position have been restated, reclassified or re-presented, as a result of a correction of a prior-period error (see Note 13).

a. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in the subsidiaries are recorded at cost. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

b. Investment in Associates and Joint Ventures

An entity that meets the IFRS 10 Consolidated Financial Statements definition of an investment entity is required to measure its investments at FVTPL in accordance with IFRS 9 Financial Instruments. This is because using fair value results in more relevant information than, for example, consolidation for subsidiaries or the use of the equity method for interests in associates or joint ventures. The Company has determined that its business model and operations are similar to that of an 'investment entity' as defined in IFRS 10.

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The company has met and continues to meet the substantive definition of an investment entity and is therefore considered similar to this type of entity, as its strategic objective of investing in Jamaican equities and providing investment management services to investors for the purpose of generating returns in the form of long term capital appreciation, remains unchanged. The company has made to decision to only report its associates and joint ventures at FVTPL.

The Company may from time to time seek to liquidate its positions in any of its associates and joint ventures. The circumstances under which the company may sell some or all of its investments include: (i) where the company believes that the positions are fully valued or that the original investment thesis has played out; or (ii) where the company has identified other investment opportunities which it believes present more attractive risk- adjusted return opportunities and additional capital is needed to make such alternative investments.

For its associates and joint ventures, the company's exit strategies may include selling the investments through private placements, hedge funds or in public markets. While most stocks are traded daily, some anchor holdings have a 10 – 15 year horizon for the full growth potential anticipated to be realised.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. These companies generally accompanying a shareholding of 20% of the voting rights. As the company is deemed to have a similar business model to an investment entity as defined by IFRS 10, the company has elected the exemption from applying the equity method in IAS 28 for its investments in associates and accounts for its investments in associates at FVTPL in accordance with IFRS 9.

c. Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains or losses resulting from the settlement of such transaction and from the translations at the financial period end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised within fair value net gains or losses.

At year end date, monetary assets and liabilities denominated in foreign currency are translated using the closing mid-point rate of exchange. Unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of changes in net assets available for benefits.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

– an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

– a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see (P)(v)); and

– qualifying cash flow hedges to the extent that the hedges are effective.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

e. Interest income

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

f. Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

g. Fee and commission income

Fee and commission income are income recognised in profit or loss on the accrual basis when the service has been provided.

Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

h. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Financial Instruments

i. Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and Subsequent Measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial asset - business model

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of

the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
– how the performance of the portfolio is evaluated and reported to the Group's management;
– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

Group derecognises a financial asset when:

– the contractual rights to the cash flows from the financial asset expire; or
– it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:
– the change is necessary as a direct consequence of the reform; and
– the new basis for determining the contractual cash flows is economically equivalent to the previous basis
– i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

j. Share Capital

i. Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

k. Operating Profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

l. Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

6. Changes in significant accounting policies

The Group has initially adopted Interest Rate Benchmark Reform – Phase 2 from 1 January 2021. The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2020, there is no impact on opening equity balances as a result of retrospective application.

Specific policies applicable from 1 January 2021 for interest rate benchmark reform

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate.

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, then the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: – the change is necessary as a direct consequence of the reform; and – the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

The amendments also provide an exception to use a revised discount rate that reflects the change in interest rate when remeasuring a lease liability because of a lease modification that is required by interest rate benchmark reform. Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permits the hedging relationship to be continued without interruption.

The Group applied the following reliefs as and when uncertainty arising from interest rate benchmark reform was no longer present with respect to the timing and amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument: – the Group amended the designation of a hedging relationship to reflect changes that were required by the reform without discontinuing the hedging relationship; and – when a hedged item in a cash flow hedge was amended to reflect the changes that were required by the reform, the amount accumulated in the cash flow hedge reserve was deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Presented in United States Dollars unless otherwise stated

7. Investments in associates

Investments in associates and Joint Ventures are presented at fair value as determined by management, based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

Fair value is defined as the amount to be received to sell an asset in an orderly transaction with market participants at the reporting date. A fair value measurement is made up of one or more inputs, which are the assumptions that market participants would make in valuing the asset or liability. The most reliable evidence of fair value is a quoted price in an active market. When this is not available, valuation approaches maximize use of relevant observable inputs and minimize the use of unobservable inputs. These inputs are classified using a three-level fair value hierarchy framework (the "Framework") that reflects the relative reliability of the inputs used in making the measurements. The inputs and methodology used for valuing securities may not be an indication of the risks associated with investing in those securities.

The Framework used is summarized as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access;
- Level 2: inputs other than quoted prices in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) for identical or similar assets in markets that are not active or inputs other than quoted prices that are observable (for example: Interest rates, yield curves and credit spreads); and
- Level 3: inputs for the assets or liabilities that are not based on an observable market data, which are significant to the overall fair value assessment, requiring significant judgment by Management.

The categorization of the fair value measurement into one of the three levels is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgment, considering factors specific to the asset or liability. The following is a summary of the Company's investments, as at September 30, 2022 classified using the framework.

