

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Consolidated Financial Statements**  
**30 June 2019**

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Index**  
**30 June 2019**

---

**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
Company statement of financial position	5
Company statement of comprehensive income	6
Company statement of changes in equity	7
Company statement of cash flows	8
Notes to the financial statements	9 – 55

## **INDEPENDENT AUDITORS' REPORT**

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

14 Ruthven Road  
Kingston 10  
Jamaica

T: 876 906 1658-9  
F: 876 920 3226

admin@bakertilly.com.jm  
www.bakertilly.com.jm

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

#### *Opinion*

We have audited the separate 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 – 55, which comprise the separate and consolidated statement of financial position as at 30 June 2019, 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, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2019 and its separate and consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and the Jamaican Companies Act.

#### *Basis for Opinion*

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

#### *Material Uncertainty relating to Going Concern*

We draw attention to Note 30 in the financial statements which indicates that the Group reported losses in 2019 of \$45,594,888 and a profit of \$6,826,292 in 2018; the Company reported losses in 2019 of \$23,374,004 and a profit of \$6,826,292 in 2018. The Group and the Company as at 30 June 2019 has accumulated deficit of \$180,602,406 (2018: \$144,041,434) and \$167,415,438 (2018: \$144,041,434) respectively. Further, as at 30 June 2019, the Group's and the Company's current liabilities exceeded its current assets by \$97,732,899 (2018: \$32,201,297) and \$41,933,477 (2018: \$32,201,297) respectively. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA; FCCA; MBA Emile Lafayette; FCA; FCCA; MBA PRINCIPAL: Roxiana Malcolm-Tyrell; FCA; FCCA; MBA

Baker Tilly Strachan Lafayette trading as BakerTilly 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)**

#### *Material Uncertainty relating to Going Concern (continued)*

Until the Group and the Company are able to sustain profitable operations, they remain dependent on their ultimate parent (SSL Growth Equity Limited) for continued financial support. SSL Growth Equity Limited has indicated that it has the intent and ability to provide financial support to the Group and the Company for the foreseeable future. Our opinion is not modified in respect of this matter.

#### *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 *Material Uncertainty Relating to Going Concern* 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 operates. 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 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 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 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 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 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 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 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 additional matters 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**

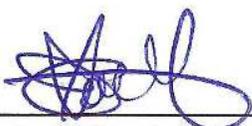
Kingston, Jamaica  
27 September 2019

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Consolidated Statement of Financial Position**  
**As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	18,499,874	40,030
Intangible assets	6	2,645,479	130
Goodwill	8	112,013,299	-
Deferred income taxes	9	33,151,288	-
		166,309,940	40,160
<b>Current assets</b>			
Inventories	10	6,707,076	-
Receivables	11	23,463,577	-
Taxation recoverable		1,471,114	184,113
Cash at bank and in hand	12	21,055,955	33,511
		52,697,722	217,624
<b>TOTAL ASSETS</b>		219,007,662	257,784
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	111,880,297	111,880,297
Capital reserves	14	294,881	-
Accumulated deficit		(180,602,406)	(144,041,434)
		(68,427,228)	(32,161,137)
<b>Non-controlling interest</b>	15	(19,779,173)	-
		(88,206,401)	(32,161,137)
<b>Non-current liabilities</b>			
Directors' loans	16	2,110,620	-
Due to related companies	17	148,794,752	-
Long term loans	18	5,878,070	-
		156,783,442	-
<b>Current liabilities</b>			
Payables	19	103,738,252	19,693,074
Short term loans	20	37,524,966	12,725,847
Current portion of long-term loans	18	6,221,558	-
Taxation payable		967,854	-
Bank overdraft	21	1,977,991	-
		150,430,621	32,418,921
<b>TOTAL EQUITY AND LIABILITIES</b>		219,007,662	257,784

Approved for issue by the Board of director on 27 September 2019 and signed on its behalf by:

  
\_\_\_\_\_  
Gavin Valentine Director

  
\_\_\_\_\_  
Zachary Harding Director

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Consolidated Statement of Comprehensive Income  
Year ended 30 June 2019**

	Note	<u>2019</u>	<u>2018</u>
		\$	\$
<b>Revenue</b>	22	332,267,569	510,419
Cost of sales		<u>(275,867,539)</u>	<u>-</u>
<b>Gross profit</b>		56,400,030	510,419
Other operating income	23	20,100,728	1,909,458
Operating and administrative expenses	24	(145,931,139)	(22,728,334)
Impairment losses	3a	<u>(2,955,380)</u>	<u>-</u>
<b>Operating loss</b>	25	(72,385,761)	(20,308,457)
Finance costs, net	27	<u>(4,502,996)</u>	<u>(807,386)</u>
<b>Loss before taxation</b>		(76,888,757)	(21,115,843)
Taxation	28	<u>31,293,869</u>	<u>-</u>
<b>Loss after taxation</b>		(45,594,888)	(21,115,843)
<b>Other comprehensive profit, net of income tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange gains due to translation		-	27,942,135
<b>Total comprehensive (loss)/profit</b>		<u>(45,594,888)</u>	<u>6,826,292</u>
<b>Net loss attributable to:</b>			
Stockholders of the Company		(35,958,783)	-
Non-controlling interests		<u>(9,636,105)</u>	<u>-</u>
		<u>(45,594,888)</u>	<u>-</u>
<b>(Loss)/profit per stock unit</b>	31	<u>(.09)</u>	<u>0.02</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Consolidated Statement of Changes in Equity**  
**Year ended 30 June 2019**

