Grant Thornton

Dequity Capital Management Limited

Financial Statements
(Expressed in United States Dollars)
December 31, 2022

Contents

May 1, 2023

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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, 2022 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for year then ended 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, 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 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.

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, 2022

	Note	2022 US$	2021 US$
Assets			
Investments in associates at FVTPL	(3)	12,247,206	4,151,985
Investment in subsidiary at FVTPL	(4)	1,560,868	1,802
Convertible loan	(5)	-	328,351
Due by related party	(6)	1,436,567	1,217,087
Investments in securities at FVTPL	(7)	969,015	-
Other receivables	(8)	1,532	251
Cash and cash equivalent	(9)	291,564	780,097
Total assets		**16,506,751**	**6,479,573**
Liabilities			
Trade and other payables	(10)	125,094	2,050
Shareholders loan	(11)	520,000	260,000
Borrowings	(12)	237,990	-
Due to related party	(6)	1,426,351	1,216,482
Total liabilities		**2,309,435**	**1,478,532**
Equity			
Share capital	(13)	1,304,502	1,302,002
Retained earnings		12,894,814	3,699,039
Total equity		**14,199,316**	**5,001,041**
Total liabilities and equity		**16,508,751**	**6,479,573**

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

Approved for issue by the Board of Directors on May 1, 2023 and signed on its behalf by:

Damien King) Chairman

Adrian Smith) CEO

Dequity Capital Management Limited
Statement of Profit or Loss and Other Comprehensive Income
Year ended December 31, 2022

	Note	2022 US$	2021 US$
Income			
Dividend income		122,050	-
Interest income		1,111	514
(Loss)/gain on foreign exchange		(2,877)	20,624
Net gains/(loss) from financial instruments at fair value through profit or loss		9,562,845	3,695,263
		9,683,129	**3,716,401**
Operating expenses			
Administrative expenses	(14)	(173,899)	(4,629)
Finance cost	(15)	(30,505)	(60,000)
Profit for the year		9,478,725	**3,651,772**
Profit for the year, being total comprehensive income for the year		**9,478,725**	**3,651,772**

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

Dequity Capital Management Limited
Statement of Changes in Equity
Year ended December 31, 2022

	Share capital US$	Retained earnings US$	Total US$
Balance at December 31, 2020	100,000	47,267	147,267
Issue of shares	1,202,002	-	1,202,002
Profit for the year being total comprehensive income	-	3,651,772	3,651,772
Balance at December 31, 2021	**1,302,002**	**3,699,039**	**5,001,041**
Dividends	-	(282,950)	(282,950)
Issue of shares	2,500	-	2,500
Profit for the year being total comprehensive income	-	9,478,725	9,478,725
Balance at December 31, 2022	**1,304,502**	**12,894,814**	**14,199,316**

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

Dequity Capital Management Limited
Statement of Cash Flows
Year ended December 31, 2022

	Note	2022 US$	2021 US$
Cash flows from operating activities:			
Profit for the year		9,478,725	3,651,772
Adjustments for:			
Interest income		(1,111)	(514)
Interest expense		30,506	60,000
Dividend income		(122,050)	-
Proceeds from sale of investments		496,282	-
Purchase of investments		(1,555,081)	(169,236)
Net gain/(loss) from financial instruments at FVTPL		(9,562,845)	(3,695,263)
		(1,233,574)	**(153,241)**
Change in operating assets and liabilities:			
Increase in owing by related party		(221,480)	(1,169,015)
Increase in other receivables		(2,109)	(251)
Loan receivable		328,351	(328,351)
Trade and other payables		108,644	-
Cash generated from/(used in) operations		**(1,022,168)**	**(1,650,858)**
Interest received		282	514
Interest paid		(16,106)	(60,000)
Dividend received		122,050	-
Net cash provided by operating activities		**(915,942)**	**(1,710,344)**
Cash flows from financing activities:			
Shareholders issue of shares		2,500	1,202,002
Dividends paid		(282,950)	-
Proceed from loan		237,990	-
Shareholder loan		260,000	154,571
Owing by related parties		209,869	1,022,272
Net cash provided by financing activities		**427,409**	**2,378,845**
Net increase in cash and cash equivalents		**(488,533)**	**668,501**
Cash and cash equivalents at beginning of year		**780,097**	**111,596**
Cash and cash equivalents at end of year	(9)	**291,564**	**780,097**

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 from the Company:

