

**FirstRock**  
CAPITAL HOLDINGS



# *Financial Statements*

— SEPTEMBER 2020 —

# Interim Unaudited Report to Shareholders

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020



TOTAL ASSETS

**\$35.16**

USD Million

(JMD 5.1 Billion)



EFFICIENCY RATIO

**43%**



NET PROFIT  
ATTRIBUTABLE TO  
SHAREHOLDERS

**\$2.43M**

USD Million

(JMD \$344 Million)



SHAREHOLDERS'  
EQUITY

**\$29.8**

USD Million



ANNUALISED ROE

**10.75%**

## **INTERIM UNAUDITED REPORT TO SHAREHOLDERS FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020**

The Board of Directors of First Rock Capital Holdings Limited (“FCH”) is pleased to present our financial statements. The information herein, represents the unaudited consolidated financial statements for the nine months ended September 30, 2020.

### **Financial Performance**

First Rock Capital Holdings Group posted record performance for the nine months ended September 30, 2020. The company has been aggressively building out its balance sheet while ensuring that its deployment of capital is yielding commendable returns on equity.

### **The Nine-Month Period**

Net Profit attributable to Ordinary Shareholders for the nine months amounted to **US\$ 2,403,494** which represents an increase of over **800%** when compared to the US\$ 280,219 posted for the same period in 2019.

### **The Quarter**

Net Profit attributable to Ordinary Shareholders for the quarter ended September 30, 2020 totalled **US\$ 1,144,623** which represents a considerable increase when compared to the US\$ 287,149 recorded for the quarter ended September 30, 2019. These results yielded an **Earnings per Share (EPS) of US\$ 0.0040**.

### **Financial Position**

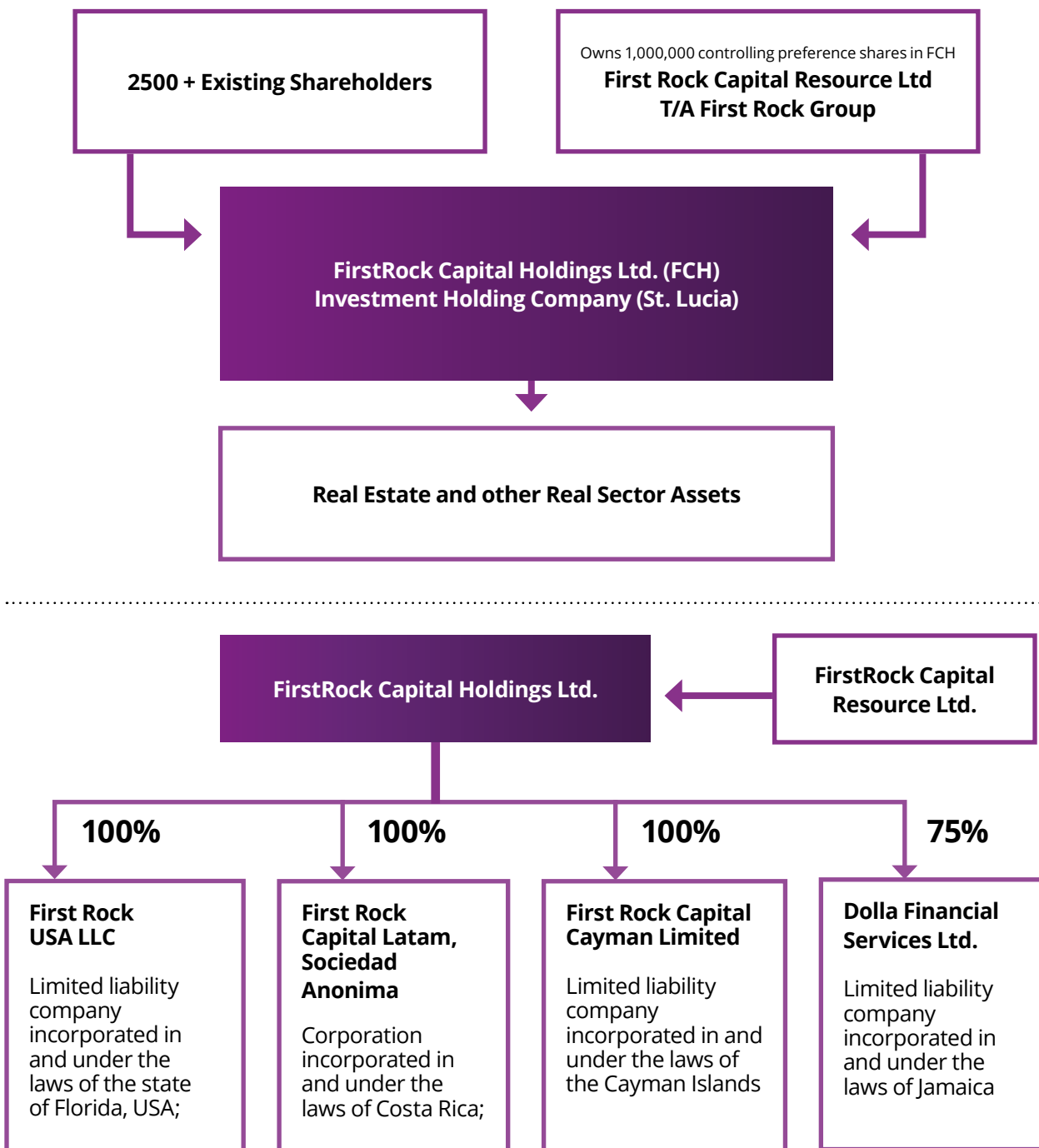
Total assets of the FCH Group at the end of the quarter stood at **US\$ 35,165,805**, with Shareholders' Equity of US\$ 29,762,810. The FCH Group's liabilities also stood at US\$ 5,306,776 as at September 30, 2020.

