



iCREATE!  
DESIGN & INSPIRE





**OUR VISION** is to inspire the next generation to dream and live the dream, armed with knowledge and experience. We see new growth opportunities for creative talent beyond these borders.

**OUR MISSION** is to unearth and nurture creativity in our students, developing a deep and abiding passion for design and imparting critical business skills to convert ideas to real value.

**OUR BRAND** iCreate is a Creative Institute developed with the aim of filling the gap in skills training and development of creatives in Jamaica and the wider Caribbean. As an important part of the creative ecosystem, we provide students with a wide range of career opportunities in the Creative Economy, while being a key partner of the Advertising Industry, Film Production Companies, Animation and Gaming Companies, and Creative Outsourcing initiatives.



## NOTICE OF ANNUAL GENERAL MEETING

### **NOTICE OF ANNUAL GENERAL MEETING**

The Annual General Meeting (AGM) of iCreate Limited is scheduled to be held on **MONDAY, DECEMBER 28, 2020** at iCreate Limited, 72B Hope Road, Kingston 6, in the parish of Saint Andrew at **3:00pm** for the purpose of transacting the following business: -

1. To receive the Audited Financial Statements for the year ending December 31, 2019 together with the Reports of the Directors and Auditors.

The Shareholders are being asked to consider, and if thought fit, pass the following resolution: -

***“That the Audited Financial Statements for the year ending December 31, 2019 together with the Reports of the Directors and Auditors be received and adopted.”***

2. To appoint Auditors and to authorise the Directors to fix their remuneration.

The Shareholders are being asked to consider, and if thought fit, pass the following resolution: -

***“That the remuneration of the Auditors, CrichtonMullings & Associates, Chartered Accountants, who have signified their willingness to continue in office, be such as may be agreed between the Directors of the Company and the Auditors.”***

3. To retire and elect Directors

The Shareholders are being asked to consider, and if thought fit, pass the following resolution: -

***“That the Directors, retire by rotation upon the expiration of three (3) years and be re-elected by a single resolution.”***

Pursuant to a Fixed Date Claim Form filed on June 24, 2020 in the Commercial Division of the Supreme Court of Judicature, the AGM will be a hybrid general meeting at the physical venue with **ten (10)** individuals, inclusive of shareholders and directors, and via live stream at [www.iCreateEDU.com/Investor](http://www.iCreateEDU.com/Investor). We invite our shareholders who are unable, or prefer not, to attend the AGM, to join via this medium and appoint a proxy with their voting positions.

For those shareholders and Proxy holders who plan to attend, please note the following: -

1. There will be strict observance of the gathering and social distancing protocols, with the staggering of arrivals and departure to prevent overcrowding;
2. All individuals will be required to wear a mask;

3. Temperature checks will be administered to all individuals attending the AGM;

4. All individuals will be required to sanitize prior to entering the meeting room; and

5. No shareholder or proxy holder will be admitted if he/she is displaying flu-like symptoms or has an elevated temperature.

We would be most grateful if the individuals precluded from attending the AGM, pursuant to the Disaster Risk Management (Enforcement Measures) Orders, would join via the live stream.

Additionally, shareholders may submit their questions by electronic mail within **seventy two (72) hours** prior to the AGM, to be reviewed and announced by the Corporate Secretary of the Board of Directors. Questions may be sent to [corpsecretary@icreateedu.com](mailto:corpsecretary@icreateedu.com). A member entitled to attend and vote at the AGM may appoint a proxy, who need not be a member to attend and so on a poll, vote on his/her behalf.

The proxy form must be lodged with the Company Registrar, Jamaica Central Securities Depository, 40 Harbour Street not less than forty eight (48) hours before the time of the AGM.

A Corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Regulation 75 of the Company's Articles of Incorporation.

Voting will be conducted electronically including before the meeting or by a proxy chosen from among the persons the company indicates will be physically present at the AGM.

