

 **ESL VENTURES**
The logo features the letters 'ESL' in a stylized, bold, white font. The 'E' is composed of three horizontal bars, and the 'S' and 'L' are solid. To the right of 'ESL' is a stylized white leaf icon with three veins, followed by the word 'VENTURES' in a clean, white, sans-serif font.

CAPITAL JAMAICA LIMITED

 **20
21**
The year '2021' is displayed in a large, white, sans-serif font, split across two lines ('20' on top, '21' on bottom). The text is enclosed within a white rectangular border.

ANNUAL REPORT

CONTENTS

Page

Who we are	3
Our Approach	3
Vision/Mission Statement	3
Notice of Annual General Meeting	4
Corporate Data	5
Chairman's Message	6
CEO's Message	7
Board of Directors	8
Senior Management Team	10
Corporate Structure	11
Corporate Governance	13
Shareholdings of 10 Largest Shareholders and Senior Management	17
Management Discussion & Analysis	18
Auditors' Report	20-90
Form of Proxy	

WHO WE ARE

SSL Venture Capital Jamaica Limited is a publicly traded venture capital company, listed on the Jamaica Stock Exchange. We believe that access to capital is what is needed for the entrepreneurial eco-system in Jamaica.

OUR APPROACH

We take a hands-on approach to venture capital investment; acting as business partners and guiding on corporate strategy, governance, financial controls and business development

VISION/MISSION STATEMENT

- To become a symbol of patriotism for entrepreneurship in Jamaica;
- To manifest the dreams of Jamaican business owners through equity capital and activist intervention;
- To find the "sweet spot" between being a local innovator and operating a scalable and sustainable company;
- To create a network of Jamaican businesses that blend competencies to maximize revenues for each other and grow the economy.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held to consider and, if thought fit, the passing of the following resolutions:

1. To receive the Audited Financial Statements of the Company for the year ended June 30, 2021 and the Reports of the Directors and Auditors thereon.

Resolution No. 1 – Audited Financial Statements, Directors and Auditors Reports

THAT the Audited Financial Statements of the Company for the year ended June 30, 2021 and the Reports of the Directors and Auditors be and are hereby received.

2. The Directors retiring by rotation pursuant to Article 97 of the Company's Articles of Incorporation are listed below and who being eligible, they have offered themselves for re-election.

Resolution No. 2 – Re-election of Retiring Directors

- (a) **THAT being eligible, Mr. Zachary Harding be re-elected a Director of the Company.**
- (b) **THAT being eligible, Mr. Jeffrey Cobham be re-elected a Director of the Company.**
- (c) **THAT being eligible, Mr. John Jackson be re-elected a Director of the Company**
- (d) **THAT being eligible, Ms. Christine Birch be re-elected a Director of the Company**
- (e) **THAT being eligible, Mr. Brent Ciurlino be re-elected a Director of the Company**

3. To re-appoint the retiring auditors:

Resolution No. 3 – Re-appointment of Auditors

THAT Baker Tilly Strachan Lafayette, Chartered Accountants of 7 Cargill Avenue, Kingston 10, having signified their willingness to serve, will continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting and that their remuneration be agreed with the Directors.

4. To approve the remuneration of Directors:

Resolution No. 4 – Directors' Remuneration

THAT the total remuneration of all the Directors combined, other than the Executive Director, as shown in the Company's Audited Financial Statements for the year ended June 30, 2021 be and is hereby approved.

BY ORDER OF THE BOARD

ASPIRESEC LIMITED
SECRETARY

Dated OCTOBER 28, 2021

Note: Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy is prohibited to speak at the meeting unless he or she is also a member of the Company.

The attached proxy form must be completed, impressed with stamp duty of \$100 (cancelled by the person signing the proxy for) and lodged at the offices of the Company's Registrar and Transfer Agents, the Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.

CORPORATE DATA

The Members of the Board of Directors as at June 30, 2021 are: -

Mr. Zachary Harding
Mr. Jeffrey Cobham
Mr. Brent Ciurlino
Ms. Christine Birch
Mr. John Jackson

Mrs. Anna Young – Company Secretary (Resigned 31 May 2021)
Aspiresec Limited – Company Secretary (Appointed 16 July 2021)

Registered Office
Unit 15, Barbican Business
Centre 88 Barbican Road
Kingston 6
St. Andrew
Jamaica

Tel.: (876) 665.4137
info@sslvcapital.com

www.sslvcapital.com

Bankers

Sagicor Bank Jamaica
17 Dominica Drive
Kingston 5
Jamaica

Auditors

Baker Tilly Strachan
Lafayette Accountants
and Auditors
7 Cargill Avenue
Kingston 10
St. Andrew
Jamaica

Tel.: (876) 906.1658
admin@bakertilly.com.jm
www.bakertilly.com.jm

Attorneys

RamsaySmith
Third Floor, 8 Lady Musgrave Road
Kingston 5
St. Andrew
Jamaica
Phone (876)906 2616

Registrar and Transfer Agent

Jamaica Central Securities Depository
("JCSD") 40 Harbour Street
P.O. Box 1084
Kingston
Jamaica

Tel.: (876) 967.3271
Fax: (876) 924.9090
www.jamstockex.com

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

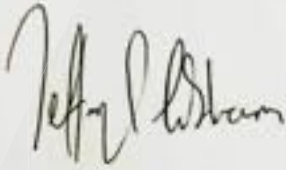
Three years ago, SSL Venture Capital Jamaica Limited set itself a target of aiding several young Jamaicans who were seeking to bring their own ideas and plans to fruition using the vehicles of enterprises that were the product of their own initiative. It must be admitted that SSLVC experienced challenges in that undertaking, initially because of underestimating the difficulty of persuading these young entrepreneurs to submit to the discipline of administrative and financial best practices as applied to companies that were essentially their own creations. As SSLVC grappled with the task of mentorship, the world was overtaken by the Covid-19 pandemic, ending, or severely reducing the business activity of these fledgling companies which had not yet had the opportunity to build reserves against adversity.

As governments across the world increased vaccination activities and boost resources to return society to normality in as short a time as possible, the pace of the Jamaican economy getting back to normal is contingent on these first world nations return to normalcy. The pandemic continues to weigh on many young companies who have found themselves having to pivot to stay relevant and for sustainability and whose very survival will depend on how quickly other advanced economies can return to normalcy. Business resilience to pandemics is now having to take centre stage in strategic planning and operations. As a venture capital business, SSLVC has an important role to play to help guide many of these young entrepreneurs who strive for mentorship and guidance now more than ever in a post COVID-19 world.

Many lessons about business risk and management of that risk has been learnt during this pandemic and these lessons will continue to be at the forefront of resilience planning for decades to come.

Closer to home, in the face of these realities, the Directors of SSLVC has decided to assess the best possibilities that will accrue beneficial interest to shareholders and allow the company to remain relevant. The task is never easy but as people of enterprise, we continue to be persevering.

On behalf of the Board of Directors, management, and staff of SSL Venture Capital we thank you our shareholders for your continued confidence and positivity in these turbulent times.



Jeffrey C. Cobham
Chairman

CEO'S MESSAGE TO SHAREHOLDERS

The financial year ending June 2021 was a watershed year for SSL Venture Capital (SSLVC). Having restructured the business in 2020, including divesting our stake in Blue Dot Data Intelligence, and repositioning the business for greater efficiency, growth, and profitability, we were hit by the COVID-19 global pandemic. Just like many other businesses, we were not spared the wrath of the pandemic which had a devastating impact on the one remaining active company, Bar Central Limited. During the year we saw revenues plummeted from \$117M in 2020 to just under \$20MM for the year ended June 2021. The restrictions brought on by the Disaster Risk Management Act (DRMA) saw bars and places of amusement closed as restrictions intensify to curtail the spread of the deadly virus. With the significant decline in revenues, and the expectations of further headwinds from the pandemic, the executive management took a decision and recommended to the board that we shutter the operations of Bar Central Limited in December 2020. This was done to reduce continued operating expenses. With this closure and further costs cutting measures that were implemented within the group we were able to successfully reduce overall operating expenses from a high of \$139.7M in 2020 to \$81.5MM for the 2021 financial year.


During the year, we also took a decision to impair our balance sheet, eliminating some of our non-current assets which we felt were of no real value to the company. Some of this included goodwill for which we wrote off the entire balance of \$112M from the prior year as well as our deferred tax asset of \$47.3M. Related party obligations were also successfully negotiated with related companies. The outcome of this exercise was a cleaner, leaner balance sheet. Despite these adjustments however, our company remains insolvent as our current liabilities exceed current assets by \$73.2M.

OUTLOOK

The Board and Executive Management continues to deliberate on a plan for the company at this inflection point in the company's history. Whilst the opportunity does present itself for a fresh injection of capital based on the restructured balance sheet, the COVID 19 pandemic continues to present headwinds for many entrepreneurs and investors who must pivot to continue the build-out of their vision. It is the Boards hope that an outcome that protects shareholders interest will be realised soon.

The Board of Directors thanks our shareholders for their patience and understanding, and our management and staff for their support.

Sincerely,



Zachary Harding
Chief Executive Officer

BOARD OF DIRECTORS**Zachary Harding**
Executive Director & Group CEO

Zachary Harding is the Group CEO of the SSL Group with responsibility for SSL Growth Equity Limited, Stocks & Securities Limited and SSL Venture Capital Jamaica Limited. He is also the founder and chairman of Hyperion Equity, a private firm with investments in entertainment, biometric research, agriculture, fintech and traffic management.

Over the years, Zachary has developed a solid reputation in senior management and strategic marketing roles enjoying stellar track records in positions including Chief Executive Officer, Head of Strategy and Director of Marketing at companies including ATL, Wisynco and Red Stripe. He has often been dubbed a “rain-maker” and “marketing guru” based on several successful brand campaigns and turnaround situations. From 2008 to 2010 he was seconded to the Tourism Ministry as Special Adviser to the Minister and Deputy Director at the Jamaica Tourist Board.

Zachary serves on several boards and was named as one of the top “50-under- Fifty Business Leaders Shaping Jamaica’s Future” by the Private Sector Organization of Jamaica and The Gleaner Newspaper.

Jeffrey Cobham
Non- Executive Director & Chairman

Mr. Jeffrey Cobham serves as Non - Executive Chairman of the Board of Directors. He also sits on the boards of Sagicor Property Services Limited, Sagicor Life of the Cayman Islands Ltd., Sagicor Group Jamaica Limited, Sagicor Life Jamaica Limited and Pulse Investments Limited. Mr. Cobham chairs the board of Diverze Assets Inc., (parent company of Tropical Battery Company Ltd., Diverze Properties Ltd. and Chukka Cove Adventures Ltd.)

He is Chancellor’s representative to the UWI’s Mona Campus Council and sits on its Finance and General Purposes, and Audit Committees. Mr Cobham is an approved Mentor on the Mentor List for the Jamaica Stock Exchange.

A former Managing Director of National Commercial Bank Jamaica Limited, Mr. Cobham also served for 13 years as Chairman of the Edna Manley College of the Visual and Performing Arts. He has also chaired the board of the National Dance Theatre Company of Jamaica and the Montego Bay Little Theatre Movement and has been a director of the National Gallery of Jamaica.

