Grant Thornton

Dequity Capital Management Limited

Financial Statements
Five Months ended December 31, 2019
(Expressed in United States Dollars)

Contents

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December 28, 2022

Independent auditor's report

To the Members of
Dequity Capital Management Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dequity Capital Management Limited ("the Company") which comprise the statement of financial position as at December 31, 2019 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for five months ended December 31, 2019 and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements presents fairly, in all material respects the financial position of the Company as at December 31, 2019, and of its financial performance and cash flows for the five months ended December 31, 2019 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS and the International Business Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report*...continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

Chartered Accountants

Dequity Capital Management Limited
Statement of financial position
December 31, 2019

	Note	December 31, 2019 US$
Assets		
Investments in associates	(3)	288,288
Investment in subsidiary	(4)	1,000
Total assets		**289,288**
Liabilities		
Due to related party	(5)	191,288
Total liabilities		**191,288**
Equity		
Share capital	(6)	100,000
Retained earnings		(2,000)
Total shareholders' equity		**98,000**
Total liabilities and shareholders' equity		**289,288**

The notes on the accompanying pages form an integral part of these financial statements.

Approved for issue by the Board of Directors on 28th December 2022 and signed on its behalf by:

) Chairman
Damien King

) CEO
Adrian Smith

Dequity Capital Management Limited
Statement of profit or loss and other comprehensive income
Five months ended December 31, 2019

	Note	Five Months ended 2019 US$
Revenue		-
Operating expenses		
Administrative expenses	(7)	(2,000)
Loss for the period, being total comprehensive loss for the period		**(2,000)**

The notes on the accompanying pages form an integral part of these financial statements.

Dequity Capital Management Limited
Statement of changes in equity
Five months ended December 31, 2019

	Share capital US$	Accumulated deficit US$	Total US$
Balance at August 31,2019	-	-	-
Shares issue	100,000	-	100,000
Loss for the period being total comprehensive loss	-	(2,000)	(2,000)
Balance at December 31, 2019	**100,000**	**(2,000)**	**98,000**

The notes on the accompanying pages form an integral part of these financial statements.

Dequity Capital Management Limited
Statement of cash flows
Five months ended December 31, 2019

	Note	Five Months ended 2019 US$
Cash flows from operating activities:		
Loss for the period		(2,000)
Cash flows from investing activities:		
Investments in associates		(288,288)
Investments in subsidiary		(1,000)
Net cash used in investing activities		**(289,288)**
Cash flows from financing activities:		
Issue of shares		100,000
Owing by related parties	(5)	191,288
Net cash provided by financing activities		**291,288**
Net (decrease)/increase in cash and cash equivalents		**-**
Cash and cash equivalents at beginning of the period		**-**
Cash and cash equivalents at end of the period		**-**

The notes on the accompanying pages form an integral part of these financial statements.

1. Identification

Dequity Capital Management Limited (the "Company") is a limited liability company incorporated on August 13, 2019 and domiciled in St. Lucia.

The principal activities of the Company is undertaking investing activities. The Company'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 Company has the following subsidiaries and associated companies which together form the "Company":

Subsidiary Companies	Country of Incorporation	Nature of Business	% Ownership
M-Twenty Four Investments Limited	Jamaica	Cambia and remittance	100%
Associate Companies			
Dollar Financial Limited	Jamaica	Micro-financing	19.77%

2. Summary of significant accounting policies

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Company's financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation equity investments.

Standards, interpretations, and amendments to published standards effective in the current period
Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial period. The Company has assessed the relevance of all such new standards, interpretations, and amendments and that none will have a significant impact on the Company's financial statements and therefore have not been disclosed.

At the date of authorisation of these financial statements, several new standards, interpretations, and amendments to existing standards have been issued but were not effective at the statement of financial position date. The Company has assessed the relevance of all such new standards, interpretations, and amendments, and has determined that none are immediately relevant to its operations.

Standards, amendments, and interpretations issued but not yet effective and have not been adopted early by the Company
At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been early adopted by the Company.

New standards, amendments and interpretations not early adopted or listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018 – 2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

2. Summary of significant accounting policies (cont'd)

b Investment in associates and joint ventures

An entity that meets the IFRS 10 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 the 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/private equity funds or in public markets. While most stocks are traded daily, some anchor holdings have a 10 – 15 period horizon for the full growth potential anticipated to be realised.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control, whereby the Company 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 Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

For accounts receivable, the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

d Finance costs

Finance costs represent interest payable on borrowings together with amortised upfront borrowing costs and are recognised in profit or loss using the effective interest method.

2. Summary of significant accounting policies (cont'd)

e Foreign currency translation

Functional and presentation currency
The financial statements are prepared and presented in United States dollars (US$), which is the functional currency of the Company.

