



SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED FINANCIAL STATEMENTS
TWELVE MONTHS ENDING 30TH JUNE 2020

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REPORT TO OUR STOCKHOLDERS
FOR THE FOURTH QUARTER ENDING 30th JUNE 2020

SSL Venture Capital Group comprises one active portfolio company and one inactive company for the fourth quarter ending 30th June 2020. Bar Central Limited (Distribution Segment) with a stake of 75% and Muse 360 (Marketing Segment) with a stake of 51% respectively.

OVERVIEW

In financial year 2020, the appointment of Zachary Harding as Group CEO (SSL Growth Equity Limited) with CEO oversight for Stocks and Securities Limited and SSL Venture Capital triggered the following events.:

- i. Promotion and appointment of Anthony Dunn and Allison Hemmings as Chief Operating Officer and Group CFO respectively.
- ii. Hiring and strengthening of high-level executives and more experienced personnel across the business, including upgraded boards within the company.
- iii. Synergizing the Group of Businesses, across skills, strategy and investment decision making.
- iv. Execution of a Brand and Reputational Risk Mitigation Strategy.

In addition, the company executed an operational restructuring and clean-up process addressing legacy exposures that caused one-time large write-offs to the books stemming from streamlining the managerial, governance and operational challenges in the past.

REVENUES

The year over year reduction in revenues of **\$216.71M**, represents a **65%** fall when compared to the prior year's figure of **\$332.26M**. Revenues for the financial year have been heavily impacted by the drastic reduction of activities in the distribution segment, brought on by management challenges and the onslaught of the COVID-19 pandemic, which brought business to a halt for approximately three months in the financial year. With the gradual reopening of the economy, we have seen a resumption of trading activities in this segment and we hope that COVID-19 aside, revenues should improve in the new financial year. We are, however, mindful of the fact that a spike in COVID-19 related illnesses may trigger another shutdown of the economy and should this happen, we expect to see some further erosion of revenues in this segment.

The addition of new partnerships and products with higher margins upon resumption of trading is resulting in an improved margin for the distribution segment and we expect this trend to continue for the foreseeable future.

EXPENSES

For the year, overall expenses totalled **\$175.2M**, including administrative & operational expenses of **\$119.74M**, goodwill impairment provision, **\$41.9M** and finance related expense of **\$13.59M**. Year over Year, the Group was able to reduce administrative and operational expenses by **\$29.1M**, a positive development, despite falling revenues and overall total expenses increases associated with one-time impairments write-offs.

Whilst the company expects revenue growth to be constrained from the levels prior to COVID-19, we have been actively managing our expense line to ensure that our expenses are closely in line with our new revenue realities. We are also seeing the benefits of our governance and financial controls measures in containing these expenses and minimizing our risk. Our staff continue to maintain productivity at a high level, and as we look to improve revenues and profitability, we have been engaged in strategic discussions with potential partnerships to diversify into new businesses that will produce sustainable and recurring revenues and positive cashflows. Once we have finalised some of these investments, communication will be made to our shareholders.

Management is fully aware of the tremendous responsibility to deliver value and our focus will continue to be strategic and selective so that we manage our resources and deploy such resources where we believe we will accrue the greatest benefit at minimal risk.

The improvements in our financial management and governance during the year is expected to complement our activities and we expect that notwithstanding the challenges and shifts brought on by the COVID-19 pandemic, the group is in a much better position to increase efficiencies and to embark on a path of profitability in the new financial year.

SSL Ventures would like to thank our Directors, Shareholders, Portfolio CEO's, Stakeholders, and everyone who continue to make SSL Venture's mandate to "**Fund, Grow and Lead Jamaica**" a reality.