Brent Cuirlino
Independent Director

Mr. Brent Cuirlino, currently serves as a Sr. Vice President, for Risk and Operation at Newtek Small Business Lending the 5th largest SBA lender. In addition, he is also Board Director and Chairman of the Compliance Committee for Patriot Bank, NA, a \$1.0 billion community bank serving New York, Connecticut and the Northeast market with a 7a and 504 lending division. Mr. Cuirlino has led a series of specialized national risk management and regulatory practice initiatives serving as a Director at IvorHill Risk Advisors in Washington DC which also includes international bank regulatory and small business lending assignments with the FDIC, US Treasury, World Bank, IFC and IMF.

Prior to his regulatory and risk management appointments during this financial crisis, Mr. Cuirlino served as Managing Director/ CEO of UnionBank Holding Company and UnionBank a \$2.0 billion international banking group, with 32 domestic and international branches and 2 international credit card processing centers. As a lender, he also served as the Director of Large Loans & Credit for the Farm Credit Banks of Spokane and St. Louis for 10 years, coordinated capital assistance with the Farm Credit Administration and served as Managing Director with the international accounting/consulting firm of RSM McGladrey , for the Banking and International Structured Finance practice leading projects for the World Bank-IFC, International Monetary Fund, The Department of Housing and Urban Development and the InterAmerican Development Bank. As well he served as the Deputy Director of Real Estate and Asset Disposition for the FDIC-RTC during the S & L Crisis of the 1990’s. Mr. Cuirlino attended University of Maine and Washington State University respectively for his undergraduate and graduate master’s studies in applied economics and finance.

BOARD OF DIRECTORS

Christine Birch **Independent Director**

Christine Birch has an array of skills in executive management, brand development and marketing, consumer insights, creative strategy, talent development and business operations. She has earned industry honours and a well-deserved reputation for driving performance with compelling, creative and integrated campaigns that delight and excite consumers.

She holds a Bachelor of Arts degree in English Language and Literature from Dartmouth College and is currently the Chief Executive Officer of ROYGBIV Collective, LLC., California, United States. Christine is a trailblazing entertainment marketer, a diversity pioneer, and dynamic thought leader.

John Jackson **Independent Director**

John Jackson brings to the Board his experience in the financial services industry. He is the Chairman of the Audit and Finance Committee and Mentor to the Board. He is a Chartered Accountant and Financial Analyst.

He was a founder of the chartered accounting firm, Jackson Burnett Parkinson Jackson. John is a Director of Bridgeton Management Services Limited, a private investment and management company since 1974, and publisher of the financial website ICinsider.com. He chairs the boards of Jetcon Corporation Limited and Jamaica Deposit Insurance Corporation (JDIC).

SENIOR MANAGEMENT**Anthony Dunn
Chief Operating Officer**

Mr. Dunn is a Jamaican National and Chief Investment Officer of Delta Capital Partners as well as the COO of SSL Venture Capital Jamaica Limited. He joined the SSL group in 2019 after founding the Ostrich Private Equity Funds. A former Treasurer for Grace Kennedy and the national electricity provider, Jamaica Public Service Company Limited (JPS), Mr. Dunn was also a former Acting General Manager and Director of the Petroleum Company of Jamaica (PETCOM) and was the Chairman of the Finance and Procurement Committee prior to its divestment by the Government of Jamaica. He also served as a consultant to two of the largest petroleum retail distribution companies in the Caribbean and is a sought-after authority on Private Equity and Venture Capital Investing.

Mr. Dunn has extensive knowledge, training and experience in Strategic and Operational Management, International Finance, Private Equity and Treasury Management and the Global Capital Markets. He also has experience in Cash Management, Risk Management, Pensions and Banking and Agency Relationships. Mr. Dunn also conducted Financing negotiations with the US Exim Bank on behalf of Mirant Corp/JPS.

He holds a BBA from the University of North Florida (Florida) and an MBA from Florida International University (Florida).

**Kamille Martin
Vice President of Finance**

Ms. Martin in her capacity as Vice President Finance oversees the financial operations of SSL Venture Capital Jamaica Limited. She has over twelve (12) years of Auditing and Accounting experience with over ten (10) years at supervisory and management level working in the insurance industry within the GraceKennedy Group. She has detailed experience in Financial and Management Reporting, Budgeting, Internal Process Improvement.

Having completed an MBA in Management Information Systems and the Project Management Professional Certification (PMP), which she leverages to achieve greater efficiencies, Kamille has managed finance related projects which includes accounting software implementations, development of management report templates, testing and implementing solutions to integrate information from different sources in order to facilitate accurate financial and management reporting. She also holds a BSc. in Accounting and Management.

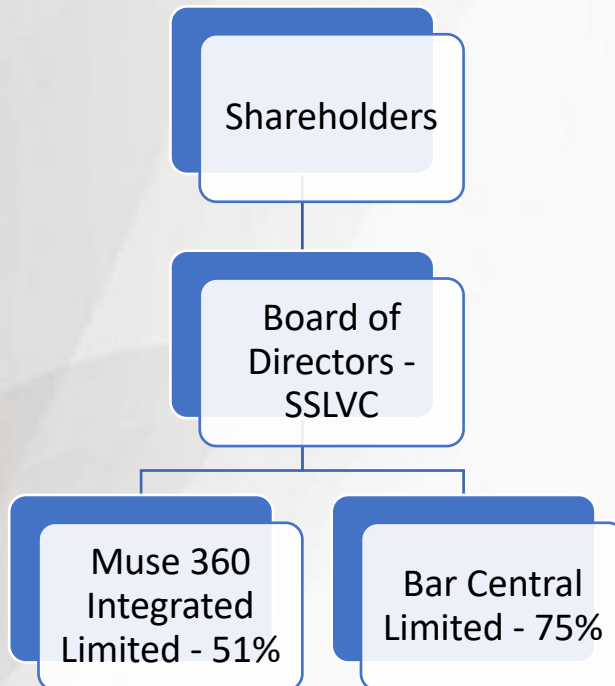
CORPORATE STRUCTURE

On August 8, 2018, C2W Music Limited’s name was legally changed to SSL Venture Capital Jamaica Limited (“SSL Ventures”). This was done through a block transfer of 215,978,588 shares to SSL Ventures from C2W Music Limited, which allowed SSL Ventures owning 80% of C2W Music Limited.

Consequent to the transfer of ownership, the existing team and directors of C2W Music Limited retired, allowing Stocks and Securities Limited to utilize its own management team and Board of Directors. The vision of the new Board of Directors was to move away from the current business model and pursue a Venture Capital driven business model. Moreover, this was passed at an Extra-Ordinary General Meeting (“EGM”) held on July 30, 2018, with regards to special resolutions passed to effectively change the name of the company from C2W Music Limited to SSL Venture Capital Jamaica Limited (“SSLVC”) and to amend the Company’s articles to enable it to operate as a Venture Capital Company.

SSLVC main purpose as the name suggests ‘Venture Capital’ is to take up equity stakes in promising Jamaican startups and Small to Medium Enterprises (SME’s) with the aim of SSLVC realizing investments within a 3-5-year horizon. This was achieved through a capital injection of US\$850,000.00 from Stock and Securities Limited which was used to complete SSLVC’s initial equity investment in three (3) young companies.

On July 2, 2018 and July 20, 2018 SSL Ventures acquired majority shareholding in Bar Central Limited and Muse 360 Integrated Limited. Below is the governance structure for SSLVC and its portfolio companies:



SUMMARY ON PORTFOLIO COMPANIES

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued Share Capital held	Purchase Consideration	Date of Sale
July 2, 2018	Bar Central Limited	Distribution and Provision of Branding Services	75%	\$5.9M	N/A
July 20, 2018	Muse 360 Integrated Limited	Marketing and Commercial Solutions	51%	\$26.3M	N/A

PORTFOLIO COMPANIES' PROFILE

Bar Central Limited:

A distribution and branding company that services the spirits and beverage industries having formed partnerships with one of the island's leading spirits company and beverage distributor to handle downstream activities in the bar market in selected parishes across Jamaica. The company is also involved in branding activities for the spirits and beverage industries and manages the relationship between manufacturers and distributors with the downstream bar market.

Muse 360 Integrated Limited:

A full-service marketing agency and content production company. Its range of services and creative development, project management, design, film production, photography, radio production and events management. Muse has utilized the "sharing economy model with regard to its creative talent which has proven to increase the quality of the world as well as contain fixed cost.

CORPORATE GOVERNANCE STRUCTURE

Our Board of Directors recognizes the importance of practicing effective Corporate governance to achieve success and long-term sustainability, to build trust and increase value to its shareholders and other stakeholders. The Board provides leadership and guidance to the senior management team and maintains oversight of the Company's overall operations to ensure the highest standards of governance are practised and maintained.

SSL Ventures is established under the Companies Act of Jamaica and is regulated by the Jamaica Stock Exchange in accordance with the Junior Market Rules. The directors and officers of the Company are also required to comply with section 51 of the Securities Act and the supplemental rules established by the JSE Model Code.

The Board of Directors

The Board currently (as at 30th June 2021) comprises five directors, the majority of whom are independent non-executive directors.

- Jeffrey Cobham – Non- Executive Chairman
- Zachary Harding – Group Chief Executive
- Brent Ciurlino – Independent Director
- Christine Birch – Independent Director
- John Jackson - Independent Director

In keeping with the Company's governance policies which are based on local and international best practices, a director is not considered independent if he or she:

- (a) has been an employee of the Company within the last five years;
- (b) has been an employee or executive officer of the Company within the last three years;
- (c) receives or have received additional remuneration from the Company outside of directors' fees or participates in the Company's share option plan or performance-related pay scheme or is a member of the Company's pension scheme;
- (d) has close family ties with any of the Company's advisors, directors or senior employees;
- (e) represents a significant shareholder.

The members of the Board together represent a wealth of knowledge and experience acquired through their involvement (past and current) in the local and international business environments. The directors also possess a diverse skill set which contributes to fulfilling their collective and individual responsibilities to the Company. The Board ensures that (i) the necessary resources are in place to enable the Company to meet its objectives and to measure its performance; (ii) that prudent and effective controls are in force to assess and manage risks; and (iii) that workforce policies and practices are consistent with the Company's values and support the success of the Company.

Attendance Registrar- Board Meetings

The Board meets quarterly in each financial year. However, there were only two meetings held by the board of directors for the year under review:

Director	Meetings Attended	Director	Meetings Attended
Jeffrey Cobham	2	Christine Birch	2
Zachary Harding	2	Brent Ciurlino	2
John Jackson	2		

Board Responsibility

The management of the Company undertakes the day-to-day functions of the Company's operations, it is the Board of Directors which remain ultimately accountable to the Company's stakeholders for the Company's performance and adherence to applicable laws and sound business practices.

The primary responsibilities of the Board include oversight for SSL VC and its portfolio companies, Bar Central Limited, Blue

Dot Data Intelligence Limited and Muse 360 Integrated Limited:

- Approving and monitoring strategic plans,
- Reviewing, and approving annual performance targets, annual budget, quarterly financial statements, audited financial statements
- Approval of acquisitions and major capital expenditure;
- Oversight of parent and portfolio companies' operations including compliance with statutory requirements of the Companies Act of Jamaica 2004;
- Evaluating company performance against set financial targets;
- Monitoring the performance of the CEO and senior management relative to agreed performance metrics;
- Reviewing and monitoring risk management, adequacy of internal controls, compliance of management with the Codes of Conduct and regulatory compliance;
- Reviewing and approving company disclosures externally;
- Selecting and appointing suitably qualified directors to the Board.