	Number of Shares	Equity Attributable to Stockholders of the Company			Non-controlling Interest	Total Equity
		Share Capital	Capital Reserves	Accumulated Deficit		
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	1,000,000,000	111,880,297	-	(150,867,726)	(38,987,429)	- (38,987,429)
Total comprehensive profit	-	-	-	6,826,292	6,826,292	- 6,826,292
<b>Balance at 30 June 2018</b>	1,000,000,000	111,880,297	-	(144,041,434)	(32,161,137)	- (32,161,137)
Adjustment on initial application of IFRS 9	-	-	-	(602,189)	(602,189)	(200,728) (802,917)
<b>Restated total equity at 1 July 2018</b>	1,000,000,000	111,880,297	-	(144,643,623)	(32,763,326)	(200,728) (32,964,054)
Non-controlling interest arising on acquisition of subsidiaries	-	-	-	-	-	(10,225,657) (10,225,657)
Capital reserves	-	-	294,881	-	294,881	283,317 578,198
Total comprehensive loss	-	-	-	(35,958,783)	(35,958,783)	(9,636,105) (45,594,888)
<b>Balance at 30 June 2019</b>	1,000,000,000	111,880,297	294,881	(180,602,406)	(68,427,228)	(19,779,173) (88,206,401)

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Consolidated Statement of Cash Flows**  
**Year ended 30 June 2019**

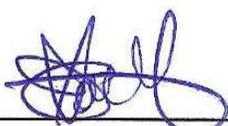
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Loss before taxation	(76,888,757)	(21,115,843)
Adjustments for:		
Amortisation	554,543	-
Amortisation cost adjustment	-	(2,627,591)
Bad debt	654,885	20,422,290
Depreciation	4,055,170	27,240
Loss on disposal of plant and equipment	1,646,600	43,682
Interest expenses	3,214,007	720,219
Interest income	(178,451)	(261)
	<u>(66,942,003)</u>	<u>(2,530,264)</u>
Changes in operating assets and liabilities:		
Decrease in receivables	8,907,515	2,658,633
Increase in payables	9,183,502	5,091,942
Increase in inventories	(3,583,618)	-
Cash (used in)/provided by operating activities	<u>(52,434,604)</u>	<u>5,220,311</u>
Taxes paid	(1,064,580)	(2,498)
Interest paid	(3,214,007)	(720,219)
Interest received	178,451	261
Net cash (used in)/provided by operating activities	<u>(56,534,740)</u>	<u>4,497,855</u>
<b>Investing Activities</b>		
Acquisition of subsidiary, net of cash acquired	(88,705,888)	-
Purchase of property, plant and equipment	(7,773,165)	-
Purchase of intangible assets	(3,138,298)	-
Proceeds from disposal of plant and equipment	1,330,000	-
Net cash used in investing activities	<u>(98,287,351)</u>	<u>-</u>
<b>Financing Activities</b>		
Increase in related companies	148,794,752	-
Directors' loans, net	(5,589,685)	(4,223,844)
Long term loans, net	9,965,358	883,161
Short term loans, net	20,696,119	-
Net cash provided by/(used in) financing activities	<u>173,866,544</u>	<u>(3,340,683)</u>
Net increase in cash and cash equivalents	19,044,453	1,157,172
Effects of changes in exchange rates on cash and cash equivalents	-	(1,165,077)
<b>Cash and cash equivalents at beginning of year</b>	<u>33,511</u>	<u>41,416</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>19,077,964</u>	<u>33,511</u>
<b>Represented by:</b>		
Cash at bank and in hand	21,055,955	33,511
Bank overdraft	(1,977,991)	-
	<u>19,077,964</u>	<u>33,511</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Company Statement of Financial Position**  
**As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	858,511	40,030
Intangible assets	6	96,520	130
Investments in subsidiaries	7	86,070,182	-
Due from related companies	17	34,367,835	-
Deferred income taxes	9	3,778,713	-
		<u>125,171,761</u>	<u>40,160</u>
<b>Current assets</b>			
Receivables	11	2,827,327	-
Taxation recoverable		1,471,114	184,113
Cash at bank and in hand	12	14,826,529	33,511
		<u>19,124,970</u>	<u>217,624</u>
<b>TOTAL ASSETS</b>		<u>144,296,731</u>	<u>257,784</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	111,880,297	111,880,297
Accumulated deficit		<u>(167,415,438)</u>	<u>(144,041,434)</u>
		<u>(55,535,141)</u>	<u>(32,161,137)</u>
<b>Non-current liabilities</b>			
Directors' loans	16	-	-
Due to related companies	17	138,773,425	-
		<u>138,773,425</u>	<u>-</u>
<b>Current liabilities</b>			
Payables	19	23,533,481	19,693,074
Short-term loans	20	37,524,966	12,725,847
		<u>61,058,447</u>	<u>32,418,921</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>144,296,731</u>	<u>257,784</u>

Approved for issue by the Board of director on 27 September 2019 and signed on its behalf by:

  
\_\_\_\_\_  
Gavin Valentine Director

  
\_\_\_\_\_  
Zachary Harding Director

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Company Statement of Comprehensive Income**  
**Year ended 30 June 2019**

	Note	<u>2019</u>	<u>2018</u>
		\$	\$
<b>Revenue</b>	22	9,889,432	510,419
Other operating income	23	10,453,660	1,909,458
Operating and administrative expenses	24	<u>(46,172,146)</u>	<u>(22,728,334)</u>
<b>Operating loss</b>	25	(25,829,054)	(20,308,457)
Finance costs, net	27	<u>(1,323,663)</u>	<u>(807,386)</u>
<b>Loss before taxation</b>		(27,152,717)	(21,115,843)
Taxation	28	<u>3,778,713</u>	<u>-</u>
<b>Loss after taxation</b>		(23,374,004)	(21,115,843)
<b>Other comprehensive loss, net of income tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange gains due to translation		-	27,942,135
<b>Total comprehensive (loss)/profit</b>		<u>(23,374,004)</u>	<u>6,826,292</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Company Statement of Changes in Equity**  
**Year ended 30 June 2019**

	<b>Share Capital</b>	<b>Accumulated Deficit</b>	<b>Total</b>
	\$	\$	\$
<b>Balance at 01 July 2017</b>	111,880,297	(150,867,726)	(38,987,429)
Profit for the year	-	6,826,292	6,826,292
<b>Balance at 30 June 2018</b>	111,880,297	(144,041,434)	(32,161,137)
Loss for the year	-	(23,374,004)	(23,374,004)
<b>Balance at 30 June 2019</b>	111,880,297	(167,415,438)	(55,535,141)