**Dated the 2<sup>nd</sup> day of December 2020  
BY ORDER OF THE BOARD OF DIRECTORS**

  
**DEMETRIE A. ADAMS  
Corporate Secretary**





# CONTENTS

Section 1	Chairperson Message	10
	President & CEO Message	12
	Financial Highlights	14
	Products & Services	15
Section 2	Company Profile	20
	Management Discussion & Analysis of Financial	24
	Auditors Consent	67
Section 3	Professional Advisors	32
	Management Discussion & Analysis	34
	Board & Sub-committee Meeting Record	36
	Professional Advisors to the Company	40
Section 4	Audited Financials	72



1.0





## CHAIRPERSON'S MESSAGE



ARLENE MARTIN

At iCreate we focus on delivering a different and innovative approach to knowledge and learning in the digital and creative fields. We give our students real-world experience and prepare them for today's and tomorrow's future while maintaining a high satisfactory rate, which we pride ourselves on.

iCreate has been very diligent in leveraging our resources since being listed on the Jamaica Stock Exchange Junior Market. Our primary focus in year one, since the initiation of our IPO, was to expand our physical infrastructure including additional computer labs, training rooms and workshop space, as well as opening an additional location in the second city, Montego Bay.

As awareness and interest of the Digital and Creative industries continued to grow regionally, the demand for the educational products that we offer as an institution also increased, giving us an opportunity to expand our offerings and achieve our mission on a wider scale. We also invested heavily in acquiring new and additional equipment, computers and software to keep our students ahead of the learning curve.

In 2019 we trained over 1,000 creatives in 15 different digital and creative courses. This increase was possible through the introduction of additional courses such as Interior Design and Events and Entertainment Production.

As an institution we are committed to ensuring that we produce a certified and agile workforce through practical hands-on training but we are also committed to ensuring that our digital creatives are exposed to necessary soft skills that will set them up for success. We believe that iCreate is an entity for the future; first in Jamaica and the region by extension will eventually follow. We remain committed to being the number one digital and creative institution in Jamaica while bringing value to our shareholders.

We thank our shareholders for their continued support and look forward to an even better 2020.



## CEO'S REPORT



TYRONE WILSON

Upon the successful listing of iCreate Limited on the Jamaica Stock Exchange, Junior Market, we set out to establish a solid foundation on which the company can grow. 2019 saw us building partnerships and expanding our markets to be able to position ourselves as the premier digital and creative training institute in the Caribbean.

### TRAINING INFRASTRUCTURE & STUDENT SATISFACTION

Coming out of our Initial Public Offering (IPO), we were able to add new physical space and infrastructure to deliver on our promise of hands-on practical training. We added approximately 1,500 SQ FT of training space in Montego Bay, Jamaica and an additional 2,000 SQ FT of training space in Kingston, Jamaica. In addition to the physical space, we doubled our capacity in terms of access to software, and equipment access.

For 2019, we enjoyed an average of 80% satisfactory rating amongst our students.

In just one year, iCreate was able to directly impact lives, providing training that enabled individuals to become entrepreneurs and freelancers in their respective fields. Deron Douglas, for example, became the winner of the European Union (EU) Short Film Competition. This saw him winning an all-expense-paid trip to Germany to attend a short film course at the MetFilm School in Berlin. In addition to his trip to Germany, Douglas's film will be screened at the EU Film Festival and given publicity across EU online platforms.

### ADDITIONAL MARKETS

In September of 2019, iCreate expanded its footprint in the Caribbean by entering the twin island Republic of Trinidad and Tobago via our partnership with Trend Media Group (a subsidiary of the Digicel Group). This partnership showed quick success, and within a few months, we were able to provide for Trinidad and Tobago, the first set of Certified Digital Marketers.

### PARTNERSHIPS

iCreate solidified several partnerships in 2019 as part of our strategic growth plan. Heart Trust / NTA, Trend Media Group and the Council of Community Colleges in Jamaica. These partnerships are structured on the premise of ensuring that our courses reach as many individuals as possible throughout the Caribbean. In just a few months, we have become a well sought after digital and creative training partner. The feedback has been positive, and we are proud of it. Companies such as Digicel, Yello Media, ATL Group, Active Home Centre, National Commercial Bank and Wisynco have all sent their employees to gain training from iCreate.



## FINANCIAL HIGHLIGHTS

**REVENUE** | The company's Sales Revenue was \$46,158,213 compared to \$31,848,759 in the previous year, representing an increase of \$14,309,454 or 45%.

**COST OF SALES** | Cost of Sales include trainer fees, license fees and any other expenses directly related to delivering the training. Our Cost of Sales increased from \$11,839,112 to \$24,116,780 for the year ended 2019 when compared to the same period in 2018.