The Board of Directors have access to independent professional advice at the Company's expense where it is deemed necessary to effectively execute its functions and responsibilities. This includes the appointment of attorney(s) to provide representation and advice.

Board Diversity

Our Directors have diverse skill sets, experience and backgrounds which include local and international expertise in general management, finance, risk management and Marketing.

Director	General Management	Risk Management	Finance & Accounting	Sales & Marketing
Jeffrey Cobham	X			
Zachary Harding	X			X
John Jackson	X	X	X	
Christine Birch	X			X
Brent Ciurlino	X	X		

Board Performance Evaluation

An evaluation of the performance of the Board, its committees, the chair and individual directors is done every two years to consider the composition, diversity, contribution of each director and the work done collectively to effectively achieve the Company's objectives. This evaluation is facilitated externally, and the results are used to strengthen any weaknesses identified.

Board Committee

The Board has constituted three (3) standing committees to which specific responsibilities of the Board have been delegated. The Chairperson for each Sub-Committee is selected by the Board. These Committees are:

- Audit
- Investments; and
- Compensation

1. Audit Committee

The main role and responsibilities of the Audit Committee include:

- (1) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained in these statements;
- (2) providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- (3) reviewing the Company's internal financial controls and risk management systems; monitoring and reviewing the effectiveness of the Company's internal audit function or, where there is not one, considering annually whether there is a need for one and put forward a recommendation to the Board;
- (4) conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; reviewing and monitoring the external auditor's independence and objectivity;
- (5) developing and implementing a policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence and taking into account the relevant regulations and ethical guidance in this regard; and
- (6) reporting to the Board on the discharge of its responsibilities.

Although no formal meetings were held in the period, the members of the Committee have been actively involved in the review of the financial statements; monitoring the performance of the Company and having dialogue and meetings with the external auditors and management.

The members of the Audit Committee are John Jackson and Brent Cuirlino who are both independent non-executive directors.

2. Investment Committee

The role of the Investment Committee is to establish a formal process to manage the Company's investment strategy in line with the Company's investment objectives and established policies for investing. The Committee also assesses the performance of the Company's investment portfolio on a regular basis and make recommendations to the Board on future viable investments.

The members of the Investment Committee are John Jackson, Christine Birch and Brent Cuirlino.

3. Remuneration Committee

This Committee is responsible for setting the Company's remuneration policy and to determine the individual remuneration of each executive director and other key management personnel. It ensures that an appropriate reward policy is in force to attract and motivate executives to achieve the long-term interests of shareholders.

The members of the Remuneration Committee are Christine Birch and John Jackson.

The Corporate Governance Policy can be viewed on the Company's website at www.sslvcapital.com or that of the Jamaica Stock Exchange

DISCLOSURE OF SHAREHOLDINGS AS AT JUNE 30, 2021

Ten Largest Shareholders as at June 30, 2021

Authorised Ordinary Share Capital	1,000,000,000	Shares
Issued Ordinary Share Capital	400,000,000	Shares

TOP TEN SHAREHOLDERS – ORDINARY

Rank	Shareholders	Shareholding	% of Issued Shares
1	Stocks and Securities Ltd (Alpha)	316,329,891	79.08%
2	Mr. Kris Astaphan	20,000,000	5.00%
3	Drew Gray	8,000,000	2.00%
4	Gerald Wight	6,000,000	1.50%
5	Sheldon Powe & Mellissa Green-Powe	6,000,000	1.50%
6	Croskery Holdings Limited	5,967,100	1.50%
7	Nkrumah Wilson	4,570,860	1.14%
8	Alanah Jones	4,000,000	1.00%
9	Stocks and Securities Ltd. Managed A/C	3,756,000	0.94%
10	Derek Wilkie	3,694,412	0.92%
		378,318,263	94.58%

TOTAL ACCOUNT HOLDERS

JCSD Register 369

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' SHAREHOLDINGS

Executive	Shareholding	Connected Party
Jeffrey Cobham	NIL	
Zachary Harding	NIL	
Non-Executive Directors		
Brent Ciurlino	NIL	
John Jackson	NIL	Bridgeton Mgmt Services Ltd 251,000
Christine Birch	NIL	

SENIOR MANAGEMENT

Executive	Shareholding	Connected Party
Kamille Martin	NIL	
Anthony Dunn	NIL	

Financial Results - Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with SSLVC's audited financial statements. The MD&A was prepared by management to provide shareholders with additional insights into the operations and financial performance of the Company. It may contain forward-looking statements based on assumptions and predictions of the future which may be materially different from actual outcomes and from those projected.

SSL Ventures Consolidated Group

The COVID-19 pandemic's impact on the SSLVC group of companies cannot be under-estimated as the company was forced against headwinds which challenged our financial resilience and continuity for the financial year 2021. With the closure on December 31, 2020, of the last active company in the portfolio, Bar Central Limited, core revenues were pretty much nonexistent for the financial year. With no revenues, management had to make some tough decisions on operating expenses and costs to ensure the company was not unduly burdened by inefficiencies and non-revenue generating activities. During the year, we took the decision to impair our balance sheet and write-off non-cash assets that were of no tangible value to the company. Some of these write off affected goodwill and deferred taxes. Management was also successful in negotiating the write-off of obligations to related party entities. This impairment has had a positive impact on the balance sheet of the company, making it leaner and cleaner for a fresh injection of capital. Good governance and financial management continue to be enforced following the restructuring during financial year 2020 and whilst the company has no active operating entity in its portfolio, the way is now paved for other opportunities to be explored as a venture capital company.

Operating Results

SSLVC's core revenue declined by 83.09% or \$97.05 million to **\$19.7 million** for the financial year ended June 30, 2021 ("FYE June 2021"). This compares with **\$116.8 million** for the financial year ended June 30, 2020. ("FYE June 2020").

Core revenues were impacted by the closure of Bar Central Limited which suffered a fall out from the COVID-19 pandemic.

Despite a significant decline in revenues, the company recorded Net Profits attributable to shareholders of **\$164.8 million** for FYE June 2021("FYE June 2021") compared to a loss of **\$152.8 million** recorded for fiscal year end June 2020. ("FYE June 2020"). The non-cash profits are attributable to significant impairment in non-tangible assets as well as write-off of related party obligations during the year.

	Audited YE June 2021 JAS	Audited YE June 2020 JAS
Summary Results of Operation		
Revenue	19,697,569	116,756,540
Cost of sales	(20,238,126)	(105,121,032)
Gross profit / (loss)	(540,557)	11,635,508
Other operating income	322,831,164	42,821,734
Operating and administrative expenses	(81,576,456)	(139,692,325)
Loss on disposal of subsidiary	-	(13,065,240)
Goodwill impairment	-	(53,812,657)
Impairment losses on financial assets	(18,551,002)	(1,622,879)
Operating profit / (loss)	222,163,149	(153,735,859)
Finance costs, net	(9,876,829)	(16,024,651)
Profit/(Loss) before taxation	212,286,320	(169,760,510)
Taxation	(47,446,692)	16,934,148
Profit/(Loss) after taxation	164,839,628	(152,826,362)
Loss per stock unit	0.39	(0.35)

Earnings per share (EPS) was a positive 0.39 cents for FYE June 2021 versus a negative 0.35 cents for FYE June 2020.

Total Operating Expenses

Total Operating expenses decreased by **\$58.1 million**, or 42% to **\$81.5 million** for FYE June 2021, versus **\$139.6 million** for FYE June 2020. This decrease was driven primarily by lower operational expenses brought about by efficiency improvements in governance and financial management as well as the closure of Bar Central Limited as at the 31 December 2020. Staff costs, legal and professional fees were areas where the group made significant improvements in costs control and elimination.

Statement of Financial Position

At the end of FYE June 2021, SSLVC had **\$22.6 million** in total assets, down **\$95.7 million** or 81% over FYE June 2020. Total Liabilities at the end of FYE June 2021 was **\$89.5 million** versus **\$350 million** for the prior year 2020. The major component of the FYE June 2020 liabilities was **\$270.9 million** due to related parties which were written off during the FYE June 2021.

Shareholders' Equity

Total shareholders' equity decreased to a negative **\$66.8 million** at the end of FYE June 2021, versus a negative **\$231.6 million** at the end of FYE June 2020.

Earnings per share (EPS) was a positive 0.39 cents for FYE June 2021 versus a negative 0.35 cents for FYE June 2020.

COVID-19: Impact, Risk Management and Opportunities

Whilst the uncertainty from the COVID-19 pandemic remains high, increased levels of vaccination across the world brings with it hope and encouragement. Despite the devastating impact of the virus, many venture capital firms such as SSLVC must pivot and find new streams of revenue and opportunities to ensure sustainability and continuity. Strong governance and financial management will continue to be the pillars of resilience and whilst no industry was spared the wrath of COVID-19, innovation, and the ability to adapt quickly will ensure continued viability.

The post COVID-19 world is shaping itself to be one of anticipation, excitement, and new discoveries. Financial inclusion and advanced technologies will dominate much of the forward thinking and strategies.

Balance Sheet	Audited YE June 2021 JAS	Audited YE June 2020 JAS
ASSETS		
Non-current assets		
Property, plant and equipment	6,351,680	12,813,696
Intangible assets	28,856	62,688
Deferred income taxes	-	47,392,303
	6,380,536	60,268,687
Current assets		
Inventories	97,153	2,176,841
Receivables	4,648,577	45,935,442
Due from Related Parties	5,120,500	-
Directors Accounts	750,000	3,390,301
Taxation recoverable	4,881,863	3,161,539
Cash at bank and in hand	751,227	3,443,572
	16,249,320	58,107,695
TOTAL ASSETS	22,629,856	118,376,382
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	111,880,297	111,880,297
Capital reserves	294,881	294,881
Accumulated deficit	(160,625,201)	(319,544,465)
	(48,450,023)	(207,369,287)
Non-controlling interest	(18,374,021)	(24,294,385)
	(66,824,044)	(231,663,672)
Non-current liabilities		
Due to related companies	-	270,910,072
Long term loans	-	2,718,273
	-	273,628,345
Current liabilities		
Payables	61,121,429	53,377,530
Short term loans	21,397,393	13,309,028
Current portion of long-term loans	2,341,539	5,252,813
Taxation payable	636,309	581,919
Bank overdraft	3,957,230	3,890,419
	89,453,900	76,411,709
TOTAL EQUITY AND LIABILITIES	22,629,856	118,376,382

Outlook

The Board and Executive Management continue to consider possible solutions to the present difficulties, but whilst the opportunity does present itself for a fresh injection of capital based on the restructured balance sheet, the lingering uncertainties of the COVID 19 pandemic remain problematic for potential investors. In its quest for a solution, the Board continues to keep shareholders' interest in mind. The Board of Directors thanks our shareholders for their patience and understanding, and our management and staff for their support.