Foreign currency translation and balances
(i) Foreign currency balances at the end of the reporting period have been translated at rates of exchange ruling at that date.
(ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions.
(iii) Gains/losses arising from fluctuations in exchange rates are included in profit or loss.

f Related parties

Entities subject to the same ultimate control or significant influence as the company are considered to be related. Persons who exercise control or significant influence over the company, including principal owners of the company, its key management and members of the immediate families of key management of the company or its parent company, are also considered to be related parties.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

g Income taxes

Income tax on the profit or loss for the period comprises current and deferred tax.
Current tax is the expected tax payable on taxable income for the period, using tax values enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous periods.

Deferred tax is accounted for using the liability method, providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purpose and the corresponding basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for taxable differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary difference can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credit or charged directly to equity, in which case the deferred tax is also dealt with in equity.

h Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2. Summary of significant accounting policies (cont'd)

h Financial instruments (cont'd)

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains equity investments. The Company accounts for these equity investments at FVTPL and did not make the irrevocable election to account for these equity investments at fair value through other comprehensive income (FVOCI).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

2. Summary of significant accounting policies (cont'd)

h Financial instruments (cont'd)

Financial assets at fair value through other comprehensive income (FVOCI)
The Company accounts for financial assets at FVOCI if the assets meet both of the following conditions:

- they are held under a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses are recognised in other comprehensive income (OCI).

Impairment of financial assets
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

<u>Trade and other receivables and contract assets</u>
The Company makes use of a simplified approach in accounting for impairment of trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

2. Summary of significant accounting policies (cont'd)

h Financial instruments (cont'd)

Classification and measurement of financial liabilities
The Company's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

i Equity

Share capital is determined using the proceeds received for the shares that have been issued including any premiums received on the initial issuing of shares. Any transaction costs associated with the issuing of shares are deducted from premiums received.

Retained earnings include all current and prior period results as disclosed in profit or loss.

j Use of estimates and judgments

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements. These estimates are based on historical experience and management's best knowledge of current events and actions. Actual results may differ from these estimates and assumptions.

There were no critical judgements, apart from those involving estimation, that management has made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management basis its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3. Investment in associates at FVTPL

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 on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input requires judgment, taking into account factors specific to the asset or liability. The following is a summary of the Company's investments, as at December 31, 2019 classified using the framework.

Assets at fair value as at December 31, 2019

	Level 1	Level 2	Level 3	Total
Dolla Financial Services Ltd	-	-	288,288	288,288
Total	**-**	**-**	**288,288**	**288,288**

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

Beginning Balance, August 31, 2019	288,288
Ending Balance, December 31, 2019	**288,288**

3. Investment in associates at FVTPL (cont'd)

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 December 31, 2019 as shown below.

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Direct Investments	Cost	+/- 5%	288,288	100%	-

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.

4. Investment in subsidiary

	December 31, 2019 US$
M-Twenty Four Investment Limited	1,000
Total	**1,000**

5. Related party balances and transactions

i The Company is related to other companies by virtue of common shareholders and Directors.

ii The amount owing to/(by) related companies are interest free and unsecured with no fixed terms of repayment.

iii The statement of financial position includes balances arising in the normal course of business with related parties as follows:

	December 31, 2019 US$
Director	191,288
Total	**191,288**

6. Share capital

In August 2019, the Company issued 10,000,000 ordinary shares at a price and par value of USD$0.01 per share.

	December 31, 2019 US$
Share capital	100,000

7. Expenses by nature

Administrative expenses comprise:

	Five months ended 2019 US$
Administrative expenses	
Legal and professional	2,000
	2,000

8. Income tax

Income tax comprise:

	Five months ended 2019 US$
Loss before tax	(2,000)
Taxation at the applicable tax rate of 1%	(20)
Tax effect of losses	20
	–

9. Risk management policies

The Company is not trading and therefore its exposure to financial instruments risks is limited. It has no exposure to credit or market risks.

a Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its commitments associated with financial liabilities.

Liquidity risk may result from an inability to sell a financial asset quickly at, or close, to its fair value. Prudent liquidity risk management implies maintaining sufficient cash resources, and the availability of funding through an adequate amount of committed credit facilities.

The Company aims at maintaining flexibility in funding by ensuring that sufficient cash resources are held, and obtains financial support from related companies.

Amounts due to related entities have undefined maturities more than 12 months from the reporting date.

b Fair value

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The fair value of the amount due to parent company, which is not payable within twelve months, is assumed to approximate carrying value as no discount on settlement is anticipated.

The fair value of unquoted investment is estimated using pricing models or discounted cash flows or generally accepted alternative method. This method falls within level 3 fair value hierarchy and is defined as inputs for the asset that are not based on observable market data (unobservable inputs). The Company's investment fair values are disclosed at Note 3.

10. Summary of financial assets and liabilities by category

The carrying amount of the company's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows:

	December 31, 2019 US$
Financial liabilities measured at amortised costs	
Due to related parties	191,288
	191,288

11. Capital management, policies and procedures

The company's capital management objectives are to ensure the company's ability to continue as a going concern and to sustain future development of the business. The company's Board of Directors review the financial position of the company at regular meetings.

The company is not subject to any external imposed capital requirements.