**OPERATING LOSS** | Operating loss increased by 150.3%, from \$12,974,501 (2018) to \$32,478,428 (2019).

**NET LOSS** | Net loss also increased by 209.5% from \$14,848,055 (2018) to \$45,950,076 (2019), even with a 45% increase in revenues for the period. 2019 was a build out year for iCreate. The expansion came with larger than usual growth in expenses from staffing our Kingston & Montego Bay locations, launching and marketing our new courses and programmes. Additional expenses were incurred in the areas of professional fees, expected credit losses and JSE listing fees.

**TOTAL ASSETS** | Total assets increased by 188% from \$14,817,862 (2018) to \$42,676,836 (2019)







Photo of iCreate's newly built computer lab



2.0





## OUR PRODUCTS

### CREATIVE COURSES

Our certificate programs are industry-specific education for future advertising, digital media and content professionals. These programs have been structured to benefit from a tremendously strong eco-system in the Caribbean.



Digital Advertising  
Animation  
Content Marketing and Strategy  
Digital Content Writing  
Digital Video Production  
Graphic Design  
Live Television Production  
Mobile Game Design  
Photography  
Project Management for Creatives

### DIGITAL COURSES

As an Authorised Partner of the UK-based Digital Marketing Institute, our diploma course offers students the opportunity to become an internationally-accredited Certified Digital Marketing Professional, aligning their skills with industry needs.



Digital Marketing Essentials  
Digital Marketing Professional  
Digital Marketing Specialist (Digital and Social Selling )  
Digital Marketing Specialist (Social Media)  
Digital Marketing Specialist (Search)  
Digital Marketing Specialist (Strategy & Planning)  
Digital Marketing Expert



The World's Most Recognised Digital Marketing Course

# Gain a Professional Diploma in Digital Marketing

 Flexible Online Learning (30hrs)  Enrollment Deadline Aug 26th  ~~\$1955~~ \$1368

This comprehensive digital marketing course, delivered 100% online, teaches the key digital marketing skills required for the modern workplace. Learn Google Ads, social media marketing and SEO, Google Analytics, mobile marketing and more.

## WHY DMI?

- ✓ Digital Training Excellence for over 12 years
- ✓ You gain a globally recognized certification
- ✓ 12 months FREE membership included
- ✓ Join a global network of over 75k members

[Download Brochure](#)

Google Customer Reviews  
★★★★★



Google

facebook

HubSpot

Coca-Cola



IBM

## Course Overview

# The Global Standard in Digital Marketing Training

Whether you're a beginner, business owner or marketing professional looking to upskill, the **DMI PRO** digital marketing certification is perfect for you to become a global digital marketer.



## COMPANY'S PROFILE

### -- The iCreate Story

In 2012 the concept of an internship programme offering skills training and work experience to young creatives and talented university students was born within eMedia Interactive Group Limited, and these activities began as a business unit within that firm. With the establishment of the YUTE Lens Support Programme in 2015 this unit continued its mandate of providing employability training through its partnership with the ICD Group's corporate social responsibility arm, the Youth Upliftment Through Employment (YUTE). Designed to provide practical technical skills training to inner-city youth, enabling exposure to non-traditional career paths, with a focus on creative industries such as video production and photography the programme was a success and impacted 100 youth. In October 2016, eMedia Interactive Group Limited partnered with the University of the Commonwealth Caribbean to become the official media institute of the university.

Following these early successes, iCreate Limited, a wholly owned subsidiary of eMedia Interactive Group Limited, was incorporated as a limited liability company in January 2018. Then in February 2019, the firm became the first educational institution to be listed on the Jamaica Stock Exchange Junior Market, raising JMD70 million.

#### THE COMPANY

iCreate Limited is divided into two main divisions: Creative Courses and Digital Courses. Creative Certificate Courses are currently offered in partnership with and accredited by the University of the Commonwealth Caribbean (UCC) at two Jamaican locations, in Kingston and Montego Bay. Digital Courses are offered at the same locations under the Digital Marketing Institute licence agreement entered into in January 2018. In December 2018 iCreate signed an exclusive three-year agreement with the Digital Marketing Institute to become the sole partner for the Caribbean markets of Jamaica, Barbados, Grenada, Trinidad and Tobago.