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Company Statement of Cash Flows**  
**Year ended 30 June 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>CASH RESOURCES WERE PROVIDED BY/(USED IN):</b>		
<b>Operating Activities</b>		
Loss before taxation	(27,152,717)	(21,115,843)
Adjustments for:		
Amortisation and depreciation	78,766	27,240
Amortisation cost adjustment	-	(2,627,591)
Bad debt	-	20,422,290
Loss on disposal of plant and equipment	-	43,682
Interest expenses	1,121,452	720,219
Interest income	(100,872)	(261)
	<u>(26,053,371)</u>	<u>(2,530,264)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(2,827,327)	2,658,633
Increase in payables	3,840,407	5,091,942
Cash (used in)/provided by operating activities	(25,040,291)	5,220,311
Taxes paid	(1,287,001)	(2,498)
Interest paid	(1,121,452)	(720,219)
Interest received	100,872	261
Net cash (used in)/provided by operating activities	<u>(27,347,872)</u>	<u>4,497,855</u>
<b>Investing Activities</b>		
Acquisition of subsidiaries	(86,070,182)	-
Purchase of intangibles	(102,000)	-
Purchase of property, plant and equipment	(891,637)	-
Net cash used in investing activities	<u>(87,063,819)</u>	<u>-</u>
<b>Financing Activities</b>		
Directors' loans repayment	-	(4,223,844)
Related companies, net	104,405,590	-
Short-term loans, net	24,799,119	883,161
Net cash provided by/(used in) financing activities	<u>129,204,709</u>	<u>(3,340,683)</u>
Net increase in cash and cash equivalents	14,793,018	1,157,172
Effects of changes in exchange rates on cash and cash equivalents	-	(1,165,077)
<b>Cash and cash equivalents at beginning of year</b>	<u>33,511</u>	<u>41,416</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>14,826,529</u>	<u>33,511</u>
<b>Represented by:</b>		
Cash at bank	<u>14,826,529</u>	<u>33,511</u>

## SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

### Notes to the Financial Statements

30 June 2019

---

#### 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 21, Seymour Park, 2 Seymour Avenue, 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 through sale to private parties. The company's income thereafter, consists mainly of management fees earned from its affiliated companies.

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:

<b>Date of Acquisition</b>	<b>Subsidiaries</b>	<b>Principal Activities</b>	<b>Proportion of issued share capital held by company</b>
July 2, 2018	Bar Central Limited	Distribution and provision of branding services	75%
August 7, 2018	Blue Dot Data Intelligence Limited	Marketing and commercial solutions	50%
July 20, 2018	Muse 360 Integrated Limited	Marketing and commercial solutions	51%

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

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 2019**

---

**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. 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 2019**

---

**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 new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2018 but are either not relevant or have not had a material effect on the group and company and so have not been discussed in detail in the notes to the financial statements:

**Cycle Annual improvements to IFRS, 2014-2016** cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after 1 January 2018. IAS 28 Investments in Associates and Joint Ventures clarifies that the election to measure fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

**IFRIC 22, 'Foreign currency transactions and advance consideration'** (effective for annual periods beginning on or after 1 January 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipt are made. The guidance aims to reduce diversity in practice. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Notes to the Financial Statements****30 June 2019**

---

**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)**

New standards impacting the group that have been adopted in the annual financial statements for the year ended 30 June 2019, and which have given rise to changes in the group's accounting policies are:

**IFRS 15, 'Revenue from Contracts with Customers'**, replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC – 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

The adoption of IFRS 15 Revenue from Contracts with Customers from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 15 the group and company has elected to use the cumulative effect method and as such, comparative figures have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy. The reclassifications and the adjustments arising from the implementation of the standard are therefore recognised in the opening balance sheet on 1 January 2018. The group and company has also elected to apply the new standard only to those contracts that are not considered complete contracts at the date of initial application.

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

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**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)**

**IFRS 9, 'Financial instruments'**, replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9(7.2.15) and (7.2.26), comparative figures have not been restated. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 30 June 2018 but are recognised in the opening balance sheet on 1 July 2018.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**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.

**Amendments to IFRS 9 ‘Financial Instruments’, ‘Prepayment Features with Negative Compensation’** (effective for annual periods beginning on or after 1 January 2019). Under the current IFRS 9 requirements, the solely for payments of principal and interest (SPPI) condition is not met if the lender has to make a settlement payment in the event of termination by the borrower (also referred to as early repayment gain). ‘Prepayment Features with Negative Compensation’ amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The final amendments also contain (in the Basis for Conclusions) a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortised cost amount.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**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)**

**IFRS 16 'Leases'**, specifies how an IFRS reporter will recognise, measure, present and disclose leases. IFRS 16 was issued January 2016 and becomes effective 1 January 2019. It replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Adoption of IFRS 16 will result in the company recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. The only exceptions are short-term (less than 12 months) and low-value leases. For leases currently classified as operating leases, under current accounting requirements the group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The group will apply the standard from its mandatory adoption date of 1 January 2019. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Commitments relating to short-term leases and low value leases will be recognised on a straight-line basis as expense in profit and loss.

At 30 June 2019 operating lease commitments for the group and the company amounted to \$7.5 million and \$3.4 million respectively (see note 24), which is not expected to materially differ to the anticipated position on 30 June 2020. However further work still needs to be carried out to fully determine the right-of-use assets and lease liabilities being recognised on July 1, 2020 and the resulting impact on the company's financial position and net profit after tax.