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Consolidated Financial Statements

30 June 2021

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Financial Statements
30 June 2021

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Index
30 June 2021

Page

Independent Auditors' Report to the Members

Financial Statements

Consolidated statement of financial position	1
Consolidated statement of comprehensive income	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4 – 5
Company statement of financial position	6
Company statement of comprehensive income	7
Company statement of changes in equity	8
Company statement of cash flows	9
Notes to the financial statements	10 – 63



9 Cargill Avenue
Kingston 10
Jamaica

T: 876 990 4550
F: 876 990 8296

acoin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Report on the Audit of the Consolidated and Stand-Alone Financial Statements

Qualified Opinion

We have audited the stand-alone financial statements of SSL Venture Capital Jamaica Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") set out on pages 1 – 63, which comprise the separate and consolidated statement of financial position as at 30 June 2021, and the separate and consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion, the accompanying stand-alone and consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2021 and its consolidated and stand-alone financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and comply with requirement of the Jamaican Companies Act.

Basis for Qualified Opinion

We draw attention to Note 2(c) in the financial statements which indicates that the Group reported profits in 2021 of \$164,839,628 and a loss of \$152,826,362 in 2020; losses were also reported in previous years; the Company reported profits in 2021 of \$99,095,147 and a loss of \$55,137,844 in 2020, losses were also reported in previous years. The Group and the Company as at 30 June 2021 has accumulated deficit of \$160,625,201 (2020: \$319,544,465) and \$123,458,135 (2020: \$222,553,282) respectively. Further, as at 30 June 2021, the Group's current liabilities exceeded its current assets by \$73,204,580 (2020: \$18,304,014). Continuation as a going concern, therefore, may be in doubt and is dependent on obtaining continued financial support. No adjustments have been made in the financial statements for any effects this might have on the carrying values of assets and liabilities as at the reporting date.

The Group and the Company have not been able to sustain profitable operations, as such have remained dependent on their ultimate parent (SSL Growth Equity Limited) for continued financial support. To date, SSL Growth Equity has not made any formal commitment to continue such support.

ADVISORY - ASSURANCE - TAX

PARTNERS: Wayne Sutherland; FCA, FICG, MIA. FRUIT Lefebvre; FCA, FICG, MIA. PRINCIPAL: Rosalind Malcolm Lyall; FCA, FICG, MIA.

Baker Tilly Wealth Advisory is trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd, the members of which are separate and independent legal entities.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 2

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Basis for Qualified Opinion (continued)

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

The carrying value of the Group's goodwill and intangible assets.

The carrying value of the Group's goodwill and intangible assets may not be recoverable due to changes in the business and economic environment in which the subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. See Note 8 of the financial statements.

How our audit addresses the Key audit matter

We tested the reasonableness of the Group's forecast and discounted cash flows including:

- The valuations of the companies. Historical data, was used to assess the reliability of these assumptions.
- We reviewed the valuations of the companies presented by the client and reviewed the goodwill impairment tests conducted by the firm's specialists.
- We found management's valuation of the carrying value of goodwill in these level 3 investments to be within an acceptable range of our estimation of fair value based on the outcome of our procedures.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 3

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and stand-alone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and the Board of Directors for the Consolidated and Stand-Alone Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies 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 Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's and the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 4

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated and Stand-Alone 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 auditors' 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 Group's and the Company's internal control.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 5

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

- ❖ 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 Group's and 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group and 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 presents a true and fair view.

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.

Report on other legal and other regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examinations of those records, and the financial statements, which are in agreement therewith give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' opinion is Emile Lafayette.




Chartered Accountants
Kingston, Jamaica
30 September 2021

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)


Consolidated Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,351,680	12,813,696
Intangible assets	6	28,856	62,688
Goodwill	8	-	-
Deferred tax asset	10	-	47,392,303
		<u>6,380,536</u>	<u>60,268,687</u>
Current assets			
Inventories	11	97,153	2,176,841
Receivables	12	4,648,577	45,935,442
Due from related parties	18	5,120,500	-
Directors' accounts	17	750,000	3,390,301
Taxation recoverable		4,881,863	3,161,539
Cash and short-term deposits	13	751,227	3,443,572
		<u>16,249,320</u>	<u>58,107,695</u>
TOTAL ASSETS		<u>22,629,856</u>	<u>118,376,382</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	111,880,297	111,880,297
Capital reserves	15	294,881	294,881
Accumulated deficit		(160,625,201)	(319,544,465)
		<u>(48,450,023)</u>	<u>(207,369,287)</u>
Non-controlling interest	16	<u>(18,374,021)</u>	<u>(24,294,385)</u>
		<u>(66,824,044)</u>	<u>(231,663,672)</u>
Non-current liabilities			
Due to related companies	18	-	270,910,072
Long term loans	19	-	2,718,273
		-	<u>273,628,345</u>
Current liabilities			
Payables	20	61,121,429	53,377,530
Short term loans	21	21,397,393	13,309,028
Current portion of long-term loans	19	2,341,539	5,252,813
Taxation payable		636,309	581,919
Bank overdraft	22	3,957,230	3,890,419
		<u>89,453,900</u>	<u>76,411,709</u>
TOTAL EQUITY AND LIABILITIES		<u>22,629,856</u>	<u>118,376,382</u>

Approved for issue by the Board of directors on 30 September 2021 and signed on its behalf by:



Jeffrey Cobham Director



Zachary Harding Director

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Comprehensive Income
Year ended 30 June 2021

	Note	<u>2021</u>	<u>2020</u>
		\$	\$
Revenue	23	19,697,569	116,756,540
Cost of sales		(20,238,126)	(105,121,032)
Gross (loss)/profit		(540,557)	11,635,508
Other income	24	322,831,164	42,821,734
Operating and administrative expenses	25	(81,576,456)	(139,692,325)
Loss on disposal of subsidiary	9(b)	-	(13,065,240)
Goodwill impairment	8	-	(53,812,657)
Impairment losses on financial assets	3(a)	(18,551,002)	(1,622,879)
Operating profit/(loss)	26	222,163,149	(153,735,859)
Finance costs, net	28	(9,876,829)	(16,024,651)
Profit/(loss) before taxation		212,286,320	(169,760,510)
Taxation	29	(47,446,692)	16,934,148
Profit/(loss) after taxation, being total comprehensive income/(loss)		164,839,628	(152,826,362)
Net profit/(loss) attributable to:			
Stockholders of the Company		158,919,264	(138,942,059)
Non-controlling interests		5,920,364	(13,884,303)
		164,839,628	(152,826,362)
Earnings/(loss) per ordinary stock unit attributable to shareholders of the company	31	0.39	(0.35)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Changes in Equity
Year ended 30 June 2021

	Equity Attributable to Stockholders of the Company						
	Number of Shares	Share Capital	Capital Reserves	Accumulated Deficit	Total	Non-controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	400,000,000	111,880,297	294,881	(180,602,406)	(68,427,228)	(19,779,173)	(88,206,401)
Elimination of non-controlling interest on disposal of Blue Dot Data Intelligence Limited (Note 9)	-	-	-	-	-	-	9,369,091
Total comprehensive loss	-	-	-	(138,942,059)	(138,942,059)	(13,884,303)	(152,826,362)
Balance at 30 June 2020	400,000,000	111,880,297	294,881	(319,544,465)	(207,369,287)	(24,294,385)	(231,663,672)
Total comprehensive income	-	-	-	158,919,264	158,919,264	5,920,364	164,839,628
Balance at 30 June 2021	400,000,000	111,880,297	294,881	(160,625,201)	(48,450,023)	(18,374,021)	(66,824,044)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Profit/(loss) before taxation	212,286,320	(169,760,510)
Adjustments for:		
Amortisation	33,832	513,913
Amortisation of right-of-use assets	-	5,402,152
Impairment losses on financial assets	18,551,002	1,622,879
Depreciation	2,086,608	4,441,010
Foreign exchange losses	514,703	870,747
Goodwill impairment	-	53,812,657
Loss on disposal of subsidiary	-	13,065,240
(Gains)/losses on disposal of plant and equipment	(177,756)	406,725
Lease interest expense	-	1,167,211
Interest expense	9,402,666	14,051,318
Interest income	(40,540)	(64,625)
	<u>242,656,835</u>	<u>(74,471,283)</u>
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables	22,735,863	(28,693,733)
Increase/(decrease) in payables	6,915,099	(23,357,923)
Decrease in inventories	2,079,688	4,530,235
Cash provided by/(used in) operating activities	<u>274,387,485</u>	<u>(121,992,704)</u>
Taxes paid	(1,720,323)	(2,268,010)
Lease interest paid	-	(1,167,211)
Interest paid	(8,573,866)	(13,267,256)
Interest received	40,540	64,625
Net cash provided by/(used in) operating activities	<u>264,133,836</u>	<u>(138,630,556)</u>
Investing Activities		
Purchase of property, plant and equipment	(540,837)	(2,671,750)
Proceeds from disposal of plant and equipment	5,094,001	-
Proceeds from disposal of subsidiary, net of cash transferred	-	34,717,465
Net cash provided by investing activities	<u>4,553,164</u>	<u>32,045,715</u>
Financing Activities		
Related companies balances, net	(276,030,572)	118,725,019
Lease principal payment	-	(1,420,678)
Directors' accounts, net	2,640,301	(2,400,919)
Long term loans, net	(5,629,547)	(4,128,542)
Short term loans, net	8,088,365	(23,765,675)
Net cash (used in)/provided by financing activities	<u>(270,931,453)</u>	<u>87,009,205</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Net decrease in cash and cash equivalents	(2,244,453)	(19,575,636)
Effect of exchange losses/(gains) on cash and cash equivalents	(514,703)	50,825
Cash and cash equivalents at beginning of year	<u>(446,847)</u>	<u>19,077,964</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>(3,206,003)</u></u>	<u><u>(446,847)</u></u>
Represented by:		
Cash and short-term deposits	751,227	3,443,572
Bank overdraft	<u>(3,957,230)</u>	<u>(3,890,419)</u>
	<u><u>(3,206,003)</u></u>	<u><u>(446,847)</u></u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,563,857	1,295,655
Intangible assets	6	28,856	62,688
Investments in subsidiaries	7	-	32,365,577
Due from related companies	18	-	59,049,365
Deferred tax asset	10	-	9,096,057
		<u>1,592,713</u>	<u>101,869,342</u>
Current assets			
Receivables	12	2,274,616	43,218,615
Due from related companies	18	5,120,500	1,535,546
Taxation recoverable		4,755,175	3,079,391
Cash and short-term deposits	13	548,449	1,109,589
		<u>12,698,740</u>	<u>48,943,141</u>
TOTAL ASSETS		<u>14,291,453</u>	<u>150,812,483</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	111,880,297	111,880,297
Accumulated deficit		<u>(123,458,135)</u>	<u>(222,553,282)</u>
		<u>(11,577,838)</u>	<u>(110,672,985)</u>
Non-current liability			
Due to related companies	18	-	243,248,818
		<u>-</u>	<u>243,248,818</u>
Current liabilities			
Payables	20	6,610,963	4,927,622
Short-term loans	21	19,258,328	13,309,028
		<u>25,869,291</u>	<u>18,236,650</u>
TOTAL EQUITY AND LIABILITIES		<u>14,291,453</u>	<u>150,812,483</u>

Approved for issue by the Board of directors on 30 September 2021 and signed on its behalf by:



Jeffrey Cobham Director



Zachary Harding Director

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Comprehensive Income
Year ended 30 June 2021