Jeffrey Cobham

Chairman



Zachary Harding

CEO

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

Assets	<u>Notes</u>	Unaudited 30-Jun-20 \$	Audited 30-Jun-19 \$
<u>Non-current assets</u>			
Property and equipment	4	12,636,366	18,499,874
Intangible Assets	5	62,688	2,645,479
Goodwill	6	11,882,504	112,013,299
Deferred Income Taxes	7	48,255,488	33,151,288
Total non-current assets		72,837,045	166,309,940
<u>Current assets</u>			
Inventory		2,176,842	6,707,076
Director's Account		3,390,301	-
Taxation recoverable		1,471,114	1,471,114
Receivables	8	45,824,334	23,463,577
Cash and bank balances		1,498,481	21,055,955
Total current assets		54,361,071	52,697,722
Total assets		127,198,116	219,007,662
EQUITY & LIABILITIES			
<u>Equity</u>			
Share capital	9	111,880,297	111,880,297
Capital Reserves		294,881	294,881
Accumulated deficit		(238,927,757)	(180,602,406)
Total equity		(126,752,579)	(68,427,228)
Non- Controlling interest	10	(23,767,657)	(19,779,173)
		(150,520,237)	(88,206,401)

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Unaudited 30-Jun-20	Audited 30-Jun-19
<u>Non-current liabilities</u>	\$	\$
Directors Loan	-	2,110,620
Due to Related Companies	234,585,983	148,794,752
Long term Loan	8,983,373	5,878,070
Total Non-current liabilities	243,569,356	156,783,442
<u>Current liabilities</u>		
Payables	11,974,322	103,738,252
Short Term Loan	17,316,403	43,746,524
Taxation	967,854	967,854
Bank Overdraft	3,890,419	1,977,991
Total current liabilities	34,148,997	150,430,621
Total equity & liabilities	127,198,116	219,007,662

Approved by the Board of Directors and signed on its behalf by:



 Jeffrey Cobham
 Chairman



 Zachary Harding
 CEO

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
TWELVE MONTHS ENDING 30TH JUNE 2020

		Unaudited Quarter 30-Jun-20	Unaudited Quarter 30-Jun-19	Unaudited Twelve Months 30-Jun-20	Audited Twelve Months 30-Jun-19
	<u>Notes</u>	\$	\$	\$	\$
Revenues	11	3,530,651	(9,496,825)	115,553,087	332,267,569
Cost of Sales		(4,977,325)	37,557,447	(105,882,939)	(275,867,539)
Gross Profit		(1,446,674)	28,060,622	9,670,148	56,400,030
Other Income	12	24,802,707	(15,949,013)	59,290,399	20,100,728
Impairment, Provision		(41,930,153)	-	(41,930,153)	-
Administrative expense	14	(13,825,931)	(3,106,596)	(119,745,468)	(148,886,519)
Operating Profit/Loss		(32,400,051)	9,005,013	(92,715,074)	(72,385,761)
Finance Costs, net		(2,117,398)	(3,367,078)	(13,587,270)	(4,502,996)
Profit/Loss before taxation		(34,517,449)	5,637,935	(106,302,344)	(76,888,757)
Taxation	15	24,327,190	3,784,972	48,255,488	31,293,869
Profit/(Loss) from continuing operations		(10,190,259)	9,422,907	(58,046,856)	(45,594,888)
Loss on discontinued operation, net of tax	13	(2,620,466)	-	(11,005,958)	-
Net Loss		(12,810,726)	9,422,907	(69,052,814)	(45,594,888)
Net loss Attributable to:					
Stockholders of the Company		(7,901,782)	7,431,453	(58,325,351)	(35,958,783)
Non-Controlling interest		(4,908,944)	1,991,454	(10,727,463)	(9,636,105)
Loss per Stock Unit	16	(0.03)	0.02	(0.17)	(0.11)

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS EQUITY
TWELVE MONTHS ENDING 30TH JUNE 2020

	Number of Shares	Share Capital	Capital Reserve	Accumulated (deficit)/profits	Total	Non- Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$
Unaudited Balances as at 30 June 2018	1,000,000,000	111,880,297	-	(144,041,434)	(32,161,137)	-	(32,161,137)
IFRS Adjustment	-		-	(602,189)	(602,189)	(200,728)	(802,917)
Capital Reserves	-	-	294,881	-	294,881	283,317	578,198
Non-controlling interest arising on acquisition of subsidiaries	-	-	-	-	-	(10,225,657)	(10,225,657)
Net Profit/(Loss)	-	-	-	(35,958,783)	(35,958,783)	(9,636,105)	(45,594,889)
Unaudited Balances as at 30th June 2019	1,000,000,000	111,880,297	294,881	(180,602,406)	(68,427,228)	(19,779,172)	(88,206,401)
Audited Balances as at 30 June 2019	1,000,000,000	111,880,297	294,881	(180,602,406)	(68,427,228)	(19,779,172)	(88,206,401)
Non-controlling interest arising on disposal of discontinued operations			-	-	-	4,496,038	4,496,038
Total Comprehensive profits/(losses)	-	-	-	(58,325,351)	(58,325,351)	(10,727,463)	(69,052,814)
Non-controlling interest arising on disposal of discontinued operations	-	-	-			2,242,941	
Unaudited Balances as at 30th June 2020	1,000,000,000	111,880,297	294,881	(238,927,757)	(126,752,579)	(23,767,657)	(150,520,237)