Instead of recognising an operating expense for its operating lease payments, the group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. Operating cash flows will increase, and financing cash flows decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**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)**

**Amendments to IAS 19, ‘Employee benefits’** on ‘plan amendment, curtailment or settlement’ (effective for annual period beginning on or after 1 January 2019). These amendments require an entity to: use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

**Annual improvements to IFRS 2015 - 2017 Cycle – Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23** (effective for annual periods beginning on or after 1 January 2019). The amendments to IFRS 3 clarifies how a company remeasures its previously held interest in a joint operation when it obtains control of a business. The amendments to IAS 12 clarify that all income tax consequences of dividends should be recognised in profit or loss, regardless of how the tax arises. The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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 2019**

---

**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 2019. 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.

**(c) 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 2019

---

#### 2. Summary of significant accounting policies (continued)

##### (d) 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 disposal 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 2019**

---

**2. Summary of significant accounting policies (continued)****(e) Financial Instruments****Classification**

From 1 July 2018, 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 reclassifies 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 commits 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 measures 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. IFRS 9 (4.3.2),(4.3.3).

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 2019**

---

**2. Summary of significant accounting policies (continued)**

**(e) Financial Instruments (continued)**

*Debt instruments*

Subsequent measurement of debt instruments depends on the group 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 classifies 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**

From 1 July 2018, the group and company assesses 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 2019**

---

**2. Summary of significant accounting policies (continued)**

**(f) 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.

**(g) 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).

**(h) 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.

**(i) 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 applies 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 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 2019**

---

**2. Summary of significant accounting policies (continued)****(j) Cash at bank and in hand**

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes.

**(k) 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.

**(l) 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.

**(m) 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, if 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 2019**

---

**2. Summary of significant accounting policies (continued)****(n) Provisions**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, if 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.

**(o) 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 and receivables. Financial liabilities consist of payables, borrowings, directors' accounts and related group accounts.

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 items.

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

**(p) 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 group 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 group 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 2019**

---

**2. Summary of significant accounting policies (continued)**

**(q) 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 and expense are 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 2019**

---

**2. Summary of significant accounting policies (continued)****(r) 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.

**(s) 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 2019**

---

**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.

**(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.

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.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**3. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

On that basis, the loss allowance as at 1 July 2018 and 30 June 2019 (on adoption of IFRS 9) was determined as follows for both trade receivables and contract assets:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2019</b>					
Expected loss rate	13.57%	12.06%	12.06%	12.73%	12.66%
Gross carrying amount – trade receivables	2,638,370	3,557,680	2,073,013	14,974,214	23,243,277
Loss allowance	358,029	429,137	250,052	1,906,522	2,943,740
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2018</b>					
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade receivables	-	-	-	-	-
Loss allowance	-	-	-	-	-

The closing loss allowances for trade receivables as at 30 June 2019 reconcile to the opening loss allowances as follows:

	<b>Trade receivables</b>
	<b>2019</b>
	<b>\$</b>
<b>30 June 2018 – calculated under IAS 39</b>	-
Amounts restated through opening retained earnings	802,917
Opening loss allowance as at 1 July 2018 – calculated under IFRS 9	802,917
Increase in loss allowance recognised in profit or loss during the year	2,955,380
Bad debts recovered during the year	(814,557)
<b>At 30 June 2019</b>	<b>2,943,740</b>

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 2019**

---

**3. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

Impairment losses on trade receivables and contract assets 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 2019 trade receivables of \$23,243,277 (2018: \$Nil) had lifetime expected credit losses of 2,943,740 (2018: \$Nil). The ageing of these receivables is as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
0-30 days	2,638,370	-
31-60 days	3,557,680	-
61-90 days	2,073,013	-
Over 91 days	14,974,214	-
	<u>23,243,277</u>	<u>-</u>

*Previous accounting policy for impairment of trade receivables*

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The group and company considered that there was evidence of impairment if any of the following indicators were present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or late payments (more than 30 days overdue).

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**3. Financial Risk Management (continued)**

**(a) Credit risk (continued)**

**Debt investments**

All of the entity's debt investments FVOCI are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

*Other financial assets at amortised cost*

Other financial assets at amortised cost include loans to related parties and key management personnel and other receivables.

While the other financial assets at amortised cost are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

*Debt investments at fair value through other comprehensive income*

Debt investments at fair value through other comprehensive income (FVOCI) include listed and unlisted debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

While the debt investments at FVOCI are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**Net impairment losses on financial and contract assets recognised in profit or loss**

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

	<b>2019</b>	<b>2018</b>
	\$	\$
Impairment losses	-	-
- movement in loss allowance for trade receivables and contract assets	2,955,380	-
Reversal of previous impairment losses	-	-
Net impairment losses on financial and contract assets	<u>2,955,380</u>	<u>-</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**3. Financial Risk Management (continued)**

**(b) Liquidity risk (continued)**

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:**

	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 Years 2019</b>	<b>Total</b>	<b>Contractual cashflows</b>	<b>Carrying amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due to related companies	-	-	148,794,752	148,794,752	148,794,752	148,794,752
Directors loans	-	-	2,110,620	2,110,620	2,110,620	2,110,620
Long term loans	2,311,900	4,133,858	6,392,630	12,838,388	12,838,388	12,099,628
Payables	103,738,252	-	-	103,738,252	103,738,252	103,738,252
Short-term loans	-	37,524,966	-	37,524,966	37,524,966	37,524,966
Bank overdraft	1,977,991	-	-	1,977,991	1,977,991	1,977,991
	<b>108,028,143</b>	<b>41,658,824</b>	<b>157,298,002</b>	<b>306,984,969</b>	<b>306,984,969</b>	<b>306,246,209</b>
			<b>2018</b>			
Payables	19,693,074	-	-	19,693,074	19,693,074	19,693,074
Short-term loans	12,725,847	-	-	12,725,847	12,725,847	12,725,847
	<b>32,418,921</b>	<b>-</b>	<b>-</b>	<b>32,418,921</b>	<b>32,418,921</b>	<b>32,418,921</b>

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and other assets.