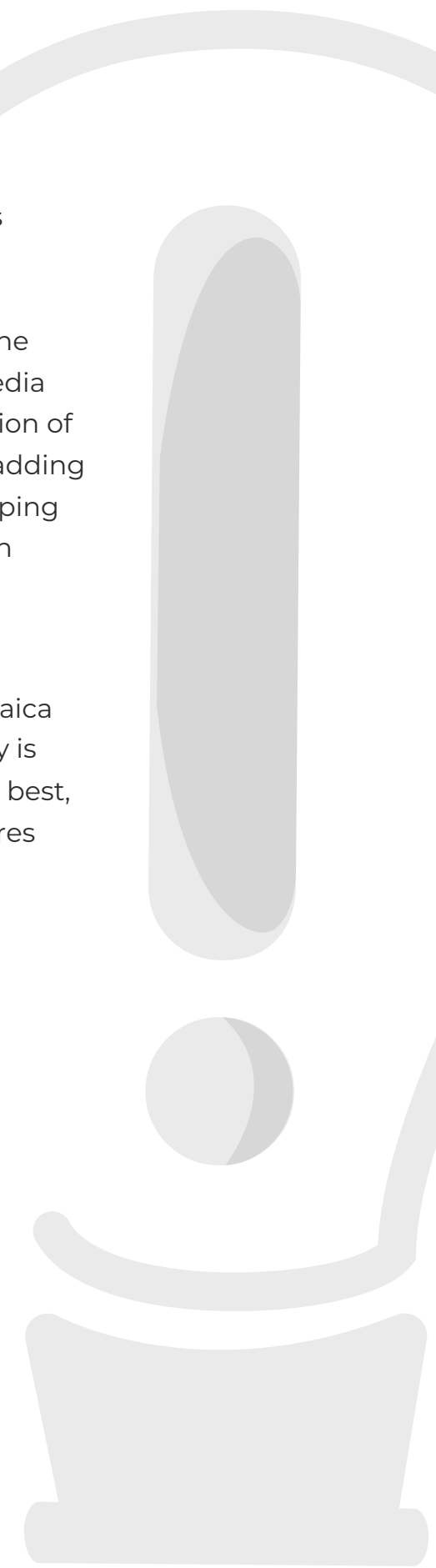


### **STRONG IN PARTNERSHIPS**

With the success of our education partnership, iCreate has followed this approach into corporate training and has signed two [2] Memoranda of Understanding with The Heart Trust NTA and Kingston and St. Andrew Municipal Corporation, to provide training in the creative field. Within the private sector, iCreate has also signed MOUs, starting with the Trend Media Group, which is a subsidiary of the Digicel Group. Of course, the expansion of education partnerships continues following the company listing, since adding the Mico University. With this partnership, the reach of iCreate in equipping our creative industries will grow as teachers gain skills and knowledge in teaching digital and creative courses.

### **REGIONAL EXPANSION**

With the DMI agreement, iCreate expanded beyond the borders of Jamaica starting with Trinidad & Tobago in September, 2019. While the company is aiming to transform the Creative Industries in Jamaica by providing the best, most current digital and creative courses, its expansion beyond our shores will contribute to the company's growth.





THE iCREATE INSTITUTE HAS ALSO SUCCESSFULLY TRAINED INDIVIDUALS FROM THE FOLLOWING COMPANIES:



PAGE INTENTIONALLY LEFT BLANK





## USE OF TECHNOLOGY

### **Salesforce for Higher Education**

'Salesforce for Higher Education' is a technology focused recruitment software (Customer Relationship Management Software) that fully automates the sales, recruitment and student management processes. This promises that iCreate will be able to track accounts, contacts, leads, opportunities, student application status and activities as well as other customised features desired in the future.

Since the start of 2018, iCreate has generated interest in our courses in excess of 3,000 prospects based on applications uploaded to the iCreate online portal. With increased marketing and exposure from the IPO and our marketing activities, the number of prospects is expected to double in 2019. Recruiter productivity will be boosted with the recently introduced automated recruitment processes, and optimised interactions with accurate data being produced through customised algorithms.

The Customer Relationship Management (CRM) software will enable the iCreate recruitment team to nurture prospective students through the entire applicant lifecycle – from initial touch to final enrolment. In addition to listening and engaging in conversations on social media, personalising marketing efforts, and tracking every applicant's interactions, which are key in the recruitment of targeted students, the students will be added to a centralised, secure cloud-based database (computing model in which data is stored on remote servers accessed from the internet) capable of providing

empirical data for further decision making and strategy building initiatives. 'Salesforce for Higher Education' introduces a digitally centralised platform accessible on any mobile device available to both the recruitment and administrative teams, to monitor student enrolment and curriculum activities 24/7. Lead yield will be increased by finding and connecting to new prospects by engaging the most promising leads at their moment of interest via the right channel, increasing conversion from prospects to students. The CRM provides iCreate with complete insight to forecast yield accurately as a team and make informed decisions based on analytics, while measuring performance via real-time dashboards on any device. The manual processes for registration will be virtually eliminated.