	2022 Percentage Ownership	2021 Percentage Ownership	Principal Activities	Geographic Location
Subsidiary companies				
Dequity Capital Fund Managers Limited	**100%**	100%	Asset Management	Jamaica
M-Twenty Four Investments Limited	**100%**	100%	Cambio and Remittance	Jamaica
Real Estate Acquisition Limited	**100%**	100%	Real Estate, Investment Trust	St. Lucia
Associate companies				
Dolla Financial Services Limited	**20%**	25%	Micro-Finance	Jamaica
Johnston Development Group	**20%**	20%	Real Estate Development	Jamaica
Elite Conceptz and Solutions Limited	**30%**	-	Marketing Production	Jamaica
Royale Medical Company Limited	**40%**	-	Medical	Jamaica
Mairco Computer Technologies Limited	**33.33%**	33.33%	Machine Gaming	Jamaica

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).

Changes in accounting policies

New and revised standards that are effective during the current year
Certain new and amended standards came into effect during the current financial year. The adoption of those standards and amendments did not have a significant impact on the financial statements:

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after January 1,2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after January 1, 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments and the Illustrative examples accompanying IFRS 16, 'Leases'.

At the date of approval 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.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Company's financial statements.

Narrow scope amendments to I AS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - deferred tax relates to assets and liabilities arising from a single transaction. (effective for annual periods beginning on or after January 1, 2023). These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

b Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with maturity dates of less than 90 days from the dates of acquisition including cash and bank balances and deposits held on call with banks and bank overdraft.

c Receivables

Receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest.

d Accounts payables

Payables are recognised at fair value and subsequently measured at amortised cost.

e Borrowings

Borrowings are recognised initially at the proceeds received; net of transaction cost incurred.

Borrowings are subsequently stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effectively yield method.

f Revenue recognition

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

<u>Dividend income</u>
Dividend income is recognised in profit or loss on the date on which the right to receive the payment is established. For quoted equity securities, this usually the ex-dividend date. For unquoted equity securities, this is usually the date on which the shareholders approve the payment of a dividend.

<u>Interest income</u>
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.

g Interest expense

Interest expense comprises interest payable on borrowings calculate using the effective interest method.

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

h Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company '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.

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. 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 subsidiaries at FVTPL.

i 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 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 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

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

j 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.

k 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.

l 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.

m Income taxes

Under the current system of taxation of St. Lucia, the company is exempt from paying income taxes. Per St. Lucia tax laws, pure equity holding companies that earn income on capital gains and dividend income are not subject to taxes.

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

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.

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

n 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.

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. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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)

n 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)

n 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.

o 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.

p 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) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

(ii) 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 bases 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 Fair Value Through Profit or Loss

Investments in associates 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, 2022 classified using the framework.

Assets at fair value as at December 31, 2022

	Level 1	Level 2	Level 3	Total
Dolla Financial Services Ltd	9,454,440	-	-	**9,454,440**
Johnston Development Group Ltd	-	-	814,481	**814,481**
Macro Computer Technologies Ltd	-	-	205,923	**205,923**
Royale Medical	-	-	1,237,092	**1,237,092**
Elite Conceptz Solutions	-	-	535,269	**535,269**
	9,454,440	**-**	**2,792,765**	**12,247,205**

Assets at fair value as at ended December 31, 2021

	Level 1	Level 2	Level 3	Total
Johnson Development Group Limited	-	-	934	**934**
Dolla Financial Services Ltd	-	-	4,060,551	**4,060,551**
Mairco Computers Technology Limited	-	-	90,500	**90,500**
Total	**-**	**-**	**4,151,985**	**4,151,985**

3. Investment in associates at Fair Value Through Profit or Loss (cont'd)

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

	2022 $	2021 $
Ending Balance, December 31	4,151,985	288,288
Purchase	796,675	168,434
Transfers to level 1	(4,060,551)	-
Changes in unrealised gains included in net income	1,904,656	3,695,263
Ending Balance, December 31	**2,792,765**	**4,151,985**

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, 2022 as shown below.

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Direct Investments	Cost	+/-5	12,247,205	100%	612,358

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Direct Investments	Cost	+/- 5%	4,151,985	100%	(207,599)

To unrealised appreciation on investments in associates held as at December 31, 2022 was $9,120,910 (2021 -$3,695,263).

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.