The company has two clear business strategies, Real Estate and Real Sector Investments, which are pursued via its four subsidiaries, which together with the Company forms the FCH Group;

- i. First Rock USA LLC**, a limited liability company incorporated in and under the laws of the State of Florida, USA and holds real estate and investment assets.
- ii. First Rock Capital Latam, Sociedad Anónima**, a corporation incorporated in and under the laws of Costa Rica and holds real estate assets.
- iii. First Rock Capital Cayman Limited**, a limited liability company incorporated in and under the laws of the Cayman Islands and holds real estate and investment assets.
- iv. Dolla Financial Services Limited**, a limited liability company incorporated in and under the laws of Jamaica as a micro-finance entity.

# Corporate Structure

FirstRock Capital Holdings (FCH) is incorporated in St Lucia, listed on the JSE and is managed by First Rock Capital Resource Ltd. (FCR).



## OUTLOOK

Through the prudent and concerted management of our affairs, we were able to post our best quarterly performance. As we continue to conduct our affairs in the various markets, we remain cautiously aggressive within the current environment. As we go into our final quarter for the financial year, our strategy and efforts will remain the same.

The Board of First Rock Capital Holdings thanks its Shareholders for the confidence reposed in the company and in the same vein, we would like to commend the team at First Rock Capital Resource for the stellar performance during the period.



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**Norman Reid J.P.**

Chairman

## Un-Audited Consolidated Statement of Financial Position

30-SEPTEMBER-2020

ASSETS	GROUP US\$ UNAUDITED 30-Sep-20 USD	GROUP US\$ UNAUDITED 30-Sep-19 USD	GROUP US\$ AUDITED 31-Dec-19 USD
Cash and Cash Equivalents	4,151,879	584,703	578,759
Securities purchased under resale agreements	105,960	0	0
Investment Securities	8,781,653	4,520,854	4,338,112
Receivables	460,984	210,744	204,671
Deferred tax asset	6,563	-	6,563
Due from property manager	2,544	-	-10,396
Due from related parties	1,872	37,384	831
Property, plant & equipment	82,006	35,796	50,241
Intangibles	433,638	-	-
Investment Property	19,023,886	9,408,732	9,681,614
Pre-construction costs	335,514	-	-
Development in progress	155,713	-	-
Property acquisition deposits	1,623,593	1,098,701	1,321,621
<b>Total Assets</b>	<b>35,165,805</b>	<b>15,896,912</b>	<b>16,172,016</b>
<b>LIABILITIES</b>			
Due to related parties	232,954	113,506	122,329
Long Term Loans	4,760,862	-	0
Other Liabilities	277,617	86,545	126,925
Corporation Tax Payable	59,344	1,377	1,717
Preference Shares	0	-	-
<b>Total Liabilities</b>	<b>5,330,776</b>	<b>201,427</b>	<b>250,971</b>
Share Capital	27,738,653	15,477,206	15,472,346
Retained Earnings	2,067,609	218,278	493,588
Foreign exchange translation	-43,453	-	-44,889
<b>Total Shareholders' Equity</b>	<b>29,762,810</b>	<b>15,695,485</b>	<b>15,921,046</b>
<b>Non-Controlling Interest</b>	<b>72,219</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>35,165,805</b>	<b>15,896,912</b>	<b>16,172,017</b>