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2020

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Cash flow from operating activities:		
Profit/(Loss) for the period	(69,052,814)	(45,594,888)
Adjustment for:		
Depreciation & Amortisation	5,312,349	4,055,170
Bad Debt	2,240,932	654,885
Unrealised foreign exchange losses	374,793	554,543
Loss on sale of discontinued operations, net of tax	11,005,958	-
Loss on Disposal of plant and equipment	-	1,646,600
Interest expense	13,587,270	3,214,007
Interest income	(2,704)	(178,451)
Income tax Credit	(48,255,488)	(31,293,869)
Operating cash flows before movements in working capital	(84,789,704)	(66,942,003)
Changes in working capital:		
Accounts receivable	(30,514,784)	8,907,515
Accounts Payables	(31,897,012)	9,183,502
Directors Account	(2,110,620)	-
Inventories	4,530,234	(3,583,618)
Cash provided/(used) by operations	(144,781,886)	(52,434,604)
Taxes paid	-	(1,064,580)
Interest paid	(13,587,270)	(3,214,007)
Interest received	2,704	178,451
Net cash provided/(used) by operating activities	(158,366,452)	(56,534,740)

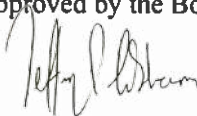
SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2020

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Investing Activities		
Purchase of property, plant and equipment	(1,630,501)	(7,773,164)
Acquisition of subsidiaries	-	(88,705,888)
Disposal of discontinued operation, net of cash disposed of	34,717,465	-
Impairment Provision	41,930,153	-
Purchase of Intangibles	(184,781)	(3,138,298)
Investments	-	-
Proceeds from disposal of plant and equipment	-	1,330,000
	<hr/> 74,832,336	<hr/> (98,287,350)
Financing Activities		
Directors' loans repayment	-	(5,589,685)
Related companies, net	85,791,231	148,794,752
Short term loans, net	(26,430,121)	20,696,119
Loans payables, net	3,105,302	9,965,358
	<hr/> 62,466,412	<hr/> 173,866,544
Net Increase/(Decrease) in Cash and Bank Balances	<hr/> (21,067,704)	<hr/> 19,044,454
Effects of changes in exchange rates on cash and cash equivalents	(402,197)	-
Cash and Bank Balances at the beginning of year	19,077,964	33,511
Cash and Bank Balances at the end of year	<hr/> (2,391,938)	<hr/> 19,077,964
Cash at Bank	1,498,481	21,055,955
Bank Overdraft	(3,890,419)	(1,977,991)
Represented by Cash & Bank	<hr/> (2,391,938)	<hr/> 19,077,964


SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED COMPANY STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

Assets	Notes	Unaudited 30-Jun-20 \$	Audited 30-Jun-19 \$
<u>Non-current assets</u>			
Property and equipment	4	1,295,655	858,511
Intangible Assets	5	62,688	96,520
Due from Related Company		62,689,827	34,367,835
Investment in subsidiaries		5,997,000	86,070,182
Deferred Income Taxes	7	10,035,770	3,778,713
Total non-current assets		80,080,940	125,171,761
<u>Current assets</u>			
Taxation recoverable		1,471,114	1,471,114
Receivables	8	40,257,843	2,827,327
Cash and bank balances		1,109,589	14,826,529
Total current assets		42,838,546	19,124,970
Total assets		122,919,486	144,296,731
EQUITY & LIABILITIES			
<u>Equity</u>			
Share capital	9	111,880,297	111,880,297
Accumulated deficit		(208,168,493)	(167,415,438)
Total equity		(96,288,196)	(55,535,141)
<u>Non-current liabilities</u>			
Long-term Debt		197,832,766	138,773,425
Total Non-current liabilities		197,832,766	138,773,425
<u>Current liabilities</u>			
Loan Payables		18,796,729	37,524,966
Payables		2,578,187	23,533,481
Total current liabilities		21,374,916	61,058,447
Total equity & liabilities		122,919,486	144,296,731