### **Google Classroom**

Google Classroom is a free web service developed by Google for schools that aims to simplify creating, distributing and grading assignments in a paperless way. The primary purpose of Google Classroom is to streamline the process of sharing files between teachers and students.

Google Classroom combines Google Drive for assignment creation and distribution, Google Docs, Sheets and Slides for writing, Gmail for communication, and Google Calendar for scheduling. Students can be invited to join a class through a private code, or be automatically imported from a school domain.

### **ToonBoom**

This software is used in the film, television and animation industries for its professional-quality 2D animation production capabilities. Toon Boom Harmony contains the tools required to handle cut-out (puppet), paperless frame-by-frame and traditional animation workflows from scanning to compositing and 2D/3D integration. Its toolset includes pencil lines with textures, deformation tools, morphing, inverse kinematics, particles, built-in compositor, 3D camera and 2D-3D integration. When used as a paperless animation solution, users can draw animation directly into the software, using a graphics tablet.

### **Adobe Creative Cloud**

Creative Cloud is a creative software used for any creative project. It contains a variety of different apps that are accessible, easy to launch, with an array of features. Users are able to manage and share assets stored in Creative Cloud; download fonts from Adobe Typekit or high-quality royalty-free assets right within the app; and showcase and discover creative work. This creative application allows students to have access to a range of features that are best used to execute the project with applications such as Adobe Photoshop, Adobe Illustrator and Adobe Premiere. The world-class design tools in Creative Cloud give students everything they need to create: design logos, posters, brochures, ads, combine images to make incredible artwork, and more.