3. Investment in associates at Fair Value Through Profit or Loss (cont'd)

Sensitivity analysis to significant changes in unobservable inputs within the Level 3 hierarchy (cont'd)

The actual assumptions used and the reasonably possible alternatives at 31 December 2022 were as follows:

Price per share ($JMD)

Company	Low	Mid	High	Assumptions
Dolla Financial Services Ltd.	2.86	2.88	2.90	Valuation is based on average trading price as at December 30, 2022.
iCreate Ltd.	1.62	1.77	1.95	Valuation is based on average trading price as at December 30, 2022.
Johnston Development Group Ltd.	461.73	617.12	909.74	**Discounted Cash Flow** – Range is based on projected EBITDA for the projected 5 years, using a discount rate of 11% and assumed Capex is based on historical average. Terminal value based on an adjusted EV/EBITDA multiple of 5x. **Dividend Discount Model** – Range is based on projected Net Profit After Tax for the projected 5 years, using a discount rate of 11% and assumed Capex is based on historical average. Terminal value based on an adjusted P/E multiple of 9x. **Net Asset Value** – Net Asset Value adjusted for current fair value of ongoing real estate development. DLOM of 50% used right across the board.
Elite Conceptz & Solutions Ltd.	24.7	27.7	35.47	**Discounted Cash Flow** – Range is based on projected EBITDA for the projected 5 years, using a discount rate of 17% and assumed Capex is based on historical average. Terminal value based on an adjusted EV/EBITDA multiple of 7.5x. **Dividend Discount Model** – Range is based on projected Net Profit After Tax for the projected 5 years, using a discount rate of 17% and assumed Capex is based on historical average. Terminal value based on an adjusted P/E multiple of 10.2x. **Market Approach (Trading Comparable P/E)** – Range is based on historical normalised earnings for the last five years and adjusted P/E multiple of benchmark 10.02x
Royale Medical Company Ltd.	209,530	238,133	275,613	**Discount Cash Flow** – Range is based on projected EBITDA for the projected 5 years, using a discount rate of 19% and assumed Capex is based on historical average. **Dividend Discount Model** – Range is based on projected Net Profit After Tax for the projected 5 years, using a discount rate of 19% and assumed Capex is based on historical average. **Market Approach (Trading Comparable P/E)** – Range is based on historical normalised earnings for the last five years and adjusted P/E multiple of benchmark 17.5x
Mairco Computer Technologies Ltd.	US$205,923 (Not a per share value) Based solely on what Dequity has invested.			**Cost** – Based on the current uncertainty re the operations of Mairco Computer Technologies Limited The decision has been made to keep the value at cost.

4. Investment in subsidiary at Fair Value Through Profit or Loss

	2022 US$	2021 US$
Dequity Fund Manager Limited	1,000	-
M-Twenty Four Investment Limited	1,312,058	1,000
Real Estate Acquisition Limited	247,810	802
Total	**1,560,868**	**1,802**

Sensitivity analysis to significant changes in unobservable inputs

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, 2022 as shown below.

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Direct Investments	Cost	+/-5	1,560,868	100%	78,038

Description	Input	Sensitivity used	Fair Value	Weighted Average	Impact
Direct Investments	Cost	+/- 5%	1,802	100%	-

To unrealised appreciation on investments in subsidiaries held as at December 31, 2022 was $1,312,046 (2021 $-).

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 at Fair Value Through Profit or Loss (cont'd)

The actual assumptions used and the reasonably possible alternatives at 31 December 2022 were as follows:

Price per share ($JMD)

Company	Low	Mid	High	Assumptions
M Twenty-Four Investments Limited	197,555	199,838	216,835	**Discount Cash Flow** – Range is based on projected EBITDA for the projected 5 years, using a discount rate of 20% and assumed Capex is based on historical average. Terminal value based on an adjusted EV/EBITDA multiple of 9.2x. **Dividend Discount Model** – Range is based on projected Net Profit After Tax for the projected 5 years, using a discount rate of 20% and assumed Capex is based on historical average. Terminal value based on an adjusted P/E multiple of 8.6x. **Market Approach (Trading Comparable P/E)** – Range is based on historical normalised earnings or the last five and adjusted P/E Multiple of 8.6x.
Dequity Capital Fund Managers Limited		0.0001		Fair value accounted for at cost as company has negative equity and has been performing at a loss.
Real Estate Acquisition Limited		31		Fair value accounted for at Cost as Investment was made in 2022 and Company has generated no income. Property bought was bought at Valuation at 2022. Will be revalued in 2023.