Approved by the Board of Directors and signed on its behalf by:



 Jeffrey Cobham
 Chairman



 Zachary Harding
 CEO

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED COMPANY STATEMENT OF COMPREHENSIVE INCOME
TWELVE MONTHS ENDING 30TH JUNE 2020

		Unaudited Quarter 30-Jun-20 \$	Unaudited Quarter 30-Jun-19 \$	Unaudited Twelve Months 30-Jun-20 \$	Audited Twelve Months 30-Jun-19 \$
	<u>Notes</u>				
Revenues	11	22,931	7,925,508	1,914,187	9,889,432
Cost of Sales		-	-	-	-
Gross Profit		22,931	7,925,508	1,914,187	9,889,432
Other Income	12	33,577,285	10,453,660	50,566,995	10,453,660
Impairment Provision		(26,368,577)	-	(26,268,577)	-
Administrative expense	14	(8,611,288)	(37,177,296)	(55,938,854)	(46,172,146)
Operating Profit/Loss		(1,379,649)	(18,798,128)	(29,826,249)	(25,829,054)
Finance Costs, net		(497,730)	(1,323,663)	(8,759,615)	(1,323,663)
Profit/Loss before taxation		(1,877,379)	(20,121,791)	(38,585,863)	(27,152,717)
Taxation	15	(2,200,391)	1,435,071	10,035,770	3,778,713
Profit/(Loss) from continuing operations		(4,077,769)	(18,686,720)	(28,550,093)	(23,374,004)
Loss on discontinued operation, net of tax	13	(2,905,491)	-	(12,203,061)	-
Net Loss		(6,983,260)	(18,686,720)	(40,753,154)	(23,374,004)

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED COMPANY STATEMENT OF CHANGES TO SHAREHOLDERS EQUITY
TWELVE MONTHS ENDING 30TH JUNE 2020

	Number of Shares	Share Capital	Accumulated profit/(deficit)	Total
		\$	\$	\$
Unaudited Balances as at 30 June 2018	111,880,297	111,880,297	(144,041,434)	(32,161,137)
Net Profit/(Loss)	-	-	(23,374,004)	(23,374,004)
Unaudited Balances as at 30th June 2019	111,880,297	111,880,297	(167,415,438)	(55,535,141)
Audited Balances as at 30 June 2019	111,880,297	111,880,297	(167,415,438)	(55,535,141)
Total Comprehensive loss	-	-	(40,753,154)	(40,753,154)
Adjustment	-	-	99	99
Unaudited Balances as at 30th June 2020	111,880,297	111,880,297	(208,168,493)	(96,288,196)

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED COMPANY STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2020

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Cash flow from operating activities:		
Profit/(loss) for the period/year	(40,753,154)	(23,374,004)
Adjustment for:		
Depreciation and amortization	254,515	78,766
Unrealised foreign exchange losses	100	-
Loss on sale of discontinued operations, net of tax	12,203,061	-
Interest expense	8,759,615	1,121,452
Interest income	(3,028)	(100,872)
Income tax credit	(10,035,771)	(3,778,713)
Operating cash flows before movements in working capital	(29,574,662)	(26,053,371)
Changes in working capital:		
Accounts receivable	(37,430,516)	(2,827,327)
Accounts Payables	(17,176,581)	3,840,407
Cash provided/(used) by operations	(84,181,760)	(25,040,291)
Taxes paid	-	(1,287,001)
Interest paid	(8,759,615)	(1,121,452)
Interest received	3,028	100,872
Net cash provided/(used) by operating activities	<u>(92,938,346)</u>	<u>(27,347,872)</u>
Investing Activities		
Acquisition of subsidiaries	-	(86,070,182)
Disposal of discontinued operation, net of cash disposed of	41,501,544	-
Impairment provision	26,368,577	-
Purchase of Software	-	(102,000)
Purchase of Equipment/Assets	(657,825)	(891,637)
	<u>67,212,297</u>	<u>(87,063,819)</u>