	Note	2021	2020
		<u>\$</u>	<u>\$</u>
Revenue	23	-	1,914,187
Other income	24	221,221,377	17,078,447
Operating and administrative expenses	25	(53,693,610)	(55,100,736)
Impairment losses on financial assets	3(a)	(18,675,412)	-
Impairment of investment in subsidiaries	7	(32,365,577)	-
Loss on disposal of subsidiary	9(b)	-	(13,946,355)
Operating profit/(loss)	26	116,486,778	(50,054,457)
Finance costs, net	28	(8,295,574)	(10,400,731)
Profit/(loss) before taxation		108,191,204	(60,455,188)
Taxation	29	(9,096,057)	5,317,344
Profit/(loss) after taxation, being total comprehensive income/(loss)		99,095,147	(55,137,844)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Changes in Equity
Year ended 30 June 2021

	Share Capital	Accumulated Deficit	Total
	\$	\$	\$
Balance at 1 July 2019	111,880,297	(167,415,438)	(55,535,141)
Total comprehensive loss	-	(55,137,844)	(55,137,844)
Balance at 30 June 2020	111,880,297	(222,553,282)	(110,672,985)
Total comprehensive income	-	99,095,147	99,095,147
Balance at 30 June 2021	111,880,297	(123,458,135)	(11,577,838)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Cash Flows
Year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Profit/(loss) before taxation	108,191,204	(60,455,188)
Adjustments for:		
Amortisation and depreciation	306,466	254,513
Loss on disposal of plant and equipment	-	132,808
Loss on disposal of subsidiary	-	13,946,355
Foreign exchange losses	514,703	860,083
Impairment of investment in subsidiaries	32,365,577	-
Impairment losses on financial assets	18,675,412	-
Interest expenses	7,783,035	9,543,676
Interest income	(2,164)	(3,028)
	<u>167,834,233</u>	<u>(35,720,781)</u>
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables	17,148,087	(40,391,288)
Increase/(decrease) in payables	854,541	(18,605,859)
Cash provided by/(used in) operating activities	185,836,861	(94,717,928)
Taxes paid	(1,675,783)	(1,608,277)
Interest paid	(6,954,235)	(8,759,614)
Interest received	2,164	3,028
Net cash provided by/(used in) operating activities	<u>177,209,007</u>	<u>(105,082,791)</u>
Investing Activities		
Proceeds from disposal of investment in subsidiary	-	39,758,250
Purchase of property, plant and equipment	(540,837)	(790,633)
Net cash (used in)/provided by investing activities	<u>(540,837)</u>	<u>38,967,617</u>
Financing Activities		
Related companies, net	(182,663,907)	78,258,317
Short-term loans, net	5,949,300	(25,000,000)
Net cash (used in)/provided by financing activities	<u>(176,714,607)</u>	<u>53,258,317</u>
Net decrease in cash and cash equivalents	(46,437)	(12,856,857)
Effect of exchange losses on cash and cash equivalents	(514,703)	(860,083)
Cash and cash equivalents at beginning of year	<u>1,109,589</u>	<u>14,826,529</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>548,449</u>	<u>1,109,589</u>
Represented by:		
Cash at bank	<u>548,449</u>	<u>1,109,589</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

1. Identification and principal activities

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. The registered office of the company is located at Unit 15, Barbican Business Centre, 88 Barbican Road, Kingston 10.

On July 1, 2018, the shareholders of Stocks and Securities Limited entered into a rescue plan to acquire the majority shares in C2W Music Limited in an effort to rescue the company from financial failure. The rescue of C2W Music Limited was approved by the Jamaica Stock Exchange and the Financial Services Commission.

The business model of the company was changed to specializing in investing in equity of companies that show great potential. The company's income thereafter, consists mainly of management fees earned from its subsidiaries.

Effective August 8, 2018, C2W Music Limited's name was legally changed to SSL Venture Capital Jamaica Limited ("SSL Ventures"). The Company is listed as a member of the Junior Market of the Jamaica Stock Exchange.

The company's subsidiaries, together with the company are referred to as "the group"; the subsidiaries are as follows:

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued share capital held by company
July 2, 2018	Bar Central Limited	Distribution and provision of branding services	75% (2020:75%)
July 20, 2018	Muse 360 Integrated Limited	Marketing and commercial solutions	51% (2020:51%)

All of the company's subsidiaries are incorporated and domiciled in Jamaica.

On the 27th of March 2020, SSL Ventures sold its 50% stake in Blue Dot Data Intelligence Limited. Bar Central Limited ceased operational activities as of December 31, 2019. Muse 360 Integrated Limited ceased operational activities as of August 31, 2019. Management has yet to decide on the future operation of Muse 360 Integrated Limited and Bar Central Limited.

The consolidated financial statements include the financial statements for the company and its subsidiaries. These financial statements are presented in Jamaican dollars, which is the functional currency.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations

The following standards have been adopted by the Group for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 July 2020:

Definition of a Company – Amendments to IFRS 3 (effective for Company combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020). The amended definition of a company requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Definition of Material (Amendments to IAS 1 and IAS 8) The amendments clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards. The amendment further clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses material in the context of the financial statements as a whole. The standard also states that the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining this as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations (continued)

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. These new standards include increasing the prominence of stewardship in the objective of financial reporting. It also includes changes in reinstating prudence as a component of neutrality. Further key changes include defining a reporting entity, which may be a legal entity, or a portion of an entity and revising the definitions of an asset and a liability as well as removing the probability threshold for recognition and adding guidance on de-recognition.

The standard further includes changes to adding guidance on different measurement basis and stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

The standard clarifies that no changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations (continued)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) Reporting (effective for annual periods beginning on or after 1 January 2020). The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

- modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;
- are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
- are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
- require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

The amendments did not result in any material effect on the group's financial statements.

Coronavirus (COVID-19)

The World Health Organisation declared the Coronavirus (COVID-19) outbreak a pandemic due to its rapid spread across the globe. Jamaica has been affected by the outbreak, which resulted in the Government of Jamaica declaring Jamaica a disaster area on March 13, 2020. This has disrupted business operations, caused a downturn in the economy and significantly increased economic uncertainty. However, the impact the pandemic has on the group's operations for audited period ended 30 June 2021 is still undergoing assessment due to the adverse effects it has on the various revenue streams for all companies.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the group

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the group has not early adopted. The group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Reference to the Conceptual Framework – Amendments to IFRS 3 (effective for annual periods beginning on or after 1 January 2022). In March 2018, the IASB issued the 2018 Conceptual Framework and most references to the Framework included in IFRSs were updated to the 2018 Framework at that time. However, paragraph 11 of IFRS 3 Business Combinations, which continued to refer to the 1989 Framework, was not updated as this could have caused conflicts for entities applying IFRS 3. IASB identified three possible amendments to IFRS 3 that would update IFRS 3 without significantly changing its requirements. The changes in Reference to the Conceptual Framework (Amendments to IFRS 3):

- update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

IFRS 17, ‘Insurance Contracts’, (effective for annual periods beginning on or after 1 January 2021). In May 2017, the IASB issued IFRS 17 which replaces the current guidance in IFRS 4. Under IFRS 17, insurance liabilities are to be measured at a current fulfilment value. The standard also provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the group (continued)

The amendments in Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective for annual periods beginning on or after 1 January 2023) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (effective for annual periods beginning on or after 1 January 2022) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), (effective for annual periods beginning on or after 1 January 2022) specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the group (continued)

Annual Improvements to IFRS Standards 2018–2020 are effective for annual reporting periods beginning on or after 1 January 2022. The IASB issued its Annual Improvements to IFRSs 2015-2017 cycle amending a number of standards:

- IFRS 1 ‘First-time Adoption of International Financial Reporting Standards’ - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.
- IFRS 9 ‘Financial Instruments’ - Fees in the ‘10 per cent’ test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- IFRS 16 ‘Leases’ - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- IAS 41 ‘Agriculture’ - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the group.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June 2021. A subsidiary is an entity controlled by the company. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee, if and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring its accounting policy in line with the group's accounting policy. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated in full on consolidation.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(c) Going concern

The Group reported profits in 2021 of \$164,839,628 and a loss of \$152,826,362 in 2020; losses were also reported in previous years; the Company reported profits in 2021 of \$99,095,147 and a loss of \$55,137,844 in 2020, losses were also reported in previous years. The Group and the Company as at 30 June 2021 have accumulated deficit of \$160,625,201 (2020: \$319,544,465) and \$123,458,135 (2020: \$222,553,282) respectively. Further, as at 30 June 2021, the Group's current liabilities exceeded its current assets by \$73,204,580 (2020: \$18,304,014); as at 30 June 2021 the company's current liabilities exceeded its current assets by \$13,170,551. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

There are no revised plans and strategies beyond what has been communicated to investors by the directors and management in previous filings that will impact cash flows and profitability to allow for continuity in operational existence for the foreseeable future. The ultimate parent company has not provided any indication of its intent and ability to continue to provide financial support to the Group and the Company for the foreseeable future.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets:

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the business and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(ii) Depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see below). Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their period of expected useful lives. The annual depreciation rates are as follows:

Camera equipment	10%
Computer equipment	25%
Furniture and fixtures	10%
Leasehold improvements	10%
Motor vehicles	20%
Office equipment	10%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(f) Financial Instruments

Classification

The group and company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group and company reclassify debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group and company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group and company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(f) Financial Instruments (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the group's and company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group and company classify its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The group and company assess on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(g) Intangible assets

Items of intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of three years.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

(i) Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined on a first in first out basis. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

(j) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the group and company apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated and stand-alone statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, short term deposits and bank overdraft.

(l) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Interest bearing loans and borrowings

Borrowings are stated initially at cost, being the fair value of the consideration received, net of issue costs associated with the borrowings. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

(n) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(o) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(p) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents, due from related parties, directors' accounts and receivables. Financial liabilities consist of payables, long term loans, directors' accounts, short term loans and due to related companies.

Generally financial instruments are recognized on the statement of financial position when the group becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 3(f).

(q) Related party transactions

Related parties:

A party is related to the group, if:

- (i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the group (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the group that gives it significant influence over the group; or has joint control over the group;
- (ii) the party is an associate of the group;
- (iii) the party is a joint venture in which the group is a venturer;
- (iv) the party is a member of the key management personnel of the group or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the group, or of any company that is a related party of the group.

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

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable of goods and customer acceptance or performance of service. Revenue is shown net of General Consumption Tax, returns, rebates and discounts. Revenue is recognized as follows:

i) Sales of goods

Sales of goods are recognized upon the delivery of goods and acceptance or performance of services.

ii) Interest income

Interest income is recognized in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(s) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

(i) Current taxation

Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable and tax losses in respect of previous years.

(ii) Deferred income taxes

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

(t) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the statement of financial position date; that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains or losses arising from fluctuations in the exchange rates are reflected in the statement of comprehensive income.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(u) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 July 2019 without restatement of comparative figures. The following policies apply subsequent to the date of initial application, 1 July 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the group if it is reasonable certain to exercise that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the group:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(u) Right-of-use assets and lease liabilities (continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The group has no short-term leases or leases of low valued assets at this time.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

2. Summary of significant accounting policies (continued)

(u) Right-of-use assets and lease liabilities (continued)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

3. Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

The group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the group's risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

Audit Committee

The Board of Directors has also established an Audit Committee to assist in managing the Group's risk profile. This Committee oversees how management monitors compliance with the Group's risk management policies and reviews the adequacy of the risk management framework. This committee is also assisted by Internal Audit that reports to the Audit Committee after it undertakes regular and ad hoc reviews of risk management controls and procedures, especially over inventories and receivables.