NORMAN REID, CHAIRMAN



DOUGLAS HALSALL, DIRECTOR

## Profit &amp; Loss Account

NINE- MONTHS ENDED 30 -SEPTEMBER-2020

	QTR ACTUAL UNAUDITED QUARTER- ENDED 30-Sep-20	PRIOR YR QTR UNAUDITED QUARTER- ENDED 30-Sep-19	YTD ACTUAL UNAUDITED NINE-MONTHS ENDED 30-Sep-20	PRIOR YR YTD UNAUDITED NINE-MONTHS ENDED 30-Sep-19	31-Dec-19 AUDITED 26-MONTHS ENDED 31-Dec-19
	US\$	US\$	US\$	US\$	US\$
<b>INCOME</b>					
Rental Income	102,669	9,471	324,971	9,471	80,195
Realised and Unrealised Gains/ (Losses) on Investments	1,612,292	383,224	3,448,568	386,231	1,219,196
Interest Income	398,659	100,566	1,058,231	219,885	326,808
Dividend Income	8,227	0	36,977	0	0
Gains/ (Loss) on Sale of Financial Assets	0	0	(75,298)	0	0
Foreign Exchange Gain/ (Loss)	(143,073)	92,063	(300,691)	374,301	420,954
Gain on Acquisition of Subsidiary	0	0	188,843	0	0
Other Income	61,064	0	116,380	0	16,600
<b>Total Investment Income</b>	<b>2,039,838</b>	<b>585,324</b>	<b>4,797,980</b>	<b>989,889</b>	<b>2,063,753</b>
<b>EXPENSES</b>					
Depreciation and Amortization	12,660	105	21,109	314	1,434
Preference Dividend	183,404	0	296,702	0	121,765
Allowance for credit losses	1,159	0	116,002	0	34,979
Administrative & General Expenses	694,839	298,071	1,981,524	707,978	1,214,386
<b>Total Expenses</b>	<b>892,063</b>	<b>298,176</b>	<b>2,415,337</b>	<b>708,293</b>	<b>1,372,564</b>
<b>Net Profit/(Loss) before Taxation</b>	<b>1,147,776</b>	<b>287,149</b>	<b>2,382,642</b>	<b>281,596</b>	<b>691,190</b>
<b>Taxation</b>	3,153	0	13,346	1,377	(1,745)
<b>Net Profit (Loss) after Taxation</b>	1,144,623	287,149	2,369,296	280,219	692,935
<b>Add loss attributable to non-controlling interest</b>	8,326	0	34,197	0	0
<b>Profit attributable to owners of the company</b>	1,152,949	287,149	2,403,494	280,219	692,935
<b>'EARNINGS PER STOCK UNIT</b>	0.004	0.0006	0.0088	0.0023	0.013
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that are or may be reclassified to profit or loss:					
Foreign exchange translation reserve	(8,316)	-	1,436	-	(44,889)
<b>Total Comprehensive Income</b>	<b>1,136,307</b>	<b>287,149</b>	<b>2,370,733</b>	<b>280,219</b>	<b>648,046</b>

