



iCREATE LIMITED  
**UNAUDITED FINANCIAL STATEMENTS**  
FOR THE PERIOD ENDING JUNE 30, 2019





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This document was prepared by



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## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of iCreate Limited is pleased to present the unaudited financial statement of the company for the six-month ended June 30, 2019.

### Infrastructure Expansion Update - Physical Build-out (Kingston & Montego Bay)

Since our IPO, we added approximately 1,500 sq ft of training space, in addition to increasing the amount of training equipment to satisfy the demand being experienced at our Kingston location. This is driven mainly by our creative courses (photography, video production & graphic design etc) which have all been oversubscribed during the quarter. Additionally, for the Montego Bay location, we outfitted another 1,500 sq. ft of training space to get operations underway. We successfully started a cohort for our Digital Marketing program in Montego Bay and will be introducing the creative certificate courses in Q3. The increased space in Kingston and the addition of the Montego Bay location was one of our IPO mandates. This will now give iCreate the opportunity to roll out a number of new courses, which will be important to growing the business.

For the quarter ending June 30, 2019, iCreate Limited recorded revenues of \$13.13m compared with the \$8.25m for the corresponding quarter ending June 30, 2018, representing an increase of 59.2% or \$4.88m. Year to date, revenues increased by 26.7% when compared to the corresponding 6 months in 2018. Our Kingston location accounts for approximately 98% of total revenues, signalling a strong demand for our courses, which is expected to continue with the completion of our Kingston and Montego bay build-out.

iCreate recorded a net loss of \$7.85m in the quarter, when compared to the net loss of \$6.43m for the corresponding period ending June 30, 2018. For the six-months period ending June 30, 2019, the company recorded a net loss of \$9.34m compared to \$3.65m for the corresponding period ended June 30, 2018. This was primarily due to increased operating expenses during the second quarter of \$6.07m associated with our expansion activities.

## Outlook: Increasing Technical Capacity & Partnerships for Growth

Business development activities have significantly increased within the company during this period as we have commenced training for HEART Trust NTA, Kingston & St. Andrew Municipal Corporation in addition to special projects with the British High Commission & British Council as well as the Digicel Group. During the quarter, we also signed a Memorandum of Understanding (MoU) with Trend Media Group (a subsidiary of Digicel Group) and Mico University College. Our MoU with Trend Media allows us to expand regionally with our Digital Marketing programs - tapping into Trend's regional market intelligence and client pipeline. This partnership will enable us to make our digital marketing courses available to thousands of Caribbean nationals outside of Jamaica without increasing our costs for physical training-space/ office-space or marketing. Our MoU with Mico will see us offering a special program designed to equip teachers in Jamaica to build their capacity to deliver Digital & Creative courses in classrooms across Jamaica.

We have also successfully launched our latest source of revenue in the form of a workshop series which will be normalised as a staple product before the end of Q3.

We thank our shareholders, directors and team members for their support as we chart the way forward in this new digital economy

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STATEMENT OF FINANCIAL POSITION

iCreate Limited  
Statement of Financial Position  
as at 30 June 2019

	Six months ended 30-Jun-19	Six months ended 30-Jun-18	Audited 31-Dec-18
	\$	\$	\$
ASSETS			
Non-Current Assets			
Intangible assets	1,143,984	1,130,315	1,097,845
Property, plant and equipment	21,569,429	6,154,420	6,100,903
Deferred tax asset	220,907	-	220,907
Total non-current assets	22,934,320	7,284,735	7,419,655
Current Assets			
Trade and other receivable	9,710,577	7,726,339	5,373,063
Due from related party	6,549,767	4,295,412	1,756,054
Cash and cash equivalents	7,264,000	655,619	269,090
Total current assets	23,524,344	12,677,370	7,398,207
Total Assets	46,458,664	19,962,105	14,817,862
EQUITY AND LIABILITIES			
Equity			
Issued share capital	54,066,070	500,000	500,000
Retained earnings	(24,184,660)	(3,652,589)	(14,848,055)
	29,881,410	(3,152,589)	(14,348,055)
Current Liabilities			
Trade and other payables	15,320,879	4,962,522	9,499,715
Customer prepayments	1,256,375	3,152,172	1,050,000
Convertible loans	-	15,000,000	17,500,000
Due to related party	-	-	1,116,202
Total current liabilities	16,577,254	23,114,694	29,165,917
Total equity and liabilities	46,458,664	19,962,105	14,817,862