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

3. Financial risk management (continued)

(a) Credit risk (continued)

Risk management (continued)

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security

The group does not hold any collateral as security.

Impairment of financial assets

The group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2021 or 30 June 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group and company have identified the GDP, inflation and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

3. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables:

Group:

30 June 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0%	0%	0%	100%	100%
Gross carrying amount – trade receivables	-	-	-	3,542,726	3,542,726
Loss allowance	-	-	-	3,542,726	3,542,726

30 June 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	10%	20%	25%	100%	89%
Gross carrying amount – trade receivables	137,956	279,146	145,212	3,560,243	4,122,557
Loss allowance	13,796	56,794	36,303	3,560,243	3,667,136

The closing loss allowances for trade receivables as at 30 June 2021 and 30 June 2020 reconcile to the opening loss allowances as follows:

	Trade receivables	Trade receivables
	2021	2020
	\$	\$
Opening loss allowance as at 1 July	3,667,136	2,762,232
(Decrease)/increase in loss allowance recognised in profit or loss during the year	(124,410)	1,622,879
Bad debts recovered during the year	-	(717,975)
Closing balance at end of year	3,542,726	3,667,136

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and company, and a failure to make contractual payments for a period of greater than 90 days past due.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

3. Financial risk management (continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 30 June 2021 trade receivables had lifetime expected credit losses of \$3,542,726 (2020: \$3,542,726).

Other receivables

The closing loss allowances for other receivables as at 30 June 2021 and 30 June 2020 reconcile to the opening loss allowances as follows:

	<u>Other receivables</u>	<u>Other receivables</u>
	2021	2020
	\$	\$
Opening loss allowance as at 1 July	-	-
Increase in loss allowance recognised in profit or loss during the year	18,675,412	-
Closing balance at end of year	<u>18,675,412</u>	<u>-</u>

As at 30 June 2021 other receivables had lifetime expected credit losses of \$18,675,412 (2020: \$Nil).

Net impairment losses on financial assets recognised in profit or loss

During the year, the following reversal/(losses) were recognised in profit or loss in relation to impaired financial assets:

	<u>2021</u>	<u>2020</u>
	\$	\$
Impairment losses		
- movement in loss allowance for trade receivables	(124,410)	1,622,879
- movement in loss allowance for other receivables	18,675,412	-
Net impairment losses on financial assets	<u>18,551,002</u>	<u>1,622,879</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

3. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimising cash returns on investment.

Undiscounted cash flows of financial liabilities

The maturity profile of the group's financial liabilities at year end on contractual undiscounted payments was as follows:

The Group:

	1 to 3 months	3 to 12 months	1 to 5 Years	Contractual cashflows	Carrying amount
			2021		
	\$	\$	\$	\$	\$
Long term loans	668,211	1,954,633	-	2,622,844	2,341,539
Payables	61,121,429	-	-	61,121,429	61,121,429
Short-term loans	-	21,397,393	-	21,397,393	21,397,393
Bank overdraft	3,957,230	-	-	3,957,230	3,957,230
	65,746,870	23,352,026	-	89,098,896	88,817,591
			2020		
Due to related companies	-	-	270,910,072	270,910,072	270,910,072
Long term loans	2,216,773	4,904,318	1,089,848	8,210,939	7,971,086
Payables	53,377,530	-	-	53,377,530	53,377,530
Short-term loans	-	14,093,120	-	14,093,120	13,309,028
Bank overdraft	3,890,419	-	-	3,890,419	3,890,419
	59,484,722	18,997,438	271,999,920	350,482,080	349,458,135

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and guarantee from the ultimate parent company.

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements**30 June 2021****3. Financial risk management (continued)****(b) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities (continued)**

The maturity profile of the company's financial liabilities at year end on contractual undiscounted payments was as follows:

The Company:

	1 to 3 months	3 to 12 months	1 to 5 Years 2021	Contractual cashflows	Carrying amount
	\$	\$	\$	\$	\$
Payables	6,610,963	-	-	6,610,963	6,610,963
Short-term loans	-	20,798,994	-	20,798,994	19,258,328
	<u>6,610,963</u>	<u>20,798,994</u>	<u>-</u>	<u>27,409,957</u>	<u>25,869,291</u>
	2020				
	\$	\$	\$	\$	\$
Due to related companies	-	-	243,248,818	243,248,818	243,248,818
Payables	4,927,622	-	-	4,927,622	4,927,622
Short-term loans	-	14,093,120	-	14,093,120	13,309,028
	<u>4,927,622</u>	<u>14,093,120</u>	<u>243,248,818</u>	<u>262,269,560</u>	<u>261,485,468</u>

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and guarantee from the ultimate parent company.

(c) Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (see 3 (ii)) and foreign currency exchange rates (see 3 (i)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which it manages and measures the risk.

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements

30 June 2021

3. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The group is primarily exposed to such risks arising from foreign currency translation in relation to cash at bank and in hand, payables and short term loans.

The group and company statement of financial position at 30 June 2021 includes aggregate foreign assets of approximately \$4,490,892 (2020: \$1,525,575) and \$3,099,156 (2020: \$97,599) respectively, in respect of transactions arising in the ordinary course of business.

The following tables indicate the currency to which the group and the company had significant exposure on its monetary assets and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in the foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for changes in foreign currency rates as indicated in the table below. The sensitivity of the surplus was as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in each variable; variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	\$	\$	\$	\$
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	2%	6%	2%	6%
The Group				
Currency:				
JMD	(89,817)	269,453	(30,512)	91,535
The Company				
Currency:				
JMD	(61,983)	185,949	(1,952)	5,856

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements**30 June 2021**

3. Financial risk management (continued)**(c) Market risk (continued)****(ii) Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's interest rate risk mainly arises from cash and cash equivalents and long term loans. This risk is managed by analysing the economic environment and obtaining fixed rate loans when interest rates are expected to rise and floating rate loans when interest rates are expected to fall. It also manages the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 30 June 2021, the Group had no significant exposure to variable rate interest rate risk.

(d) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash at bank and in hand, receivables, payables, short term loans and bank overdraft reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value of long-term loans approximates amortised costs.

The fair values of directors' account and due from/(to) related companies could not be reasonably assessed as there are no set repayment terms.

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements**30 June 2021**

4. Critical accounting estimates and judgments in applying accounting policies

The group and company make estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group and company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's and company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes

Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the group and company recognise liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The group and company apply a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iv) Recognition and measurement of intangible assets

The recognition and measurement of intangible assets, other than goodwill, in a business combination, involve the utilization of valuation techniques. These intangibles may be market related, consumer related, contract based or technology based. For significant amounts of intangibles arising from a business combination, the group and company have utilized independent professional advisors to assist management in determining the recognition and measurement of these assets.

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements**30 June 2021**

4. Critical accounting estimates and judgments in applying accounting policies (continued)**(v) Valuation of financial instruments**

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group and company determine fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

5. Property, plant and equipment

The Group:

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Cost -						
1 July 2019	1,584,285	8,861,115	1,188,792	1,202,378	11,075,606	23,912,176
Additions	266,960	221,508	1,746,416	436,866	-	2,671,750
Disposal of subsidiary	(1,584,285)	(2,550,248)	(309,123)	-	-	(4,443,656)
Disposals	-	(2,489,322)	(106,000)	(132,808)	-	(2,728,130)
30 June 2020	266,960	4,043,053	2,520,085	1,506,436	11,075,606	19,412,140
Additions	-	427,092	-	113,745	-	540,837
Disposals	-	-	-	(144,315)	(9,051,754)	(9,196,069)
30 June 2021	266,960	4,470,145	2,520,085	1,475,866	2,023,852	10,756,908
Depreciation -						
1 July 2019	68,440	2,982,928	219,537	267,196	1,874,201	5,412,302
Charge for the year	25,951	1,495,027	186,112	115,569	2,618,351	4,441,010
Relieved on disposal of subsidiary	(68,440)	(843,421)	(21,602)	-	-	(933,463)
Relieved on disposals	-	(2,321,405)	-	-	-	(2,321,405)
30 June 2020	25,951	1,313,129	384,047	382,765	4,492,552	6,598,444
Charge for the year	26,697	978,076	170,842	102,993	808,000	2,086,608
Relieved on disposals	-	-	-	(144,314)	(4,135,510)	(4,279,824)
30 June 2021	52,648	2,291,205	554,889	341,444	1,165,042	4,405,228
Net book value -						
30 June 2021	214,312	2,178,940	1,965,196	1,134,422	858,810	6,351,680
30 June 2020	241,009	2,729,924	2,136,038	1,123,671	6,583,054	12,813,696

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements**30 June 2021****5. Property, plant and equipment****The Company:**

	Computer Equipment	Camera Equipment	Office Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Cost -					
1 July 2019	2,202,703	685,931	144,315	-	3,032,949
Additions	132,808	390,865	-	266,960	790,633
Disposals	(1,897,022)	(132,808)	-	-	(2,029,830)
30 June 2020	438,489	943,988	144,315	266,960	1,793,752
Additions	427,092	113,745	-	-	540,837
Disposals	-	-	(144,315)	-	(144,315)
30 June 2021	865,581	1,057,733	-	266,960	2,190,274
Depreciation -					
1 July 2019	1,922,748	107,376	144,314	-	2,174,438
Charge for the year	120,975	73,755	-	25,951	220,681
Relieved on disposals	(1,897,022)	-	-	-	(1,897,022)
30 June 2020	146,701	181,131	144,314	25,951	498,097
Charge for the year	142,943	102,994	-	26,697	272,634
Relieved on disposals	-	-	(144,314)	-	(144,314)
30 June 2021	289,644	284,125	-	52,648	626,417
Net book value -					
30 June 2021	575,937	773,608	-	214,312	1,563,857
30 June 2020	291,788	762,857	1	241,009	1,295,655

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

6. Intangible assets

The Group:

	Computer Software	Total
	\$	\$
Cost -		
1 July 2019	5,502,076	5,502,076
Additions		
Disposal of subsidiary	(3,282,673)	(3,282,673)
30 June 2020	2,219,403	2,219,403
Disposal of subsidiary	-	-
30 June 2021	2,219,403	2,219,403
Amortization -		
1 July 2019	2,856,597	2,856,597
Relieved on disposal of subsidiary	(1,213,795)	(1,213,795)
Charge for year	513,913	513,913
30 June 2020	2,156,715	2,156,715
Charge for year	33,832	33,832
30 June 2021	2,190,547	2,190,547
Net book value		
30 June 2021	28,856	28,856
30 June 2020	62,688	62,688

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

6. Intangible assets (continued)

The Company:

	Computer Software	Total
	\$	\$
Cost -		
1 July 2019	2,404,184	2,404,184
Additions	-	-
30 June 2020	2,404,184	2,404,184
Additions	-	-
30 June 2021	2,404,184	2,404,184
Amortization -		
1 July 2019	2,307,664	2,307,664
Charge for the year	33,832	33,832
30 June 2020	2,341,496	2,341,496
Charge for the year	33,832	33,832
30 June 2021	2,375,328	2,375,328
Net book value -		
30 June 2021	28,856	28,856
30 June 2020	62,688	62,688

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

7. Investments in subsidiaries

The Company

		<u>2021</u>	<u>2020</u>
		\$	\$
Investments at cost:			
Muse 360 Integrated Limited	(a)	26,368,577	26,368,577
Blue Dot Data Intelligence Limited	(b)	-	-
Bar Central Limited	(c)	<u>5,997,000</u>	<u>5,997,000</u>
		32,365,577	32,365,577
Less: Impairment of investment in subsidiaries		<u>(32,365,577)</u>	-
		<u>-</u>	<u>32,365,577</u>

- (a) Effective 20 July 2018 the company acquired 51% of the issued share capital of Muse 360 Integrated Limited (MUSE). The principal activities of MUSE are marketing and commercial solutions.
- (b) The company disposed of its 50% shareholding in Blue Dot Data Intelligence Limited in the previous year. See Note #9 (Disposal of subsidiary) for the net liabilities disposed. The 50% shareholding was originally purchased on 7 August 2018; the principal activities of Blue Dot were marketing and commercial solutions.
- (c) Effective 2 July 2018, the company acquired 75% of the issued share capital of Bar Central Limited. The principal activities of Bar Central Limited are distribution and provision of branding services.