5. Convertible loan receivable

	2022 US$	2021 US$
Amount at amortised cost:		
Medium term note	-	328,351
Total	**-**	**328,351**

On the 1st of December 2022 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.

6. Related party balances and transactions not disclosed in Note 1.

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 Transactions with key management personnel

The total directors' fees paid for the year ended 31 December 2022 were US$33,335 (2021: US$-). As at 31 December 2022 US$10,830 (2021: US$-) was outstanding to be settled. The following directors held shares in the company during the reporting period or at the reporting date.

Kadeen Mairs – 10,000,000 ordinary shares
Germaine Spencer – 1,157,405 ordinary shares
Garold Hamilton 416,665 ordinary shares

On August 11, 2022, the board approved a resolution to accept the subscription of shares from Kerry Spencer Young of 122,807 ordinary shares. Shares have however not yet been issued.

iv Transaction with related companies – Guarantees and Commitments

a. First Global Bank Limited (the "Bank") has agreed to provide to Johnston Development Group Limited, ("JDG") certain credit facilities and accommodation (the "Facilities") the same described in a Commitment Letter (the "Commitment Letter") dated the 20th day of July, 2022, issued by the Bank and countersigned for acceptance by the Borrower and the Company. The Facilities being extended to JDG is in the amount of JMD $1,156,036,486.00.

The Bank has requested that the obligations imposed on JDG for the repayment of the amounts payable with respect to the Facilities to be secured by a guarantee by the Company in favour of the Bank and other security instruments. On August 22, 2022, the Board approved a resolution to accept a guarantee and indemnity for the Facilities in the amount of up to JMD $231,207,297.20. The Company has however not made any accounting for this amount on the statement of financial position as the guarantee has no impact on the interest rate of the facility.

6. Related party balances and transactions not disclosed in Note 1. (cont'd)

iv Transaction with related companies – Guarantees and Commitments (cont'd)

b. Dolla Financial Services Limited ("Dolla"), a public company listed on the Jamaica Stock Exchange. Dolla has pursued the private placement of secured promissory notes by way of an exempt distribution under the Guidelines for Jamaica Exempt Distribution (Guidelines SR-GUID-08/05/0016) of up to JM $1,000,000,000.00 in secured promissory notes (with an option to up-size to JM $1,500,000,000.00) (the "Secured Note Placement").The Secured Note Placement offer was up-sized to JM $1,500,000,000.00. A condition of the Secured Note Placement is that the Company issues a guarantee to the Trustee for the secured promissory notes. On November 16, 2022, the Board approved a resolution to accept a guarantee and indemnity for up to 25% of the Secured Note Placement.

The Company has however not made any accounting for this amount on the statement of financial position as the guarantee has no impact on the interest rate of the Secured Note Placement.

In accordance with IAS 39 para AG4(a), a financial guarantee is a contract that requires the issuer to make specific payments to reimburse the holder of a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instruments. A financial guarantee contract issued by an entity is measured initially at fair value and thereafter at the higher of:

a. Provision for expected credit loss; and

b. The amount initially recognised less the cumulative amount of income recognised, when appropriate, applying the principles of IFRS 15 Revenue from Contracts with Customers.

As per IFRS 9, the fair value of the guarantee will be the present value of the difference between the net contractual cash flows required under the loan, and the net contractual cash flows that would have been required without the guarantee. However, in the above financial guarantees provided by the Company to Dolla and JDG, there were no differences in the net contractual cash flows required under the loans and the net contractual cash flows is the loans were done without guarantee. As such, no amount was recorded on the statement of financial position for the above-mentioned guarantees.

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

Due from related party

	2022 US$	2021 US$
Dequity Capital Fund Managers Limited	1,169,695	1,119,015
Real Estate Acquisition Limited	78,960	-
Dequity Capital Fund Management USA LLC	89,546	50,000
Director	100,366	48,072
Total	**1,438,567**	**1,217,087**

Due to related party

	2022 US$	2021 US$
Director	146,857	267,164
Dequity Capital Fund Managers Limited	729,494	649,318
Randani Limited	550,000	300,000
Total	**1,426,351**	**1,216,482**

7. Investment in securities

	2022 US$	2021 US$
Debt securities corporates	65,910	-
Equity investments listed	903,105	-
Total	**969,015**	**-**

8. Receivables

	2022 US$	2021 US$
Other receivables	1,532	251
Total	**1,532**	**251**

9. Cash and cash equivalents

	2022 US$	2021 US$
Bank balances	291,564	780,097
Total	**291,564**	**780,097**

10. Trade and other payables

	2022 US$	2021 US$
Other payables	125,094	2,050
Total	**125,094**	**2,050**

11. Shareholders loan

This represents unsecured loans with a mature date of June 21, 2023 and an interest rate of 8% per annum.