Google Classroom



Adobe® Creative Cloud™

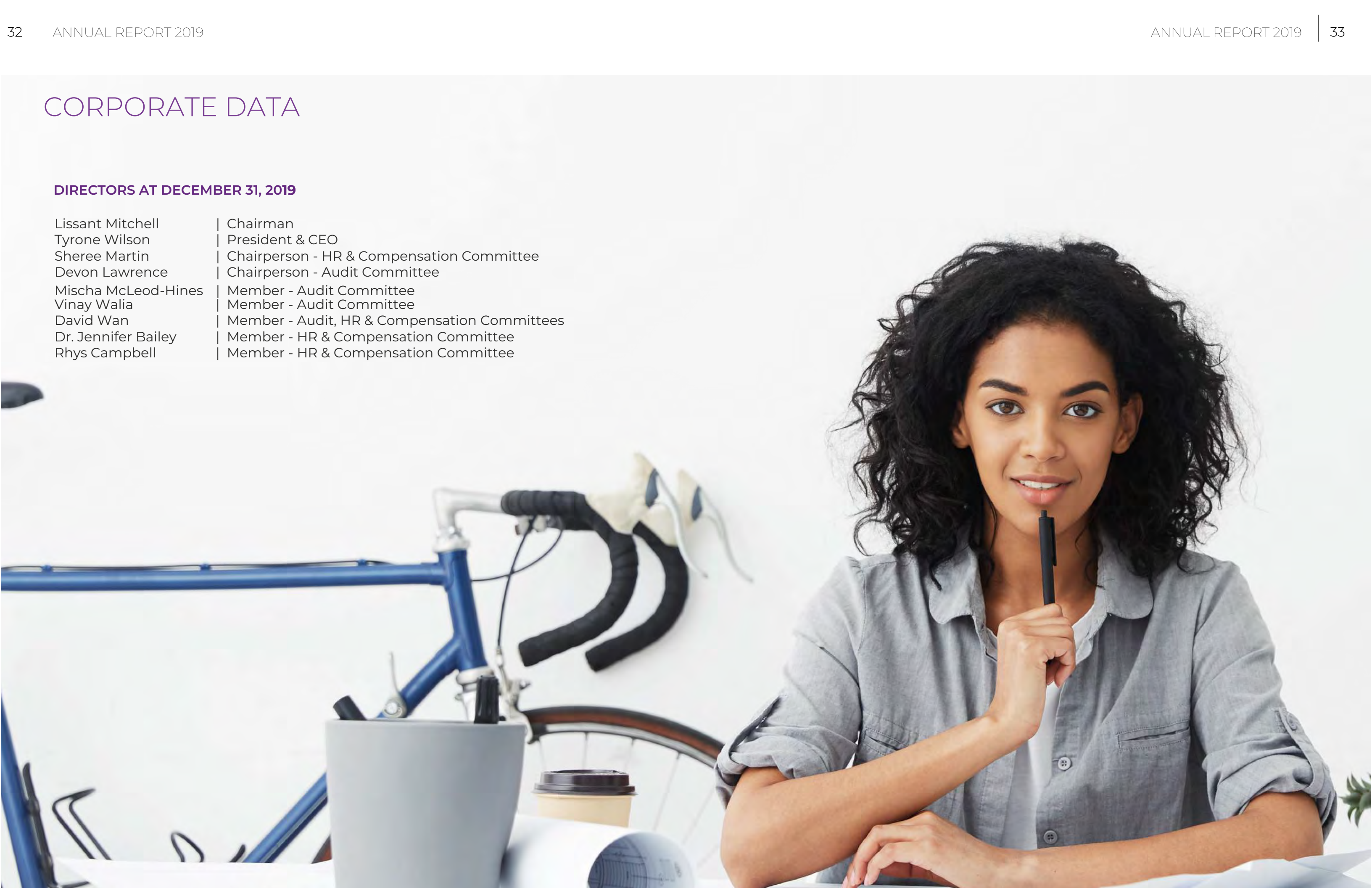




## CORPORATE DATA

### DIRECTORS AT DECEMBER 31, 2019

Lissant Mitchell	Chairman
Tyrone Wilson	President & CEO
Sheree Martin	Chairperson - HR & Compensation Committee
Devon Lawrence	Chairperson - Audit Committee
Mischa McLeod-Hines	Member - Audit Committee
Vinay Walia	Member - Audit Committee
David Wan	Member - Audit, HR & Compensation Committees
Dr. Jennifer Bailey	Member - HR & Compensation Committee
Rhys Campbell	Member - HR & Compensation Committee





# PROFESSIONAL ADVISORS TO THE COMPANY

REGISTERED OFFICE	REGISTRAR AGENTS
-------------------	------------------

72B Hope Road  
Kingston 6 Jamaica,  
W.I.

Jamaica Central Securities  
Depository  
  
40 Harbour Street Kingston  
Jamaica, W.I.

COMPANY SECRETARY	EXTERNAL AUDITORS
-------------------	-------------------

Demetrie Adams  
58 Hope Road Kingston  
6 Jamaica, W.I.

Crichton Mullings and Associates  
  
Unit 27B, 80 LMR  
80 Lady Musgrate Road Kingston 10  
Jamaica, W.I.

ATTORNEYS AT LAW	BANKERS
------------------	---------

Tavares-Finson Adams  
58 Hope Road  
Kingston 6  
  
Jamaica, W.I.

Sagicor Bank Jamaica Limited  
  
85 Hope Road, Kingston 6 Jamaica,  
W.I.

PAGE INTENTIONALLY LEFT BLANK



# MANAGEMENT DISCUSSION & ANALYSIS

## COMPANY OVERVIEW

iCREATE was registered as a subsidiary of eMedia Interactive Group Limited in January 2018, and is incorporated on the Jamaica Stock Exchange - Junior Market.

On February 5, 2019, iCREATE LIMITED was incorporated on the Junior Market - Jamaica Stock Exchange with eMedia Interactive Group holding a controlling interest of 51% of total issued shares. The core business activities of iCREATE are educational and training in creative and innovative courses, offered through partnerships with The University of the Commonwealth Caribbean (UCC) and the Digital Marketing Institute.

## MD&A

This Management’s Discussion and Analysis (MD&A) is curated to outlay information about our business and our performance for the year ended December 31, 2019 both financially and prospects for the future. It is supplemental and intended for analysis along with our audited financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act of Jamaica. All dollar amounts are presented in Jamaican dollars.

This MD&A includes “forward-looking information”, observing expectations, anticipations, estimates and or intentions related to the general economic climate and market trends and their anticipated effects on our business.

## FINANCIAL PERFORMANCE



The company’s Sales Revenue was \$46,158,213 compared to \$31,848,759 in the previous year, representing an increase of \$14,309,454 or 45%.

Cost of Sales include trainer fees, licence fees and any other expenses directly related to delivering the training. Our Cost of Sales increased from \$11, 839,112 to \$24,116,780 for the year ended 2019 when compared to the same period in 2018.