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Notes to the Financial Statements****30 June 2019****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:**

	<b>1 to 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 Years 2019</b>	<b>Contractual cashflows</b>	<b>Carrying amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due to related companies	-	-	138,773,425	138,773,425	138,773,425
Payables	23,533,481	-	-	23,533,481	23,533,481
Short-term loans	37,524,966	-	-	37,524,966	37,524,966
	<b>61,058,447</b>	<b>-</b>	<b>138,773,425</b>	<b>199,831,872</b>	<b>199,831,872</b>
	<b>2018</b>				
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payables	19,693,074	-	-	19,693,074	19,693,074
Short-term loans	12,725,847	-	-	12,725,847	12,725,847
	<b>32,418,921</b>	<b>-</b>	<b>-</b>	<b>32,418,921</b>	<b>32,418,921</b>

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and other assets

**(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 (e)) and foreign currency exchange rates (see 3 (d)). 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 2019

---

#### 4. Financial Risk Management (continued)

##### (d) 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 2019 includes aggregate net foreign liabilities of approximately \$745,700 (2018: -) and Nil (2018: Nil) in respect of transactions arising in the ordinary course of business.

The following tables indicate the currency to which the group 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.

##### The Group & the Company:

	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	\$	\$	\$	\$
	<b>Effect on Profit and loss and equity</b>			
	Revaluation	Devaluation	Revaluation	Devaluation
	4%	-6%	2%	-4%
<b>Currency:</b>				
USD	<u>29,828</u>	<u>(44,742)</u>	<u>-</u>	<u>-</u>

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Notes to the Financial Statements****30 June 2019**

---

**3. Financial Risk Management (continued)****(e) 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 2019, the Group had no significant exposure to variable rate interest rate risk.

**(f) 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 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 2019

---

#### 4. Critical accounting estimates and judgments in applying accounting policies

The group and company makes 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 uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group 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 recognises 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 applies 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 has 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 2019**

---

**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 determines 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 2019****5. Property, plant and equipment****The Group:**

	<b>Leasehold Improvements</b>	<b>Computer Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Cost -						
1 July 2017	-	1,901,302	-	240,010	-	2,141,312
Disposals	-	-	-	-	-	-
30 June 2018	-	1,901,302	-	240,010	-	2,141,312
Acquisition of subsidiaries	-	1,924,425	419,470	-	14,796,356	17,140,251
Additions	1,584,285	5,035,388	769,322	962,368	-	8,351,363
Disposals	-	-	-	-	(3,720,750)	(3,720,750)
30 June 2019	1,584,285	8,861,115	1,188,792	1,202,378	11,075,606	23,912,176
Depreciation -						
1 July 2018	-	1,901,173	-	172,869	-	2,074,042
Charge for the year	-	-	-	27,240	-	27,240
30 June 2018	-	1,901,173	-	200,109	-	2,101,282
Charge for the year	68,440	1,081,755	219,537	67,087	2,618,351	4,055,170
Relieved on disposals	-	-	-	-	(744,150)	(744,150)
30 June 2019	68,440	2,982,928	219,537	267,196	1,874,201	5,412,302
Net book value -						
30 June 2019	1,515,845	5,878,187	969,255	935,182	9,201,405	18,499,874
30 June 2018	-	129	-	39,901	-	40,030

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Notes to the Financial Statements****30 June 2019****5. Property, plant and equipment****The Company:**

	<b>Computer Equipment</b>	<b>Camera Equipment</b>	<b>Office Equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Cost -				
1 July 2017	1,901,302	95,695	144,315	2,141,312
Additions	-	-	-	-
30 June 2018	1,901,302	95,695	144,315	2,141,312
Additions	301,401	590,236	-	891,637
30 June 2019	2,202,703	685,931	144,315	3,032,949
Depreciation -				
1 July 2017	1,901,173	46,561	126,308	2,074,042
Charge for the year	-	9,234	18,006	27,240
30 June 2018	1,901,173	55,795	144,314	2,101,282
Charge for the year	21,575	51,581	-	73,156
30 June 2019	1,922,748	107,376	144,314	2,174,438
Net book value -				
30 June 2019	279,955	578,555	1	858,511
30 June 2018	129	39,900	1	40,030

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**6. Intangible assets**

**The Group**

	<b>Computer Software</b>	<b>Total</b>
	\$	\$
Cost -		
1 July 2017/2018	2,302,184	2,302,184
Acquisition of subsidiaries	61,594	61,594
Additions	3,138,298	3,138,298
Balance at end of year	<u>5,502,076</u>	<u>5,502,076</u>
Amortization -		
1 July 2018	2,302,054	2,302,054
Charge for year	554,543	554,543
Balance at end of year	<u>2,856,597</u>	<u>2,856,597</u>
Net book value		
30 June 2019	<u>2,645,479</u>	<u>2,645,479</u>
30 June 2018	<u>130</u>	<u>130</u>

**The Company**

	<b>Computer Software</b>	<b>Total</b>
	\$	\$
Cost -		
1 July 2017/2018	2,302,184	2,302,184
Additions	102,000	102,000
30 June 2019	<u>2,404,184</u>	<u>2,404,184</u>
Amortization -		
1 July 2018	2,302,054	2,302,054
Charge for the year	5,610	5,610
Balance at end of year	<u>2,307,664</u>	<u>2,307,664</u>
Net book value -		
30 June 2019	<u>96,520</u>	<u>96,520</u>
30 June 2018	<u>130</u>	<u>130</u>

**SSL Venture Capital Jamaica Limited**

(formerly C2W Music Limited)

**Notes to the Financial Statements****30 June 2019****7. Investments in subsidiaries****The Company**

		<u>2019</u>	<u>2018</u>
		\$	\$
Investments at cost:			
MUSE 360 Limited	(a)	26,368,577	-
Blue Dot Data Intelligence Limited	(b)	53,704,605	-
Bar Central Limited	(c)	<u>5,997,000</u>	<u>-</u>
		<u>86,070,182</u>	<u>-</u>

- (a) Effective 20 July 2018 the company acquired 51% of the issued shares capital of Muse 360 Integrated Limited (MUSE). The principal activities of MUSE are marketing and commercial solutions. The acquisition is expected to increase revenues and profitability for the shareholders of the company. See Note #8 (Goodwill) for the identifiable assets acquired and liabilities assumed.
- (b) Effective 7 August 2018 the company acquired 50% of the issued shares capital of Blue Dot Data Intelligence Limited (Blue Dot). The principal activities of Blue Dot are marketing and commercial solutions. The acquisition is expected to increase revenues and profitability for the shareholders of the company. See Note #8 (Goodwill) for the identifiable assets acquired and liabilities assumed.
- (c) Effective 2 July 2018 the company acquired 75% of the issued shares capital of Bar Central Limited. The principal activities of Bar Central Limited are distribution and provision of branding services. The acquisition is expected to increase revenues and profitability for the shareholders of the company. See Note #8 (Goodwill) for the identifiable assets acquired and liabilities assumed.

## SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

### Notes to the Financial Statements

30 June 2019

#### 8. Goodwill

During the year, the Company acquired subsidiaries and voting shares 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%
August 7, 2018	Blue Dot Data Intelligence Limited	Marketing and commercial solutions	50%
July 20, 2018	Muse 360 Integrated Limited	Marketing and commercial solutions	51%

The fair value of the identifiable assets and liabilities of the subsidiaries as at the date of acquisition were:

	Muse 360 Integrated Limited	Bar Central Limited	Blue Dot Data Intelligence Limited
	\$	\$	\$
<b>Non-current assets</b>			
Plant and equipment	485,003	16,299,856	355,392
Intangible asset	-	-	61,594
Deferred tax	924,414	-	187,572
	1,409,417	16,299,856	604,558
<b>Current assets</b>			
Inventories	-	3,123,458	-
Receivables	11,109,224	3,483,554	19,236,118
Cash at bank and in hand	482,727	2,000,000	5,502,057
	11,591,951	8,607,012	24,738,175
<b>Non-current liabilities</b>			
Long-term loans	-	2,134,270	-
Directors' loans	2,583,294	960,000	4,157,011
Deferred income tax	-	-	-
	2,583,294	3,094,270	4,157,011
<b>Current liabilities</b>			
Payables	-	44,683,881	30,177,797
Short term loan	-	4,103,000	-
Taxation payable	-	-	-
Bank overdraft	5,982,428	4,638,062	-
	5,982,428	53,424,943	30,177,797
	4,435,646	(31,612,345)	(8,992,075)

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**8. Goodwill (continued)**

	<b>Muse 360 Integrated Limited</b>	<b>Bar Central Limited</b>	<b>Blue Dot Data Intelligence Limited</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Goodwill at acquisition:</b>				
Purchase consideration	26,368,577	5,997,000	53,704,605	86,070,182
Non-controlling interest	2,173,467	(7,903,086)	(4,496,038)	(10,225,657)
Less: Fair value of net liabilities acquired	4,435,646	(31,612,345)	(8,992,075)	(36,168,774)
	<u>24,106,398</u>	<u>29,706,259</u>	<u>58,200,642</u>	<u>112,013,299</u>
	<b>Muse 360 Integrated Limited</b>	<b>Bar Central Limited</b>	<b>Blue Dot Data Intelligence Limited</b>	
	\$	\$	\$	
Revenue	62,519,690	226,657,528	51,345,945	
(Loss)/profit	<u>(22,974,010)</u>	<u>(5,050,872)</u>	<u>4,444,191</u>	

**Cash flow on acquisition**

	<b>2019</b>	<b>2018</b>
	\$	\$
Total consideration transferred	(86,070,182)	-
Less: cash, overdraft, net transferred from subsidiaries on acquisition	<u>(2,635,706)</u>	-
Acquisition of subsidiaries, net of cash acquired	<u><u>(88,705,888)</u></u>	<u><u>-</u></u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**9. Deferred income taxes**

Deferred income taxes are calculated in full on all temporary differences under the liability method using the applicable tax rate.

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Deferred income taxes	<u>33,151,288</u>	<u>-</u>	<u>3,778,713</u>	<u>-</u>

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net assets at beginning of year	-	-	-	-
Transferred on acquisition	1,111,986	-	-	-
Deferred tax credited to profit and loss (Note 28)	<u>32,039,302</u>	<u>-</u>	<u>3,778,713</u>	<u>-</u>
Net assets at end of year	<u>33,151,288</u>	<u>-</u>	<u>3,778,713</u>	<u>-</u>

Deferred income tax assets are attributable to the following items:

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Deferred income tax assets:				
Property, plant and equipment	82,120	-	324,372	-
Unutilized tax losses	<u>33,069,168</u>	<u>-</u>	<u>3,454,341</u>	<u>-</u>
Net assets at end of year	<u>33,151,288</u>	<u>-</u>	<u>3,778,713</u>	<u>-</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**9. Deferred income taxes (continued)**

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$		\$	\$
Deferred tax assets to be recovered:				
- after more than 12 months	33,151,288	-	3,778,713	-
- within 12 months	-	-	-	-
	<u>33,151,288</u>	<u>-</u>	<u>3,778,713</u>	<u>-</u>

**10. Inventories**

	<u>The Group</u>	
	<u>2019</u>	<u>2018</u>
	\$	\$
Liquor	4,880,287	-
Beverages	1,718,950	-
Other	107,839	-
	<u>6,707,076</u>	<u>-</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**11. Receivables**

	<b>The Group</b>		<b>The Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade	23,243,277	-	-	-
Other	3,164,040	-	2,827,327	-
	26,407,317	-	2,827,327	-
Less: Provision for impairment	(2,943,740)	-	-	-
	<u>23,463,577</u>	<u>-</u>	<u>2,827,327</u>	<u>-</u>

**12. Cash at bank and in hand**

	<b>The Group</b>		<b>The Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at bank	19,005,283	33,511	14,826,529	33,511
Short-term deposits	2,048,750	-	-	-
Cash in hand	1,922	-	-	-
	<u>21,055,955</u>	<u>33,511</u>	<u>14,826,529</u>	<u>33,511</u>

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica.