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED COMPANY STATEMENT OF CASH FLOW
TWELVE MONTHS ENDING 30TH JUNE 2020

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Financing Activities		
Related companies, net	30,737,348	104,405,590
Loans payables, net	(18,728,237)	24,799,119
	<hr/> 12,009,111	<hr/> 129,204,709
Net Increase/(Decrease) in Cash and Bank Balances	(13,716,94)	14,793,018
Cash and Bank Balances at the beginning of year	14,826,529	33,512
Cash and Bank Balances at the end of year	<hr/> 1,109,588	<hr/> 14,826,529
Represented by Cash & Bank	<hr/> <hr/> 1,109,589	<hr/> <hr/> 14,826,529

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2020

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. The registered office of the company is located at Unit 15, Barbican Centre, 88 Barbican Road Kingston 6.

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:

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued share capital held by company
Jul 2, 2018	Bar Central Ltd.	Distribution and provision of branding services	75%
August 7, 2018	Blue Dot Data Intelligence Ltd	Marketing and commercial solutions	50%
July 20, 2018	Muse 360 Integrated Ltd.	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. The financial statements are presented in Jamaican dollars, which is the functional currency.

Please refer to Note 17, SSLVC on 27th March 2020 sold 50% stake in Blue Dot Data Intelligence Limited.

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2020

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim financial report is to be read in conjunction with the audited financial statements for the year ended June 30, 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended June 30, 2019.

The principal accounting policies are set out below:

a) Property and Equipment

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 assets. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

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

Camera equipment - 10%; Computer Equipment 25%; Furniture - 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.

b) Intangible Assets

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.

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2020

c) Inventories

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

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Cash and bank balances

Cash comprises cash in hand and deposits with bank.

e) Receivables

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.

f) Payables

Payables including provisions are stated at their nominal value.

g) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business, net of discounts.

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying he financial asset to that asset's net carrying amount on initial recognition.

SSL VENTURE CAPITAL JAMAICA LIMITED
UNAUDITED NOTES TO THE FINANCIAL STATEMENT
TWELVE MONTHS ENDING 30TH JUNE 2020

h) Related Parties

A party is related to the Company if:

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

Related party transactions and balances are recognised and disclosed in the financial statements.

Transactions with related parties are recorded in accordance with the normal policies of the Company at transaction dates.

i) Foreign Currencies

Foreign currency transactions are accounted for at the exchange rate prevailing at the rate 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.

j) Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

k) 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.

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

Deferred Income taxes - are recognised 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 and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies.

Management believe there were no judgements made in the process of applying the Company's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Management is of the opinion that there were no critical assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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4. PROPERTY, PLANT & EQUIPMENT

The Group

	Computer Equip- ment	Furniture & Fixtures	Office Equip- ment	Motor Vehicle	Lease-hold Improvements	Total
	\$	\$	\$	\$	\$	\$
At Cost						
At June 30, 2019	8,861,115	1,188,792	1,202,378	11,075,606	1,584,285	23,912,176
Opening Adjustment	703,909	601,469	(386,101)	2,016,148	-	2,935,425
Addition/Disposal	(636,409)	1,568,416	142,101	-	751,093	1,825,201
Eliminated Addition from Discontinued Operations	-	-	(194,700)	-	-	(194,700)
Eliminated Assets from Discontinued Operations	(2,550,248)	-	(114,423)	-	(1,696,285)	(4,360,956)
Write-off	(1,897,022)	-	-	-	-	(1,897,022)
Reclass	132,808	-	(132,808)	-	-	-
At June 30, 2020	4,614,153	3,358,676	516,447	13,091,754	639,092	22,220,124
Accumulated depreciation						
At June 30, 2019	2,982,928	219,537	267,196	1,874,201	68,440	5,412,302
Adjustment	705,431	279,314	(257,573)	2,020,815	-	2,747,987
Opening Balance	936,312	394,528	283,480	2,613,683	146,046	4,374,048
Adjustment/ Charge for period	936,312	394,528	283,480	2,613,683	146,046	4,374,048
Eliminated Depreciation from discontinued operation	(843,420)	-	(21,603)	-	(188,536)	(1,053,558)
Write-off	(1,897,022)	-	-	-	-	(1,897,022)
At June 30, 2020	1,884,229	893,379	271,500	6,508,699	25,950	9,583,757
Net Book Value						
At June 30, 2020	2,729,925	2,465,298	244,947	6,583,055	613,142	12,636,367
At June 30, 2019	5,878,187	969,255	935,182	9,201,405	1,515,845	18,499,874