During the year investments in subsidiaries were tested for impairment. It was assessed by management that the investments were impaired and as a result a provision has been made.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

8. Goodwill

	Muse 360 Integrated Limited	Bar Central Limited	Blue Dot Data Intelligence Limited	Total
	\$	\$	\$	\$
Goodwill:				
Balance as at 1 July 2020	24,106,398	29,706,259	58,200,642	112,013,299
Disposal of subsidiary	-	-	(58,200,642)	(58,200,642)
Less: Impairment provision	(24,106,398)	(29,706,259)	-	(53,812,657)
Closing balance as at 30 June 2020	-	-	-	-
Movement during the year	-	-	-	-
Closing balance as at 30 June 2021	-	-	-	-

Provision estimate: Muse 360 Integrated Limited-100%
Bar Central Limited-100%

	Muse 360 Integrated Limited	Bar Central Limited	Blue Dot Data Intelligence Limited
	\$	\$	\$
Year ended 30 June 2020			
Revenue	7,477,005	56,166,487	53,113,048
Loss	(1,077,114)	(33,933,854)	(9,746,109)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

9. Disposal of Subsidiary

On 27th March 2020, the company entered into an agreement and disposed of its 50% shareholdings in Blue Dot Data Intelligence Limited for a cash consideration of US\$300,000 or JA\$39,758,250.

(a) Analysis of Assets and Liabilities disposed of:

	<u>\$</u>
Cash and cash equivalents	5,040,785
Assets	61,273,422
Debt financing	(2,147,802)
Other liabilities	<u>(78,912,648)</u>
	<u>(14,746,243)</u>
SSL Ventures - 50% Shareholdings	(7,373,122)

(b) Loss on disposal of subsidiary as at 30 June 2020:

	<u>Group</u>	<u>Company</u>
	\$	\$
Consideration	39,758,250	39,758,250
Net liabilities disposed of	14,746,243	-
Elimination of investment in subsidiary	-	(53,704,605)
Non-controlling interest	(9,369,091)	-
Less: Goodwill at acquisition (Note 8)	(58,200,642)	-
Loss on disposal of subsidiary	<u>(13,065,240)</u>	<u>(13,946,355)</u>

(c) Net Cash flow on disposal of subsidiary (Blue Dot):

	<u>\$</u>
Total consideration at 27 March 2020	39,758,250
Less: cash and cash equivalent from subsidiary	<u>(5,040,785)</u>
Disposal of subsidiary, net of cash	<u><u>34,717,465</u></u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

10. Deferred tax asset

Deferred tax asset is calculated in full on all temporary differences under the liability method using the applicable tax rate.

Deferred tax assets recognised on the statement of financial position are as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Deferred tax asset	-	47,392,303	-	9,096,057

The movement on the net deferred tax asset balance is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Net assets at beginning of year	47,392,303	33,151,288	9,096,057	3,778,713
Transferred on acquisition	-	-	-	-
Elimination on disposal of subsidiary	-	(3,215,053)	-	-
Deferred tax (debited)/credited to profit and loss (Note 29)	(47,392,303)	17,456,068	(9,096,057)	5,317,344
Net assets at end of year	-	47,392,303	-	9,096,057

Deferred tax asset is attributable to the following items:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Deferred tax asset:				
Property, plant and equipment	-	261,906	-	(60,052)
Unutilized tax losses	-	47,130,397	-	9,156,109
Net assets at end of year	-	47,392,303	-	9,096,057

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

10. Deferred tax asset (continued)

The amounts shown in the statement of financial position include the following:

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$		\$	\$
Deferred tax asset to be recovered:				
- after more than 12 months	-	47,392,303	-	9,096,057
- within 12 months	-	-	-	-
	<u>-</u>	<u>47,392,303</u>	<u>-</u>	<u>9,096,057</u>

Deferred tax assets were written off during the year ended 30 June 2021 due to the Group's and Company's uncertainty regarding its ability to utilize those losses in the foreseeable future.

11. Inventories

	<u>The Group</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Liquor	4,194	1,527,914
Beverages	92,959	504,802
Other	-	144,125
	<u>97,153</u>	<u>2,176,841</u>

For the years ended 30 June 2021 and 2020 there were no provisions for obsolescence.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

12. Receivables

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Trade	3,542,726	4,122,557	-	-
Other	23,323,989	45,480,021	20,950,028	43,218,615
	26,866,715	49,602,578	20,950,028	43,218,615
Less: Impairment losses on financial assets	(22,218,138)	(3,667,136)	(18,675,412)	-
	<u>4,648,577</u>	<u>45,935,442</u>	<u>2,274,616</u>	<u>43,218,615</u>

13. Cash and short-term deposits

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Cash at bank	721,227	1,303,370	528,449	1,109,589
Short-term deposits	-	2,130,202	-	-
Cash in hand	30,000	10,000	20,000	-
	<u>751,227</u>	<u>3,443,572</u>	<u>548,449</u>	<u>1,109,589</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the group's and company's savings accounts range from 0.05% - 0.07% for accounts that are denominated in United States Dollars, and 0.35% for those denominated in Jamaican Dollars.

14. Share capital

	<u>2021</u>	<u>2020</u>
	<u>No. of shares</u>	<u>No. of shares</u>
Authorised-		
Ordinary shares of no-par value	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	<u>2021</u>	<u>2020</u>
	\$	\$
Issued and fully paid:		
400,000,000 Ordinary shares of no par value	<u>111,880,297</u>	<u>111,880,297</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

15. Capital reserves

	The Group	
	2021	2020
The movements during the year were as follows:	\$	\$
Balance at beginning and at end of year	<u>294,881</u>	<u>294,881</u>

Certain items of motor vehicle were professional valued as at June 2019.

16. Non-controlling interest

	The Group	
	2021	2020
	\$	\$
Balance at beginning of year	(24,294,385)	(19,779,173)
Share of profit/(loss) for the year	5,920,364	(13,884,303)
Elimination of non-controlling interest on disposal of Blue Dot Data Intelligence Limited	-	9,369,091
Balance at end of year	<u>(18,374,021)</u>	<u>(24,294,385)</u>

17. Directors' accounts

This balance, which relates to amounts owed by/to the Directors, is unsecured, interest free and has no fixed repayment terms.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

18. Due from/(to) related companies

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Due from:-				
Bar Central Limited	-	-	-	59,049,365
Muse 360 Integrated Limited	-	-	-	1,535,546
Delta Capital Partner Limited	5,120,500	-	5,120,500	-
	<u>5,120,500</u>	<u>-</u>	<u>5,120,500</u>	<u>60,584,911</u>
Due to:-				
Stocks and Securities Limited	-	(111,576,708)	-	(111,576,708)
Select Private Services Limited	-	(10,021,327)	-	-
SSL Growth Equity Limited	-	(149,312,037)	-	(131,672,110)
	<u>-</u>	<u>(270,910,072)</u>	<u>-</u>	<u>(243,248,818)</u>
	<u>5,120,500</u>	<u>(270,910,072)</u>	<u>5,120,500</u>	<u>(182,663,907)</u>

These companies are related by common shareholders and directors. The balances are unsecured and have no fixed payment/repayment terms.

Management has assessed the performance of the group and the company and concluded that their viability is strongly in doubt. As a result, a decision was taken by the Board to write-off balances due from/(to) related companies through the statement of comprehensive income. See Note 24 for the net amount written off.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

19. Long term Loans

		The Group	
		2021	2020
		\$	\$
Simpson Finance Jamaica Limited	(a)	-	1,046,913
Simpson Finance Jamaica Limited	(b)	2,341,539	2,761,898
Sagicor Bank Limited	(c)	-	2,660,501
Carbyne Capital Investments Limited	(d)	-	1,501,774
		<u>2,341,539</u>	<u>7,971,086</u>
Less: Current portion		<u>(2,341,539)</u>	<u>(5,252,813)</u>
		<u>-</u>	<u>2,718,273</u>

- (a) This loan, which was received in November 2017, attracted interest at 12.99% per annum and was repayable over 48 equal monthly instalments. This loan was repaid during the year.
- (b) This loan, which was received in November 2017, is restructured in May 2020, attracts interest at 8.98% per annum and is repayable over 60 monthly instalments.
- (c) This loan, which was received in April 2019, attracted interest at 11% per annum and was repayable over 24 equal monthly instalments. This loan was repaid during the year.
- (d) This loan, which was received in April 2019, attracted interest at a rate of 48% per annum and was repayable over 12 equal monthly instalments. This loan was repaid during the year.

These loans are substantially secured by the following:

- i. Bill of sale over 2014 Suzuki APV (3764 HQ and 2015 Mitsubishi Pajero (3736 HQ)
- ii. Hypothecation/assignment of 15,000,000 units of Everything Fresh Company Limited shares valued at \$12,000,000 in the name of Stocks and Securities Limited.

20. Payables

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Trade payables	11,321,370	11,726,565	5,597	766,818
Accrued charges	10,486,690	3,770,329	2,460,147	-
Payroll liabilities	19,042,121	15,175,942	3,553,580	764,176
General Consumption Tax	15,031,516	15,031,516	-	-
Other	<u>5,239,732</u>	<u>7,673,178</u>	<u>591,639</u>	<u>3,396,628</u>
	<u>61,121,429</u>	<u>53,377,530</u>	<u>6,610,963</u>	<u>4,927,622</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

21. Short-term loans

		The Group		The Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
Alydar Investment Limited	(a)	7,844,051	7,370,451	7,844,051	7,370,451
Gerald Hadeed	(a)	6,293,777	5,938,577	6,293,777	5,938,577
Dolla Financial Services Limited	(b)	5,120,500	-	5,120,500	-
Dolla Financial Services Limited	(c)	2,139,065	-	-	-
		<u>21,397,393</u>	<u>13,309,028</u>	<u>19,258,328</u>	<u>13,309,028</u>

- (a) These amounts were disbursed on July 1, 2013 and evidenced by Promissory Notes. The loans were for a period of 1 year (repayable June 30, 2015 – the “repayment date”) at a rate of 8% per annum on the outstanding balances compounded quarterly. The lenders were not entitled to require repayment of the principal or interest before the repayment date, however the company at its option could have repaid the principal with interest accrued prorated up to the date of payment without penalty.