12. Borrowings

	2022 $	2021 $
(i) VM Investment loan	169,236	-
(ii) VM Investment loan	68,754	-
Total	**237,990**	**-**

(i) This loan represents JMD 25,676,826.73 received December 29, 2022 at an interest rate of 13% per annum. The loan principal and interest become due on December 31, 2023.

The loan is secured with 24,000,000 Dolla Investment Limited ordinary shares valued at JMD 69,600,000 as at December 28, 2022.

(ii) This loan represents JMD 10,276,575 received November 11, 2022 at an interest rate of 11% per annum. The loan principal and interest become due on December 31, 2023.

The loan is secured with 9,000,000 Dolla Investment Limited ordinary shares valued at JMD 30,330,000 as at November 10, 2022.

13. Share capital

	Unites 2022	Unites 2021	2022 US$	2021 US$
Authorised:				
100,000,000 ordinary shares, par value US$0.01 each			1,000,000	1,000,000
Issue and fully paid:				
Beginning ordinary shares, par value US$0.01 each	11,574,070	10,000,000	100,000	100,000
Ordinary shares cancelled during the year	-	(10,000,000)	-	(100,000)
Ordinary shares issued during the year	250,000	11,574,070	2,500	100,000
Ending ordinary shares, par value US$0.01 each	11,824,070	11,574,070	102,501	100,000
Surplus paid-in capital:				
Beginning			1,202,002	-
Ordinary shares cancelled during the year			-	
Ordinary shares issued during the year			-	1,202,002
Ending			**1,202,002**	**1,202,002**
Total share capital			**1,304,502**	**1,302,002**

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends declared from time to time and are entitled to one vote per share at general meetings of the Company.

14. Expenses by nature

Administrative expenses comprise:

	2022 US$	2021 US$
Administrative expenses		
Legal and professional	35,185	3,000
Wage expense	-	929
Sponsorship	57,500	-
Advertising	22,898	-
Prior year audit fee	24,150	-
Current year audit fee	8,000	-
Bank charges	786	560
Other expenses	25,380	140
	173,899	**4,629**

15. Finance costs

	2022 US$	2021 US$
Interest expense	30,505	60,000

16. Net gain/(loss) from financial instruments at FVTPL

	2022 US$	2021 US$
Realised	441,935	-
Unrealised	9,120,910	3,695,263
	9,562,845	**3,695,263**

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of an financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current period, and the consideration received on disposal.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

17. Income tax

Saint Lucia, in common with a number of other jurisdictions, was required by the European Union (EU) Code of Conduct Group on Business Taxation to introduce economic substance requirements for companies that are tax resident on the island. As a result, Saint Lucia has introduced economic substance legislation commencing 2022. Saint Lucia tax resident companies carrying on relevant activities such as a Pure Equity holding Company, will be required to meet an economic substance test.

During 2022, the Company, being a pure equity holding company, met the requirements of the Economic Substance Test and as such, no taxes were incurred.

Income tax comprise:

	2022 $	2021 $
Profit before tax	**9,478,725**	**3,651,772**
Tax at the applicable rate of 1%	-	18,259
Tax at the applicable tax rate of 30%	2,843,618	547,766
Tax effect of income not subject to tax	(2,868,324)	(575,732)
Tax effect of loss	24,706	9,707
Income tax expense for the year	-	-

18. 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.

19. 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:

	2022 US$	2021 US$
Financial assets measured at amortised costs		
Loans and receivables		
Convertible loan receivable	-	328,351
Owing by related party	1,426,351	1,217,087
Other receivables	1,533	251
Cash and cash equivalent	291,563	780,097
	1,719,447	**2,325,786**
Financial liabilities measured at amortised costs		
Due to related party	1,426,351	1,216,482
Related party loan	520,000	260,000
Borrowings	237,990	-
Trade and other payables	125,094	2,050
	2,309,435	**1,478,532**

20. 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.

21. Subsequent events

On January 24, 2023, the Board approved a resolution to re-organize the ownership of Dequity Capital Fund Managers Limited. Ownership will be transferred from the Company directly to the shareholders of the Company.