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PROPERTY, PLANT & EQUIPMENT

The Company

	Computer Equipment	Camera Equip- ment	Office Equip- ment	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$
At Cost					
At June 30, 2019	2,202,703	144,315	685,931	-	3,032,949
Write-off	(1,897,022)	-	-	-	(1,897,022)
Addition	-	-	390,865	266,960	657,825
Disposals	132,808	-	(132,808)	-	-
At June 30, 2020	<u>438,489</u>	<u>144,315</u>	<u>943,988</u>	<u>266,960</u>	<u>1,793,752</u>

Accumulated depreciation

At June 30, 2019	1,922,748	144,314	107,376	-	2,174,438
Write-off	(1,897,022)	-	-	-	(1,897,022)
Charge for the period	120,976	-	73,755	25,950	220,681
Relieved on disposal	-	-	-	-	-
At June 30, 2020	<u>146,702</u>	<u>144,314</u>	<u>181,131</u>	<u>25,950</u>	<u>498,097</u>

Net Book Value

At June 30, 2020	291,787	1	762,857	241,010	1,295,655
At June 30, 2019	279,955	1	578,555	-	858,511

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5. INTANGIBLE ASSETS

The Group

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Cost		
1 July 2020/2019/2018	5,502,076	2,302,184
Eliminated from Discontinued Operations	(3,282,673)	-
Additions/(Disposals)	184,781	3,199,892
Balance at end of Period	2,404,184	5,502,076
Amortisation		
1 July 2020/2019/2018	2,856,597	2,302,054
Eliminated from Discontinued Operations	(1,213,795)	-
Charge for the period	698,694	554,543
Balance at end of Period	2,341,496	2,856,597
Net Book Value		
At June 30, 2020/2019	62,688	2,645,479
At June 30, 2019/2018	2,645,479	130

The Company

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Cost		
1 July 2020/2019/2018	2,404,184	2,302,184
Additions/(Disposals)	-	102,000
Balance at end of Period	2,404,184	2,404,184
Amortisation		
1 July 2020/2019/2018	2,307,664	2,302,054
Charge for the period	33,832	5,610
Balance at end of Period	2,341,496	2,307,664
Net Book Value		
At June 30, 2020/2019	62,688	96,520
At June 30, 2019/2018	96,520	130

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6. GOODWILL

	Muse 360 Integrated Ltd. \$	Bar Central Limited \$	Blue Dot Data Intelligence Limited \$	Total \$
Goodwill at 30 June 2019	24,106,398	29,706,259	58,200,642	112,013,299
Goodwill on disposal of Discontinued Operations		-	(58,200,642)	(58,200,642)
Impairment Provision	(24,106,398)	(17,823,755)	-	(41,930,153)
	-	11,882,504	-	11,882,504

Provision estimate : Muse 360 - 100%
Bar Central - 60%

	Muse 360 Integrated Ltd. \$	Bar Central Limited \$	Blue Dot Data Intelligence Limited \$
As at 30 June 2020			
Revenue	6,463,005	55,936,247	70,610,521
(Loss)/Profit before taxes	315,075	(44,373,041)	(6,728,822)

Net Cash Inflow on disposal of discontinued operation:

	Group Jun-20 \$
Total Consideration at 27 March 2020	39,758,250
Less: Cash and Cash equivalents at disposal of discontinued operations	(5,040,785)
Less: Other Costs	-
	<u>34,717,465</u>

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7. DEFERRED 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:

	The Group		The Company	
	Unaudited Jun-20	Audited Jun-19	Unaudited Jun-20	Audited Jun-19
	\$	\$	\$	\$
Deferred Income Tax	48,255,488	33,151,288	10,035,770	3,778,713