**13. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>No. of shares</b>	<b>No. of shares</b>
Authorised-		
Ordinary shares of no-par value	<u>1,000,000,000</u>	<u>1,000,000,000</u>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
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 2019**

---

**14. Capital reserves**

	<b>The Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
The movements during the year were as follows:		
Balance at beginning	-	-
Revaluation gains on plant and equipment	294,881	-
Balance at end of the year	<u>294,881</u>	<u>-</u>

**15. Non-controlling interest**

	<b>The Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year-IFRS 9 adjustment	(200,728)	
Capital reserves	283,317	-
Share of loss for the year	(9,636,105)	-
Non-controlling interest arising on acquisition of subsidiaries	(10,225,657)	-
Balance at end of year	<u>(19,779,173)</u>	<u>-</u>

**16. Directors' loans**

This balance, which relates to amounts owed 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 2019**

---

**17. Due from/(to) related companies**

	The Group		The Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Due from:-				
Blue Dot Data Intelligence Limited	-	-	982,804	-
Select Private Services Limited	-	-	2,071,922	-
Bar Central Limited	-	-	31,313,109	-
	-	-	34,367,835	-
Due to:-				
Stocks and Securities Limited	(138,773,425)	-	(138,773,425)	-
Select Private Services Limited	(10,021,327)	-	-	-
	(148,794,752)	-	(138,773,425)	-
	(148,794,752)	-	(104,405,590)	-

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

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**18. Long term Loans**

		<b>The Group</b>	
		<b>2019</b>	<b>2018</b>
		\$	\$
Simpson Finance Jamaica Limited	(a)	1,366,922	-
Simpson Finance Jamaica Limited	(b)	3,518,059	-
Sagicor Bank Limited	(c)	5,548,647	-
Carbyne Capital Investments Limited	(d)	1,666,000	-
		12,099,628	-
Less: Current portion		(6,221,558)	-
		<u>5,878,070</u>	<u>-</u>

(a) This loan, which was received November 16, 2017, attracts interest at 12.99% per annum.

(b) This loan, which was received November 16, 2017, attracts interest at 12.99% per annum.

(c) This loan which was received April 3, 2019 attracts interest rate of 11% per annum and is repayable over 24 monthly equal installments.

(d) This loan which was received April 8, 2019 attracts interest of 4% per month and is repayable over 12 equal monthly installments.

These loans are substantially secured by the following:

i. Bill of sale over 2014 Suzuki APV (3764HQ and 2015 Mitsubishi Pajero (3736HQ)

ii. Hypothecation/assignment of 15,000,000 units of Everything Fresh Company Limited shares valued at \$30,000,000 in the named of Stocks and Securities Limited.

iii. Unlimited guarantee for Kevin Frith.

iv. Assignments of receivables/third party agreement of proceeds from branding contract between Bar Central and J.Wray and Nephew.

**19. Payables**

	<b>The Group</b>		<b>The Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$	\$
Trade payables	36,025,229	19,693,704	4,308,709	19,693,074
Accrued charges	5,450,877	-	-	-
Payroll liabilities	15,540,470	-	240,626	-
General Consumption Tax	11,930,861	-	-	-
Other	34,790,815	-	18,984,146	-
	<u>103,738,252</u>	<u>19,693,074</u>	<u>23,533,481</u>	<u>19,693,074</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**20. Short-term loans**

	The Group		The Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Alydar Investment Limited (a)	6,922,416	7,282,773	6,922,416	7,282,773
Gerald Hadeed (a)	5,602,550	5,443,074	5,602,550	5,443,074
Tweedside Holdings Limited (b)	25,000,000	-	25,000,000	-
	<u>37,524,966</u>	<u>12,725,847</u>	<u>37,524,966</u>	<u>12,725,847</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 2019, 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 2019, interest payable included in the above balance amounted to \$3,541,593 (30 June 2018: \$2,517,935).

- (b) This amount was advanced to the company and is repayable within a year.

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**21. Bank overdraft**

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Bank overdraft	<u>1,977,991</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**22. 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.

**23. Other operating income**

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Payables write off	10,453,660	-	10,453,660	-
Incentive income	4,200,000	-	-	-
Other income	<u>5,447,068</u>	<u>1,909,458</u>	<u>-</u>	<u>1,909,458</u>
	<u>20,100,728</u>	<u>1,909,458</u>	<u>10,453,660</u>	<u>1,909,458</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**24. Expenses by nature**

	The Group		The Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accounting fee	3,620,217	645,700	1,779,213	645,700
Advertising and promotions	4,223,974	57,372	1,858,255	57,372
Amortised cost adjustment on advances	-	(2,627,591)	-	(2,627,591)
Annual general meeting and reports	-	101,184	-	101,184
Asset tax	101,789	98,315	101,789	98,315
Audit fee	4,972,500	987,522	1,890,000	987,522
Bad debt	654,885	20,422,290	-	20,422,290
Business permits and licenses	1,013,817	-	1,013,817	-
Company secretary	2,915,117	-	2,915,117	-
Casual labour	20,000	-	20,000	-
Depreciation and amortisation	4,609,713	27,240	78,766	27,240
Development and song writing expenses	-	883,079	-	883,079
Discount allowed	-	-	-	-
Directors fees	6,835,611	-	420,000	-
Donations	1,330,208	-	-	-
Dues and subscriptions	1,262,500	-	932,000	-
Equipment rental	540,650	-	-	-
Interest and penalty	-	195,327	-	195,327
Insurance	362,128	-	-	-
Legal and professional fees	19,552,008	762,792	10,231,840	762,792
Loss on disposal of property, plant and equipment	1,646,600	43,682	-	43,682
Miscellaneous	2,919,167	-	-	-
Motor vehicle expense	406,449	-	146,376	-
Office expenses	7,544,223	103,216	3,066,879	103,216
Printing and reproduction	842,567	-	842,567	-
Staff costs (Note 26)	67,908,545	-	15,263,023	-
Security	422,842	-	-	-
Rent	7,540,681	-	3,398,140	-
Registration fees	767,296	1,028,206	767,296	1,028,206
Repairs and maintenance	1,861,357	-	-	-
Travelling and entertainment	1,739,403	-	870,044	-
Training	174,750	-	174,750	-
Utilities	3,097,522	-	402,274	-
	148,886,519	22,728,334	46,172,146	22,728,334
Finance costs, net (Note 27)	4,502,996	807,386	1,323,663	807,386
Cost of sales	275,867,539	-	-	-
	429,257,054	23,535,720	47,495,809	23,535,720