## Statement of Cash Flows

NINE-MONTHS ENDED 30-SEPTEMBER-2020

	20-Sep NINE-MONTHS ENDED Unaudited US\$	19-Sep NINE-MONTHS ENDED Unaudited US\$	19-Dec TWELVE-MONTHS ENDED Audited US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit	2,403,494	280,219	692,934
Adjustment for:			
Depreciation	21,109	314	1,434
Foreign exchange translation	1,436	-	(44,889)
Net gain from fair value adjustment on investments	(3,448,568)	-	(1,217,913)
Taxation expense	57,626	1,377	(1,717)
Operating cash flow before movements in working capital	(964,903)	281,910	(570,151)
Changes in:			
Other receivables	(256,313)	(210,744)	(204,671)
Other liabilities	150,692	(1,013,455)	126,925
Deferred tax asset	-	-	(6,563)
Resale agreements	(105,960)	-	-
Related company	109,585	1,269	123,499
Due from Property Manager	(12,941)	-	10,396
Net cash provided/(used in) by operating activities	(1,079,840)	(941,020)	(520,564)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Acquisition) / Disposal of PPE	(52,874)	(32,025)	(50,241)
Goodwill & other intangibles	(433,638)	-	-
Investment Securities	(4,443,540)	(4,520,854)	(4,338,112)
Pre-Construction costs	(335,514)	-	-
Development in progress	(155,713)	-	-
Property Acquisition deposits	(301,972)	(1,098,701)	(1,321,621)
Investment Property	(5,893,704)	(9,408,732)	(8,463,702)
Cash used in investing activities	(11,616,955)	(15,060,311)	(14,173,676)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loans payable	4,760,861	-	-
Issue of preference shares	-	-	-
Issue of ordinary shares net of transaction cost	12,266,306	15,486,027	15,472,346
Non-controlling interest	72,219	-	-
Dividends Paid	(829,473)	-	(199,346)
Net cash provided by financing activities	16,269,913	15,486,027	15,273,000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>3,573,122</b>	<b>(515,304)</b>	<b>578,759</b>
Cash and cash equivalents at beginning of year	578,759	1,100,006	-
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4,151,881</b>	<b>584,702</b>	<b>578,759</b>



# Statement of Changes In Shareholders' Equity

## NINE MONTHS ENDED 30-SEPTEMBER-2020

	Share Capital	Non-Controlling Interest	Fair Value Reserves	Foreign Exchange Translation	Retained Earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Period ended 30 September 2020:</b>						
Balance at 31 December 2019	15,472,346	-	-	(44,889)	493,588	15,921,045
Total Comprehensive Income for the period		(34,197)		1,436	2,403,494	2,370,733
Issue of Shares net of Transaction Cost	12,266,308					12,266,308
Dividend paid		(60,326)			(829,473)	(889,800)
Acquisition of subsidiary with non-controlling interest		166,743				166,743
<b>Balance at 30 September 2020</b>	<b>27,738,654</b>	<b>72,219</b>	<b>-</b>	<b>(43,453)</b>	<b>2,067,609</b>	<b>29,835,029</b>
<b>Period ended 30 September 2019</b>						
Balance at 31 December 2018		(8,821)	-		(61,941)	(70,762)
Total Comprehensive Income for the period					280,219	280,219
Issue of Share	16,062,206					16,062,206
Transaction Cost - Issue of Share	(576,178)					(576,178)
Dividend paid		-			-	-
Acquisition of subsidiary with non-controlling interest		-				-
<b>Balance at 30 September 2019</b>	<b>15,477,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,278</b>	<b>15,695,485</b>

## 1. Incorporation and Principal Activities

First Rock Capital Holdings Limited (the company) is an International Business Company (IBC) duly incorporated under the laws of Saint Lucia on 4 October 2017. The company commenced operations on 15 March 2019 and as such, does not have comparative prior period information. The registered office of the company is located at Bourbon House, Bourbon Street, Castries, Saint Lucia. Its main operations are located at Suite 6, 14 Canberra Crescent, Kingston 6, Saint Andrew, Jamaica.

The main activities of the company are holding investments and controlling the operations of its subsidiaries. The company's core focus is real estate and private equity investments. The company's primary aim is to provide its shareholders with a tax-efficient vehicle, offering an enhanced level of income, above average dividend yield and preservation of capital through the diversification of assets.

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

Subsidiaries	Principal Activities	Incorporated in	Proportion of Capital
First Rock USA, LLC	Property Investment	USA	100%
First Rock Capital LATAM, Sociedad Anónima	Property Investment	Costa Rica	100%
First Rock Capital Cayman Ltd.	Property Investment	Cayman	100%
Dolla Financial Services Ltd.	Micro-Lending	Jamaica	75%

## 2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

#### Interim financial reporting

The condensed consolidated interim financial statements for the three months ended March 31, 2020 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss.

**Standards, interpretations and amendments to published standards effective in the current period**

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial period. The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, applicable to its operations. The nature and effect of the changes are as follows:

- **Amendments to IAS 1 and IAS 8** on the definition of material and is effective for reporting periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The amendment did not have a significant impact on the condensed consolidated interim financial statements.
- **Amendment to IFRS 3, 'Business combination'**, (effective for annual periods beginning on or after 1 January 2020). The amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The amendment did not have a significant impact on the condensed consolidated interim financial statements.
- There are no other standards, interpretations and amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Group.