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

	The Group		The Company	
	Unaudited Jun-20	Audited Jun-19	Unaudited Jun-20	Audited Jun-19
	\$	\$	\$	\$
Net Assets at beginning of year	33,151,288	-	3,778,713	-
Transferred on Acquisition	-	1,111,986	-	-
Deferred Tax credit (Note 15)	18,827,364	32,039,302	6,257,057	3,778,713
Transferred on Disposal	(3,723,164)	-	-	-
	48,255,488	33,151,288	10,035,770	3,778,713

Deferred income tax assets are attributable to the following items:

	The Group		The Company	
	Unaudited Jun-20	Audited Jun-19	Unaudited Jun-20	Audited Jun-19
	\$	\$	\$	\$
Deferred Income Tax Assets:				
Property, plant & Equipment	82,180	82,180	14,902	324,372
Unutilized taxes losses	48,173,308	33,069,168	10,020,869	3,454,341
	48,255,488	33,151,348	10,035,770	3,778,713

*A recalculation of deferred taxes will be done at the end of the year in the audited financial statements.

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8. RECEIVABLES

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Trade	456,313	20,299,537
Other	45,368,334	3,164,040
	45,824,334	23,463,577

Other receivables significantly increased over prior year as a result of sale of shares in Bluedot Data Intelligence Limited to Larren Peart in March 2020. The consideration, to be paid in Financial Year 2020-2021.

9. SHARE CAPITAL

	Unaudited	Audited
	30-Jun-20	30-Jun-19
Authorised capital:		
Ordinary shares at no par value	1,000,000,000	1,000,000,000
Issued and fully paid:		
400,000,00 Ordinary shares of no par value	\$111,880,297	\$111,880,297

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10. NON-CONTROLLING INTEREST

	Unaudited 30-Jun-20 \$
Balance as at June 30, 2019	(19,779,173)
Non-Controlling interest arising from Discontinued Operations at acquisition	4,496,038
Share of Loss for the year	(10,727,463)
Non-Controlling interest arising from Discontinued Operations at disposal	2,242,941
Balance as at June 30, 2020	(23,767,657)

11. REVENUE

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

The comparative Q4, FY 2019 results reflect “Negative” Revenues and “Positive” Costs resulting from final audit year-end adjustments for the full year, carried in the last quarter results. These adjustments relates have created a distortion in fourth quarter comparison to Q4, FY 2020.

The Full and Final Year Audited results for FY 2019, would have also reflected these same adjustments. See below:

	Unaudited Quarter 30-Jun-20	Unaudited Quarter 30-Jun-19	Unaudited Twelve Months 30-Jun-20	Audited Twelve Months 30-Jun-19
	\$	\$	\$	\$
Unaudited Revenues	3,530,651	33,066,254	115,553,087	374,830,648
Audit Adjustments	-	(42,563,079)	-	(42,563,079)
Audited Revenues	3,530,651	(9,496,825)	115,553,087	332,267,569
Unaudited COS	(4,977,325)	(51,373,968)	(105,882,939)	(364,798,954)
Audit Adjustments	-	88,931,415	-	88,931,415
Audited COS	(4,977,325)	37,557,447	(105,882,939)	(275,867,539)

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12. OTHER INCOME

	30-June-20 The Group \$	30-Jun-20 The Company \$
Net Payables Write off	58,905,565	50,463,753
Other	383,834	103,242
	<u>59,290,399</u>	<u>50,566,995</u>

13. DISCONTINUED OPERATIONS

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

(a) Analysis of Assets & Liabilities disposed of

	30-Jun-20 The Group \$
Cash & Cash Equivalents	5,040,785
Assets	53,285,157
Debt Financing	(2,113,000)
Other Liabilities	(67,941,250)
	<u>(11,728,308)</u>
 SSLVC - 50% Shareholdings	 (5,864,154)

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(b) Net Cash inflow on disposal of discontinued operations