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**25. Operating loss**

In arriving at the operating loss, the following have been charged: -

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Auditors' remuneration	4,972,500	987,522	1,890,000	987,522
Increase in loss allowance	2,955,380	-	-	-
Depreciation and amortization	4,609,713	27,240	78,766	27,240
Directors' emoluments:				
Fee	6,835,611	-	420,000	-
Staff costs (Note 26)	<u>67,908,545</u>	<u>-</u>	<u>15,263,023</u>	<u>-</u>

**26. Staff costs**

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Wages and salaries	57,669,758	-	12,794,973	-
Statutory contributions	7,761,778	-	1,910,894	-
Staff welfare	368,440	-	-	-
Sub-contractors	1,512,523	-	-	-
Casual labour	<u>596,046</u>	<u>-</u>	<u>557,156</u>	<u>-</u>
	<u>67,908,545</u>	<u>-</u>	<u>15,263,023</u>	<u>-</u>

**27. Finance costs, net**

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Interest income	(178,451)	(261)	(100,872)	(261)
Foreign exchange gains	<u>(575,062)</u>	<u>-</u>	<u>(568,679)</u>	<u>-</u>
	(753,513)	(261)	(669,551)	(261)
Bank charges	1,230,521	83,190	96,847	83,190
Interest expense	3,214,007	720,219	1,121,452	720,219
Foreign exchange losses	<u>811,981</u>	<u>4,238</u>	<u>774,915</u>	<u>4,238</u>
	<u>4,502,996</u>	<u>807,386</u>	<u>1,323,663</u>	<u>807,386</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**28. Taxation**

Taxation is computed on the loss for the year adjusted for taxation purposes and comprises:

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Income tax at 25%	745,433	-	-	-
Deferred income taxes (Note 9)	<u>(32,039,302)</u>	-	<u>(3,778,713)</u>	-
	<u>(31,293,869)</u>	<u>-</u>	<u>(3,778,713)</u>	<u>-</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, Taxpayer Audit and Assessment, the company has tax losses of approximately \$50,118,985 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:

	<u>The Group</u>		<u>The Company</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Loss before taxation	<u>(76,888,757)</u>	<u>(21,115,843)</u>	<u>27,152,717)</u>	<u>(21,115,843)</u>
Tax calculated at the appropriate rate	(15,828,100)	(2,639,480)	(3,394,090)	(2,639,480)
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	825,568	-	-	-
Other charges and allowances	<u>(16,291,337)</u>	<u>2,639,480</u>	<u>(384,623)</u>	<u>2,639,480</u>
	<u>(31,293,869)</u>	<u>-</u>	<u>(3,778,713)</u>	<u>-</u>

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**29. Segment financial information**

	<b>Management Services</b>	<b>Retail and Distribution</b>	<b>Marketing and Advertising</b>	<b>Eliminations</b>	<b>Group</b>
	\$	\$	\$		\$
Gross Revenue	9,889,432	226,657,528	104,376,832	-	340,923,792
Inter-segment revenue	(8,656,223)	-	-	-	(8,656,223)
Revenue from external customers	1,223,209	226,657,528	104,376,832	-	332,267,569
Segment results	(27,152,717)	(21,079,613)	(28,656,427)		(76,888,757)
Loss before income tax					(76,888,757)
Taxation					31,293,869
					(45,594,888)
Total segment assets	144,296,731	42,434,333	42,605,039		229,336,103
Total segment liabilities	199,831,872	79,900,468	63,753,281		343,485,621
Other segment items					
Depreciation	73,156	3,210,145	771,869		4,055,170

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

---

**30. Going concern**

The Group reported losses in 2019 of \$45,594,888 and a profit of \$6,826,292 in 2018; the Company reported losses in 2019 of \$23,374,004 and a profit of \$6,826,292 in 2018. The Group and the Company as at 30 June 2019 has accumulated deficit of \$180,602,406 (2018: \$144,041,434) and \$167,415,438 (2018: \$144,041,434) respectively. Further, as at 30 June 2019, the Group's and the Company's current liabilities exceeded its current assets by \$97,732,899 (2018: \$32,201,297) and \$41,933,477 (2018: \$32,201,297) respectively. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Based on the current plans and strategies being pursued and implemented, the directors and management believe that the company will generate adequate cash flows and profitability in the future which will allow it to continue in operational existence for the foreseeable future. The parent company has indicated that it has the intent and ability to provide financial support to the Group and the Company for the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of these financial statements.

The basis of preparation presumes that the company will be able to realize its assets and discharge its liabilities in the normal course of business.

**31. (Loss)/profit per stock unit**

(Loss)/profit per stock unit ("LPS/PPS") is computed by dividing the (loss)/profit attributable to stockholders of the parent of \$35,958,783 (2018: \$6,826,292) by the weighted average number of ordinary stock units in issue during the year, numbering 400,000,000 (2018: 400,000,000)

**SSL Venture Capital Jamaica Limited**  
(formerly C2W Music Limited)

**Notes to the Financial Statements**  
**30 June 2019**

**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 company.

The following was credited to the statement of comprehensive income:

	<b>The Group</b>		<b>The Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management fees	-	-	8,656,223	-

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due from:-				
Blue Dot Data Intelligence Limited	-	-	982,804	-
Muse 360 Integrated Limited	-	-	2,071,922	-
Bar Central Limited	-	-	31,313,109	-
	-	-	34,367,835	-
Due to:-				
Stocks and Securities Limited	(138,773,425)	-	(138,773,425)	-
Select Private Services Limited	(10,021,327)	-	-	-
	(148,794,752)	-	(138,773,425)	-
	(148,794,752)	-	(104,405,590)	-