**(b) Basis of consolidation****(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases. Condensed consolidated interim financial statements are prepared using uniform accounting policies for like transactions.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, except where there are indications of impairment.

**(c) Revenue recognition****(i) Interest income**

Interest income on financial assets at amortised is recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price.

(ii) Dividend income

Dividends are received from financial assets measured at fair value through profit or loss (FVPL). Dividends are recognized in the condensed consolidated interim income statement when the right to receive payment is established.

(iii) Rental income

Revenue comprises the invoiced value of rental and maintenance charges. Rental income from operating leases is recognised on a straight-line basis over the lease term. The Group currently does not provide incentives to its tenants.

The Group assesses the individual elements of the lease agreements and assesses whether these individual elements are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price is allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. These selling prices are predominantly fixed price per the agreements where the tenant pays the fixed amount based on a payment schedule.

Revenue is measured at the transaction price agreed under the contract. The Group currently does not have arrangements that include deferred payment terms.

A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**(d) Foreign currency translation**

(i) Functional and presentation currency

Items included in the condensed consolidated interim financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The condensed consolidated interim financial statements are presented in US dollars, which is the company's functional currency. The company has determined that the US dollar its functional currency as its strategy is to contract with multinational entities (mainly US based), at rates consistent with rates charged in the US and therefore considers the US economy to be the primary economy to which it is exposed and the economy that determines the pricing of its goods and services. The largest portion of the company's revenues, expenses and cash flows are denominated in United States dollars.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in profit or loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each condensed consolidated interim statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each condensed consolidated interim statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized in other comprehensive income.

**(e) Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value.

Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. .

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Fair value may also be determined using recent comparable sales, with appropriate adjustments for size, location, condition etc, as appropriate. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed of. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain/(loss) from fair value adjustment on investment property. If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

#### **(f) Investments and other financial assets and liabilities**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

##### **Financial assets**

The Group's financial assets comprise loans receivable, and investments at FVPL and at amortised cost, trade and other receivables, due from related parties and cash and cash equivalents balances.

##### **Financial liabilities**

The Group's financial liabilities comprise loans, preference shares, trade payables and other liabilities and due to related parties. They are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

##### **Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVPL; and
- those to be measured at amortised cost.

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for them at FVPL. The Group 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 the trade date, the date on which the Group 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 measures a financial asset at its fair value plus, in the case of a financial asset not at 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.

**Debt instruments**

The Group classifies its debt instruments at amortised cost. These are assets that are held for collection of contractual cash flows where those cash flows represent SPPI and 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. Impairment losses are presented as a separately and form part of profit or loss.

**Equity instruments**

The Group subsequently measures all equity investments at fair value. These fair value gains and losses are recognised in net change in fair value of financial instruments at fair value through profit or loss. Any gain or loss arising on derecognition is recognised directly in profit or loss.

**Impairment**

The Group assesses on a forward-looking basis the ECL associated with its debt instruments and loans receivable carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The ECL in relation to trade receivables is immaterial.

Debt investments and 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. The impairment charge for debt investments was assessed and is recorded in profit or loss.

**(g) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the trade receivables with the objective to collect the contractual cash flows.

**(h) Cash and cash equivalents**

Cash and cash equivalents include cash at bank. Cash and cash equivalents are carried at cost which is assumed to approximate fair value due to the short-term nature of these items.

**(i) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. If such subsequent cost relates to a replaced part, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives at annual rates, as follows:

Billboards	10%
Leasehold improvements	Life of lease
Furniture, fixtures & equipment	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

#### **(j) Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Ordinary shares are classified as equity.

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

#### **(k) Management fees**

A management fee of two per cent (2%) of the net asset value of the Group based on the Group's audited financials will be paid quarterly to the Group's management company First Rock Capital Resource Limited.

The fee is to be paid in arrears, based on the quarterly unaudited financial statements of the Group, subject to the 'claw-back' provision.

#### **(l) Performance based fees**

A performance based cumulative annual dividend calculated as twenty-five per cent (25%) of the audited annual total comprehensive income of the Group in excess of eight per cent (8%) (the 'hurdle' rate).

Dividends are to be paid quarterly in arrears, based on the quarterly unaudited financial statements of the company, subject to the 'claw-back' provisions.