Provided the loans were still outstanding on the repayment date, the lenders had the option to convert the loans and the interest thereon into shares in the company at a price agreed between the parties not exceeding the price at which the company’s shares were being publicly traded on the Jamaica Stock Exchange as at the repayment date. The lenders were required to notify the company of their intention to exercise the option at least 14 days before the repayment date.

In respect of the loan with Alydar Investment Limited, the company was not notified by the lender of its intention to take up the equity option. The loan was not repaid and to date no notice of demand for repayment by the lender has been served on the company. The company is currently pursuing negotiations with the lender for the extension of the loan under the same terms and condition. However as at 30 June 2021, the negotiations were not yet finalised.

In respect of the loan with Gerald Hadeed, the lender decided not to exercise the equity option and agreed to extend the loans under the same terms and conditions.

At 30 June 2021, interest payable included in the above balance amounted to \$5,154,455 (30 June 2020: \$4,325,655).

- (b) This loan, which was received in June 2021, attracts interest rate of 1.25% per week and is repayable with monthly equal instalments of \$220,500 on the 30th day of each month until the principal and interest accrued thereon, and other amounts are paid in full.
- (c) This loan, which was received in February 2021 and attracts interest rate 1.25% per week and is repayable over 5 equal monthly instalments.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

22. Bank overdraft

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Bank overdraft	<u>3,957,230</u>	<u>3,890,419</u>	<u>-</u>	<u>-</u>

Bank overdraft represents cheques drawn at year end, not yet presented to the bank.

23. Revenue

Revenue represents the price of goods sold or services rendered to customers, and management fees and is stated net of discounts and allowances and General Consumption Tax.

24. Other income

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Gain on disposal of property, plant and equipment	177,756	-	-	-
Payables write offs	<u>322,653,408</u>	<u>42,821,734</u>	<u>221,221,377</u>	<u>17,078,447</u>
	<u>322,831,164</u>	<u>42,821,734</u>	<u>221,221,377</u>	<u>17,078,447</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

25. Expenses by nature

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Accounting fee	-	3,768,687	-	-
Advertising and promotions	14,972	647,216	-	346,890
Adjustment write off	29,918,269	16,472,274	26,725,371	-
Audit fee	2,314,069	4,200,300	1,149,842	1,421,102
Bad debt expense	1,335,027	1,068,945	-	-
Bank charges	453,936	727,336	90,681	94,265
Bearer service	-	20,000	-	-
Business permits and licenses	10,000	-	10,000	-
Company secretary	1,222,960	2,029,128	1,222,960	2,029,128
Depreciation and amortisation	2,120,440	4,954,923	306,466	254,513
Depreciation on right-of- use assets	-	5,402,152	-	-
Directors fees	1,200,000	592,373	1,200,000	-
Donations	-	8,000	-	-
Dues and subscriptions	742,824	2,248,522	537,506	17,502
Equipment rental	-	948,659	-	-
Insurance	-	508,813	-	-
Legal and professional fees	557,325	25,978,464	384,325	24,491,943
Loss on disposal of property, plant and equipment	-	406,725	-	132,808
Miscellaneous	-	517,888	-	496,855
Motor vehicle expense	1,620,390	3,531,385	268,478	160,910
Office expenses	5,054,068	1,894,444	801,342	677,752
Printing and reproduction	529,585	-	529,585	-
Staff costs (Note 27)	25,988,906	53,591,992	14,418,704	21,873,947
Security	7,177	259,104	-	-
Rent	4,113,302	4,534,244	2,054,412	1,866,412
Registration fees	1,217,023	732,750	1,217,023	732,750
Repairs and maintenance	32,618	1,896,380	32,618	-
Travelling and entertainment	2,240,940	433,864	2,219,500	21,459
Utilities	882,625	2,317,757	524,797	482,500
	<u>81,576,456</u>	<u>139,692,325</u>	<u>53,693,610</u>	<u>55,100,736</u>
Impairment losses on financial assets	18,551,002	1,622,879	18,675,412	-
Finance costs, net (Note 28)	9,876,829	16,024,651	8,295,574	10,400,731
Cost of sales	20,238,126	105,121,032	-	-
	<u>130,242,413</u>	<u>262,460,887</u>	<u>80,664,596</u>	<u>65,501,467</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

26. Operating profit/(loss)

In arriving at the operating (loss)/profit, the following have been charged/(credited): -

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Auditors' remuneration	2,314,069	4,200,300	1,149,842	1,421,102
Impairment losses on financial assets	18,551,002	1,662,879	18,695,412	-
Impairment of goodwill	-	53,812,657	-	-
Loss on disposal of subsidiary	-	13,065,240	-	13,946,355
(Gain)/loss on disposal of property, plant and equipment	(177,756)	406,725	-	132,808
Impairment of investment in subsidiaries	-	-	32,365,577	-
Depreciation and amortization	2,120,440	10,357,075	306,466	254,513
Directors' emoluments:				
- Fee	1,200,000	592,373	1,200,000	-
- Management remuneration (included in staff costs)	-	9,824,507	-	-
Staff costs (Note 27)	<u>25,988,906</u>	<u>53,591,992</u>	<u>14,418,704</u>	<u>21,873,947</u>

27. Staff costs

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Wages and salaries	23,936,515	46,581,268	13,068,653	20,096,014
Statutory contributions	2,025,271	6,632,995	1,350,051	1,752,933
Staff welfare	27,120	352,729	-	-
Casual labour	-	25,000	-	25,000
	<u>25,988,906</u>	<u>53,591,992</u>	<u>14,418,704</u>	<u>21,873,947</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

28. Finance costs, net

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Interest income	(40,540)	(64,625)	(2,164)	(3,028)
Foreign exchange gains	-	(196,778)	-	(9,219)
	<u>(40,540)</u>	<u>(261,403)</u>	<u>(2,164)</u>	<u>(12,247)</u>
Interest expense	9,402,666	14,051,318	7,783,035	9,543,676
Foreign exchange losses	514,703	1,067,525	514,703	869,302
Lease interest expense	-	1,167,211	-	-
	<u>9,917,369</u>	<u>16,286,054</u>	<u>8,297,738</u>	<u>10,412,978</u>
	<u>9,876,829</u>	<u>16,024,651</u>	<u>8,295,574</u>	<u>10,400,731</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

29. Taxation

Taxation is computed on the profit/(loss) for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Income tax at 25%	54,389	521,920	-	-
Deferred tax asset (Note 10)	47,392,303	(17,456,068)	9,096,057	(5,317,344)
	<u>47,446,692</u>	<u>(16,934,148)</u>	<u>9,096,057</u>	<u>(5,317,344)</u>

Entities listed on the Junior Stock Exchange in Jamaica benefit from tax incentives of tax rates of 0% in years 1-5, and 50% of regular tax rates in years 6-10.

Subject to agreement with the Commissioner, General, Tax Administration Jamaica, the group and the company have tax losses of approximately \$234,390,032 (2020: \$166,948,116) and \$153,742,330 (2020: 92,394,652) respectively that can be carried forward indefinitely for offset against future taxable profits.

The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the appropriate income tax rate:

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Profit/(loss) before taxation	<u>212,286,320</u>	<u>(169,760,510)</u>	<u>108,191,204</u>	<u>(60,455,188)</u>
Tax calculated at the appropriate rate	35,501,983	(28,266,800)	13,523,901	(7,556,898)
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	179,140	9,640,682	103,600	1,743,293
Other charges and allowances	<u>11,765,569</u>	<u>1,691,970</u>	<u>(4,531,444)</u>	<u>496,261</u>
	<u>47,446,692</u>	<u>(16,934,148)</u>	<u>9,096,057</u>	<u>(5,317,344)</u>

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

30. Segment financial information

	2021			
	Management Services	Retail and Distribution	Marketing and Advertising	Eliminations
	\$	\$	\$	\$
Gross Revenue	-	19,697,569	-	19,697,569
Inter-segment revenue	-	-	-	-
Revenue from external customers	-	19,697,569	-	19,697,569
Segment results	108,191,204	71,219,488	510,051	32,365,577
Profit before income tax				212,286,320
Taxation				212,286,320
				(47,446,692)
				164,839,628
Total segment assets	14,291,453	4,749,192	3,589,211	-
Total segment liabilities	25,869,191	32,668,770	30,915,940	-
Depreciation	272,634	1,813,975	-	-
				2,086,609

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

30. Segment financial information (continued)

	2020				
	Management Services	Retail and Distribution	Marketing and Advertising	Eliminations	Group
	\$	\$	\$	\$	\$
Gross Revenue	1,914,187	56,166,487	60,590,053	-	118,670,727
Inter-segment revenue	(1,914,187)	-	-	-	(1,914,187)
Revenue from external customers	-	56,166,487	60,590,053	-	116,756,540
Segment results	(113,386,629)	(45,644,190)	(10,729,691)	-	(169,760,510)
Loss before income tax					(169,760,510)
Taxation					16,934,148
					(152,826,362)
Total segment assets	150,812,483	46,548,514	13,965,873	-	211,326,870
Total segment liabilities	261,485,468	117,948,502	31,191,095	-	410,625,065
Other segment items					
Depreciation	220,683	3,574,472	645,855	-	4,441,010

31. Earnings/(loss) per stock unit

Earnings/(loss) per stock unit ("EPS/(LPS)") is computed by dividing the earnings/(loss) attributable to stockholders of the parent of \$158,919,264 (2020: (\$138,942,059)) by the weighted average number of ordinary stock units in issue during the year, numbering 400,000,000 (2020: 400,000,000).

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Notes to the Financial Statements

30 June 2021

32. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the group and company.

The following were (credited)/debited to the statement of comprehensive income:

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Management fees	-	-	-	(1,914,187)
Directors' fees	1,200,000	592,373	1,200,000	-
Management remuneration	-	9,824,507	-	-
Impairment of investment in subsidiaries	-	-	32,365,577	-

Related parties' transactions being written off by the following companies through the statement of comprehensive income (Note 24):

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Stocks and Securities				
SSL Venture Capital Jamaica Limited (129,743,151)		-	(129,743,151)	-
Bar Central Limited (17,639,925)		-	-	-
Select Private Services Limited				
Bar Central Limited (10,021,329)		-	-	-
SSL Growth Equity Limited				
SSL Venture Capital Jamaica Limited (91,478,226)		-	(91,478,226)	-
SSL Venture Capital Jamaica Limited				
Bar Central Limited (72,235,231)		-	-	-
Muse Integrated Limited (1,535,546)		-	-	-
	(322,653,408)	-	(221,221,377)	-

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2021

32. Related party transactions (continued)

As at the statement of financial position date the following balances were outstanding: -

	The Group		The Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Due from:-				
Muse 360 Integrated Limited	-	-	-	1,535,546
Bar Central Limited	-	-	-	59,049,365
Delta Capital Partner Limited	5,120,500	-	5,120,500	-
	<u>5,120,500</u>	<u>-</u>	<u>5,120,500</u>	<u>60,584,911</u>
Due to:-				
Stocks and Securities Limited	-	(111,576,708)	-	(111,576,708)
Select Private Services Limited	-	(10,021,327)	-	-
SSL Growth Equity Limited	-	(149,312,037)	-	(131,672,110)
	<u>-</u>	<u>(270,910,072)</u>	<u>-</u>	<u>(243,248,818)</u>
	<u>5,120,500</u>	<u>(270,910,072)</u>	<u>5,120,500</u>	<u>(182,663,907)</u>