  
Lissant Mitchell  
Chairman

  
Tyrone Wilson  
President & CEO



Carl Carram - General Manager of iCreate (left) congratulates Natash Levy on becoming a Certified Digital Marketer. Natasha was a candidate in our Professional Diploma in Digital Marketing course

# STATEMENT OF COMPREHENSIVE LOSS

for the period ending 30 June 2019

## iCreate Limited

Statement of Comprehensive (Loss)/Profit  
for the period ending 30 June 2019

	For the three months ended		For the six months ended		Audited
	Jun-19	Jun-18	Jun-19	Jun-18	Dec-18
	\$	\$	\$	\$	\$
<b>Revenue, net</b>	<b>13,128,380</b>	<b>8,247,200</b>	<b>25,024,430</b>	<b>19,743,959</b>	<b>31,848,759</b>
Direct cost	(3,467,729)	(5,714,500)	(6,737,789)	(4,473,501)	(11,839,112)
<b>Gross Profit</b>	<b>9,660,651</b>	<b>2,532,700</b>	<b>18,286,641</b>	<b>15,270,458</b>	<b>20,009,647</b>
Other income	102,150	1,733	292,905	2,315	119,790
Administrative and general expense	(16,385,137)	(8,063,630)	(25,930,502)	(17,739,872)	(32,058,845)
Depreciation and amortization	(899,567)	(248,492)	(1,193,239)	(307,522)	(1,045,093)
<b>Operating loss</b>	<b>(7,521,903)</b>	<b>(5,777,689)</b>	<b>(8,544,195)</b>	<b>(2,774,621)</b>	<b>(12,974,501)</b>
Finance cost	(330,750)	(655,340)	(792,410)	(877,968)	(2,094,461)
<b>Loss before Taxation</b>	<b>(7,852,653)</b>	<b>(6,433,029)</b>	<b>(9,336,605)</b>	<b>(3,652,589)</b>	<b>(15,068,962)</b>
Taxation credit	-	-	-	-	(220,907)
<b>Net loss for the period, being total comprehensive income</b>	<b>(7,852,653)</b>	<b>(6,433,029)</b>	<b>(9,336,605)</b>	<b>(3,652,589)</b>	<b>(14,848,055)</b>
<b>Earnings per stock unit</b>	<b>(0.04)</b>	<b>(12.87)</b>	<b>(0.05)</b>	<b>(7.31)</b>	<b>(29.70)</b>



## STATEMENT OF CHANGES IN EQUITY

### iCreate Limited

Statement of Changes in Equity  
for the period 30 June 2019

	Share capital \$	Retained earnings \$	Total equity \$
Allotted during the year	500,000	-	500,000
Total comprehensive profit for the period	-	(14,848,055)	(14,848,055)
<b>At 31 December 2018</b>	<b>500,000</b>	<b>(14,848,055)</b>	<b>(14,348,055)</b>

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2018	500,000	-	500,000
Total comprehensive loss for the period	-	(3,652,589)	(3,652,589)
<b>At 30 June 2018</b>	<b>500,000</b>	<b>(3,652,589)</b>	<b>(3,152,589)</b>

	Share capital \$	Retained earnings \$	Total equity \$
At 1 January 2019	500,000	(14,848,055)	(14,348,055)
Ordinary shares issued	53,566,070	-	53,566,070
Total comprehensive loss for the period	-	(9,336,605)	(9,336,605)
<b>At 30 June 2019</b>	<b>54,066,070</b>	<b>(24,184,660)</b>	<b>29,881,410</b>