Assets at fair value as at December 31, 2021				
	Level 1	Level 2	Level 3	Total
Dolla Financial Services Ltd.	-	-	4,322,529	4,322,529
Johnston Development Group Ltd.	-	-	934	934
Mairco Computer Technologies Ltd.	-	-	90,500	90,500
Total	-	-	**4,413,963**	**4,413,963**

Assets at fair value as at September 30, 2022				
	Level 1	Level 2	Level 3	Total
Dolla Financial Services Ltd.	10,368,272	-	-	10,368,272
Royale Medical Company Ltd.	-	-	3,465,158	3,465,158
Elite Conceptz and Solutions Ltd.	-	-	877,486	877,486
iCreate Limited	1,222,542	-	-	1,222,542
Johnston Development Group Ltd.	-	-	958	958
Mairco Computer Technologies Ltd.	-	-	205,923	205,923
Total	**11,590,814**	-	**4,549,525**	**16,140,339**

Presented in United States Dollars unless otherwise stated

The following table presents the changes in fair value in the level 3 assets:

Beginning Balance, January 1, 2021	288,288
Purchases	168,434
Sales	-
Changes in unrealized gains included in net income	3,957,241
Transfer to Level 1	-
Ending Balance, December 31, 2021	4,413,963

Beginning Balance, January 1, 2022	4,413,963
Purchases	1,124,875
Sales	(32,701)
Changes in unrealized gains included in net income	3,365,917
Transfer to Level 1	(4,322,529)
Ending Balance, September 30, 2022	4,549,525

Total unrealized appreciation on investments still held as at September 30, 2022 was $14,475,996 (2021 - $3,957,241).

Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy

The unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at September 30, 2022 as shown below.

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Royale Medical Company Ltd.	Multiples and FCCF	+/- 6%	3,465,158	21%	207,910
Elite Conceptz and Solutions Ltd.	Multiples and FCCF	+/- 6%	877,486	6%	52,649
Johnston Development Group Ltd.	Cost	+/- 6%	958	-	57
Mairco Computer Technologies Ltd.	Cost	+/- 6%	205,923	1%	12,355
	Total		**16,140,339**		**968,420**

The fair value of private equity investments is valued initially based on the transaction price and may continue to be valued at cost for a significant time period after the acquisition, if this is determined to be the best indicator of fair value. Valuations may also be derived by reference to observable valuation measures for comparable companies or transactions, such as multiplying a key performance metric by a relevant valuation multiple. These multiples are derived from observable market data and private market data by applying assumptions on the comparability of the businesses, considering operational, market, financial and non-financial factors. The Company may base the valuation on references to third-party investments or precedent transactions in comparable equity securities of the company, and other similarly situated companies, and will consider current average or median multiples as well as high and low ends of the comparative data set. After the valuation of a company is determined, the next step is to determine the value of the specific securities owned by the Company.

Presented in United States Dollars unless otherwise stated

8. Investments in securities

	30 September 2022 $	31 December 2021 $
Equity securities at FVTPL	60,159	33,550
At the end of the period	60,159	33,550

9. Convertible Loan

	30 September 2022 $	31 December 2021 $
Amount at amortized cost:		
Medium term note	328,351	328,351
Fair value adjustment	-	-
Conversions during the period	(328,351)	
Additions during the period	249,893	-
At the end of the period	249,893	328,351

a. On the 1st of December 2021 Dequity Capital Management Limited and iCreate Limited entered into a Convertible Loan Agreement for JMD$50,500,000.00. Repayment of all outstanding sums on the Repayment date, by way of cash, or conversion of ordinary shares, subject to the approvals of shareholders to convert the said debt to equity and the regulatory bodies, i.e, Jamaica Stock Exchange, Financial Services Commission, at a price per share of 26% below the market price listed on the Jamaica Stock Exchange of the ordinary shares, or sixty-five cents per share ($0.65), whichever is less.

At the extra ordinary general meeting of the shareholders of iCreate Limited held on May 27, 2022, the shareholders of iCreate Limited passed a resolution Approving the conversion of loan to equity. It was resolved that iCreate Limited be authorised (notwithstanding Rule 505 (8) of the Jamaica Stock Exchange Junior Market Rules expressly providing for pre-emption rights relating to further issues of participating voting shares) to approve the conversion of the loan in the sum of Fifty Million Five Hundred Thousand Jamaican Dollars (J$50,500,000.00) pursuant to the Convertible Loan Agreement entered between Dequity Capital Management Limited and iCreate Limited at a discount of twenty six percent (26%) at the market price of the shares as at December 4, 2021, determined by the Board of Directors, for the purposes of satisfying the Company's debt.

b. On the 5th of January 5, 2022, Dequity Capital Management Limited entered into a Loan Agreement for JMD$38,000,000.00. Repayment of all outstanding sums on the Repayment date, by the transfer of the Duplicate Certificates of Title in the names of Dequity Capital Management Limited or its nominee for three studio units specifically Units 16B, 17B and a loft unit 25B of Block B strata lot "Apartment" to be built upon lands now contained in certificate of title registered at comprised in Certificate of Title registered at Volume 1091 Folio 362 and Volume 1368 Folios 784 &785 in accordance with Kingston and Saint Andrew Municipal Corporation building approval No. 2020-02001PB00664 , National Resource Conservation Agency Approval No.2020-0217-EL00086A and Real Estate Board Registration number: DV/1692 of an approximate area of or about 600 square feet (save and except unit 25B inclusive of the loft is 900 square feet) each shown in the floor plan below duly outfitted with reasonable fixtures and fittings for a habitable structure of its classification. If the Borrower is unable to complete the transfer of the units, Dequity Capital Management Limited or its nominee shall have the option to enforce this Loan Agreement and all outstanding moneys together with interest shall become due.

On their board meeting held on May 5, 2022, the Board of Directors of Dequity Capital Management Limited passed a resolution to name REAL as its nominee and transfer the convertible loan agreement to REAL.