	30-Jun-20	30-Jun-20
	The Group	The Company
	\$	\$
Consideration Received	39,758,250	39,758,250
Net (Assets)/Liabilities	5,864,154	
Elimination of investment in subsidiary		(53,704,605)
Less Goodwill at acquisition (Note 6)	(58,200,642)	
Transaction Costs	-	-
Pre-Tax Loss on disposal of discontinued operation	<u>(12,578,238)</u>	<u>(13,946,355)</u>
Tax expense	1,572,280	1,743,294
Loss on disposal of discontinued operation	<u>(11,005,958)</u>	<u>(12,203,061)</u>

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14. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	Unaudited	Audited	Unaudited	Audited
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	\$	\$	\$	\$
Accounting Fees	3,768,688	3,620,217	-	1,779,213
Advertising and Promotion	233,753	4,223,974	346,890	1,858,255
Asset Tax	-	101,789	-	101,789
Audit Fee	3,000,294	4,972,500	-	1,890,000
Rent	7,392,151	7,540,681	1,866,413	3,398,140
Bad Debt	2,240,932	656,885	-	-
Depreciation & Amortization	5,312,349	4,609,713	254,515	78,766
Director Fees	240,000	6,835,611	-	420,000
Company Secretary	2,029,128	2,915,117	2,029,128	2,915,117
Legal Fees & Professional Fees	26,301,470	19,552,008	23,999,445	10,231,840
Motor Expenses	5,211,540	406,449	160,910	146,376
Dues & Subscriptions	2,248,523	1,262,500	17,502	932,000
Office / Admin Expense	-	754,423	-	3,066,879
Registrar and JSE Fees	732,750	767,296	732,750	767,296
General Admin. Expenses	2,093,231	1,856,384	646,505	1,856,384
Write-Off Expenses	(1,239,315)	-	-	-
Other expenses	4,835,157	8,854,860	3,506,891	194,750
Payroll Expenses	52,093,184	67,908,545	21,873,947	15,263,023
Meals & Entertainment & Travel	189,270	1,739,403	21,459	870,044
Security	259,104	422,842	-	-
Utilities	2,317,757	3,097,522	482,501	402,274
Total Operating Expenses	119,745,468	148,888,519	55,938,854	46,172,146

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15. TAXATION

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

	The Group		The Company	
	Unaudited Jun-20	Audited Jun-19	Unaudited Jun-20	Audited Jun-19
	\$	\$	\$	\$
Income Tax @ 25%	-	745,433	-	-
Deferred Income Tax (Note 15)	(48,255,488)	(32,039,302)	(10,035,770)	(3,778,713)
	<u>(48,255,488)</u>	<u>(31,293,869)</u>	<u>(10,035,770)</u>	<u>(3,778,713)</u>

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

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

	The Group		The Company	
	Unaudited Jun-20	Audited Jun-19	Unaudited Jun-20	Audited Jun-19
	\$	\$	\$	\$
Loss before tax	(106,302,344)	(76,888,757)	(38,585,863)	(27,152,717)
Loss on Discontinued Operations	(12,578,238)	-	(13,946,355)	-
Total	<u>(118,880,582)</u>	<u>(76,888,757)</u>	<u>(52,532,218)</u>	<u>(27,152,717)</u>
Tax calculated at the appropriate tax rate	(17,848,328)	(15,828,100)	(5,711,687)	(3,394,090)
Tax calculated at the appropriate tax rate for Discontinued Operation	(1,572,280)	-	(1,743,294)	-
Adjusted for the effects of : Expenses not allowed for tax purposes*	150,000	825,568		
Other charges and allowances*	<u>(28,984,880)</u>	<u>(16,291,337)</u>	<u>(3,469,243)</u>	<u>(384,623)</u>
	<u>(48,255,488)</u>	<u>(31,293,869)</u>	<u>(10,035,770)</u>	<u>(3,778,713)</u>

* A recalculation of taxes will be done at the end of the year in the audited financial statements.

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16. PROFIT/LOSS PER SHARE

Basic profit/(loss) per share as calculated by dividing the loss by the weighted average number of ordinary shares in issue.

	Unaudited	Audited
	30-Jun-20	30-Jun-19
	\$	\$
Profit / (Loss)	(69,052,814)	(45,594,888)
Weighted average number of ordinary shares	400,000,000	400,000,000
Basic profit /(loss) per share	(0.17)	(0.11)