## STATEMENT OF CASH FLOW

for the period ending 30 June 2019

### iCreate Limited

Statement of Cash Flows  
for the period 30 June 2019

	Six months ended 30-Jun-19 \$	Six months ended 30-Jun-18 \$	Audited 31-Dec-18 \$
<b>OPERATING ACTIVITIES</b>			
(Loss) profit for the period	(9,336,605)	(3,652,589)	(14,848,055)
Adjustments for			
Depreciation and amortization	1,193,239	307,522	1,045,093
Bad debt	948,966	-	1,850,087
Interest expense	323,973	409,863	1,361,438
Deferred taxation	-	-	(220,907)
	<b>(6,870,427)</b>	<b>(2,935,204)</b>	<b>(10,812,344)</b>
<b>Increase in operating assets:</b>			
Trade and other receivables	(5,243,101)	(7,726,339)	(7,223,151)
Due from related party	(5,953,293)	(4,295,412)	(639,852)
<b>Increase in operating liabilities:</b>			
Trade and other payables	5,497,191	7,704,832	8,138,278
Customer prepayments	206,375	-	1,050,000
<b>Net Cash used in operating activities</b>	<b>(12,363,255)</b>	<b>(7,252,123)</b>	<b>(9,487,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(16,594,055)	(6,407,367)	(6,797,127)
Acquisition of intangible assets	(113,850)	(1,184,891)	(1,446,714))
<b>Net cash used in investing activities</b>	<b>(16,707,905)</b>	<b>(7,592,258))</b>	<b>(8,243,841))</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share capital	53,566,070	500,000	500,000
Convertible Note	(17,500,000)	-	17,500,000
Redemption of convertible notes	-	15,000,000	-
<b>Net cash provided by financing activities</b>	<b>36,066,070</b>	<b>15,500,000</b>	<b>18,000,000</b>
<b>NET DECREASE/(INCREASE) IN CASH AND BANK BALANCES</b>	<b>6,994,910</b>	<b>655,619</b>	<b>269,090</b>
<b>OPENING CASH AND BANK BALANCES</b>	<b>269,090</b>	<b>-</b>	<b>-</b>
<b>CLOSING CASH AND BANK BALANCES</b>	<b>7,264,000</b>	<b>655,619</b>	<b>269,090</b>



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# GENERAL INFORMATION

iCreate Limited is a limited liability Company incorporated and domiciled in Jamaica. The registered office of the Company is 72B Hope Road, Kingston 6.

iCreate Limited is a subsidiary of eMedia Interactive Group Limited.

The principal activity of the Company is to develop and deliver degree and certificate courses to students in the creative field, such as, advertising, film, animation, graphic design, mobile games, fashion design and more.

## BASIS OF PREPARATION

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and the relevant requirements of the Jamaican Companies Act.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of the financial statements in conformity with IFRS and the Act requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period then ended. Actual results could differ from these estimates.

## ACCOUNTING POLICIES

There have been no changes in accounting policies since the most recent audited financial statements as at March 31, 2018.



3D render of the new iCreate learning environment.



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SHAREHOLDINGS

Disclosure of Shareholdings as at March 31, 2019

SHAREHOLDINGS

Disclosure of Shareholdings  
As at June 30, 2019

Directors	Shareholdings
Sandra Glasgow	500,000
Tyrone Wilson	Nil
David Wan	Nil
Devon Lawrence	100,000
Mischa McLeod-Hines	50,000
Sheree Martin	Nil
Rhys Campbell	Nil
Kenneth Benjamin*	2,000,000
Jennifer Bailey	Nil
Executive Management	
Tyrone Wilson, President & CEO	Nil
Carl Carram, General Manager	19,000
Stephen Greig, Company Secretary	Nil

TOP TEN  
SHAREHOLDERS

TOP TEN SHAREHOLDERS		
Name	Shareholdings	Percentage
eMedia Interactive Group Limited	100,000,000	51%
Sagicor Investments Jamaica Limited	23,530,000	12%
Andrew Pairman	15,250,000	7.7%
GK Investments Limited	10,185,185	5%
Kenneth S. Benjamin	2,000,000	1%
Guardsman Group Limited	2,000,000	1%
JCSD Trustee Services Limited- Proven Select Equity	2,000,000	1%
Proven Equity Pooled Fund	1,000,000	0.51%
David A Shirley	1,000,000	0.51%
Suzanne M Wilson	1,000,000	0.51%

\*Director Kenneth Benjamin is a connected party to Guardsman Group Limited.





## PARTNERS



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