#### **(m) Operating expenses**

Expenses include management, legal, marketing, professional, property maintenance and other fees. They are recognised in profit or loss in the period in which they are incurred on an accrual basis.



**(n) Income taxes and deferred taxes**

Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the date of the condensed consolidated interim statement of financial position in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the condensed consolidated interim financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the condensed consolidated interim statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**3. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

Net profit attributable to shareholders (USD\$)	2,403,494
Weighted average number of ordinary shares in issue	272,702,735
Basic earnings per share (USD per share)	<u>0.00881</u>

The Group has no dilutive potential ordinary shares. The diluted earnings per share are the same as the basic earnings per share.

**4. Dividends**

The Group declared and paid dividends at a rate of USD 0.0030 per share during the period.

## Top 10 Shareholders

As at 30 September 2020

Name	Volume	%
1. DAVID CHIN	18,350,000	6.41552%
2. JCS D TRUSTEE SERVICES LTD - SIGMA EQUITY	15,400,000	5.38414%
3. AIRPORT AUTHORITY OF JAMAICA	14,259,000	4.98522%
4. NMIA AIRPORTS LIMITED	14,259,000	4.98522%
5. SAGICOR POOLED EQUITY FUND	13,746,000	4.80587%
6. MF&G TRUST & FINANCE LTD	10,400,000	3.63604%
7. BEECH REALTY COMPANY LTD	10,000,000	3.49619%
7. NATIONAL INSURANCE FUND	10,000,000	3.49619%
8. NEKIA LIMITED	7,129,000	2.49244%
9. RYAN-KWESI RAYNARDO REID	5,620,000	1.96486%
10. JMMB RETIREMENT SCHEME (CONSERVATIVE)	5,400,000	1.88794%
<b>Total Issued Capital:</b>		<b>286,025,318</b>

## Directors' Shareholdings Report

As at 30 September 2020

Board Member	*Primary Holder Joint Holder	Position on Board	Relationship	Volume
<b>Norman Reid</b>	*Norman Reid	Director	Self	14,000
	Pauleen Reid			
			<b>Director's Holdings</b>	<b>14,000</b>
			<b>Connected Party Holdings</b>	<b>0</b>
			<b>Combined Holdings</b>	<b>14,000</b>
<b>Douglas Halsall</b>	*Douglas Halsall	Director	Self	924,000
	Gloria Marjorie		Connected	-
	Health Administration Systems Limited		Connected	3,852,000-
			<b>Director's Holdings</b>	<b>924,000</b>
		<b>Connected Party Holdings</b>	<b>3,852,000</b>	
			<b>Combined Holdings</b>	<b>4,776,000</b>
<b>York Page Seaton</b>	*York Page Seaton	Director	Self	4,779,158
	Claudette Seaton		Self	
	Y.P. Seaton & Associates Limited		Connected	0
			<b>Director's Holdings</b>	<b>4,779,158</b>
		<b>Connected Party Holdings</b>		
			<b>Combined Holdings</b>	<b>4,779,158</b>
<b>Alton Morgan</b>	*Alton Morgan	Director	Self	-
	Dr. Peggy Myers-Morgan		Connected	-
	Dr. Dionne Morgan		Connected	-
	Nicholas Gordon		Connected	-
	Legisperitus Limited		Connected	-
			<b>Director's Holdings</b>	<b>-</b>
		<b>Connected Party Holdings</b>	<b>-</b>	
			<b>Combined Holdings</b>	<b>-</b>
<b>Kisha Anderson</b>	*Kisha Anderson Kurt Anderson	Director	Self	185,000

## Directors' Shareholdings Report

As at 30 September 2020

Board Member	*Primary Holder Joint Holder	Position on Board	Relationship	Volume
	Matthew Jude Anderson		Connected	-
	Daniel Arthur Anderson		Connected	-
			<b>Director's Holdings</b>	<b>185,000</b>
			<b>Connected Party Holdings</b>	<b>-</b>
			<b>Combined Holdings</b>	<b>185,000</b>
<b>Fay Hutchinson</b>	*Fay Hutchinson	Director	Self	1,000,000
	Gordon Hutchinson			
	Andre Hutchinson			
			<b>Director's Holdings</b>	<b>1,000,000</b>
			<b>Connected Party Holdings</b>	<b>-</b>
			<b>Combined Holdings</b>	<b>1,000,000</b>