Operating loss increased by 150.3%, from \$12,974,501 (2018) to \$32,478,428 (2019).

Net loss also increased by 209.5% from \$14,848,055 (2018) to \$45,950,076 (2019), even with a 45% increase in revenues for the period. 2019 was a build out year for iCreate. The expansion came with larger than usual growth in expenses from staffing our Kingston and Montego Bay locations, launching out and marketing our new courses and programs. Additional expenses were incurred in the areas of professional fees, expected credit losses and JSE listing fees.

Total assets increased by 188% from \$14,817,862 (2018) to \$42,676,836 (2019)



## COST OF OPERATING REVENUE

Through our strategic growth partnerships such as exclusivity to the Digital Marketing Institute program, expansion of new locations, and the hiring of skilled and qualified trainers our direct expenses have increased simultaneously. Constant devaluation of the Jamaican dollar against the US dollar has put us at a disadvantage with our licensing fee. Operating revenue increased by 103.7% \$11,839,112 (2018) to \$24,116,780 (2019)

## STATEMENT OF FINANCIAL POSITION

We had several significant changes during this period that would be reflected on our Balance Sheet.

Fixed Assets increased from \$7,419,655 (2018) to \$28,850,453 as at December 31, 2019. This represents our investment in physical assets to deliver practical and hands-on training going forward.

Our trade and other payables increased from \$9,499,715 to \$23,238,690. During this period, the increased losses had an impact on our ability to pay creditors. The company continues to work on ways to improve cash flow going forward.

## CORPORATE SOCIAL RESPONSIBILITY

We gave away approximately 10 scholarships during the period to individuals who could not afford to pay tuition at iCreate. Please see message from one of our recipients - Michael Jackson who traveled from Portland to Kingston to complete his studies in Digital Video Production:

*Good day to you Mr Tyrone this is Michael Jackson from Digital Video Production class the student from Portland that you gave the Scholarship. I know that I've told you thanks before for what you have done for me by granting me that scholarship but I never get to fully express my gratitude. Thank you once again and I really appreciate your level of compassion towards me. Truth be told that scholarship had done a lot for me as the help was really needed. I pray that God will continue to bless your family, your business yourself and all other endeavors that your heart so desire. Again I say thank you sir. God bless.*

## FUTURE OUTLOOK

Now that the build out and majority of the expansion has been completed, iCreate has a solid foundation on which to grow. The [COVID-19](#) pandemic has shown the increased need for digital training, and iCreate has emerged as a leader in short courses in this field. The global creative economy makes up 5% of GDP and this is expected to continue to grow for years to come. iCreate is well positioned to help the Caribbean pivot and build on new skill sets as required in a post COVID-19 environment. Online training helped us to connect with new students and partner with corporate companies during a period where we all needed to increase our knowledge in digital. We expect this trend to continue and for iCreate to be a key player in re/skilling and up/skilling our workforce for the future.

## CORPORATE GOVERNANCE

As a new listed company and also a start-up, we are proud of the numerous policies developed and implemented to guide the company. A few are:

- Board Charter
- Charter for Audit Committee
- Charter for HR & Compensation Committee
- Cash and Bank Policy & Procedures
- Purchase to Accounts Payable Policy and Procedures
- Revenue Recognition
- Payroll Policy and Procedures



**BOARD MEETING AND SUB-COMMITTEE  
MEETINGS OF THE BOARD OF DIRECTORS**

	Board of Directors' Meeting	Audit Committee Meeting	Compensation Committee Meeting
Sandra Glasgow* (Chairperson)	3		
Lissant Mitchell** (Chairman)	4		
Tyrone Wilson (CEO/Director)	9		
Jennifer Bailey	8		3
David Wan	9	4	3
Devon Lawrence	8	4	



**BOARD MEETING AND SUB-COMMITTEE  
MEETINGS OF THE BOARD OF DIRECTORS**

	Board of Directors' Meeting	Audit Committee Meeting	Compensation Committee Meeting
Sheree Martin	9		3
Rhys Campbell	7		3
Mischa McLeod-Hines (Director)	9	4	
Vinay Walia***	3		
Hon. Kenneth Benjamin****	2		

\*Sandra Galsgow resigned on July 5, 2019

\*\*Lissantt Mitchell was appointed Chairman on July 5, 2019

\*\*\*Vinay Walia was appointed October 4, 2019

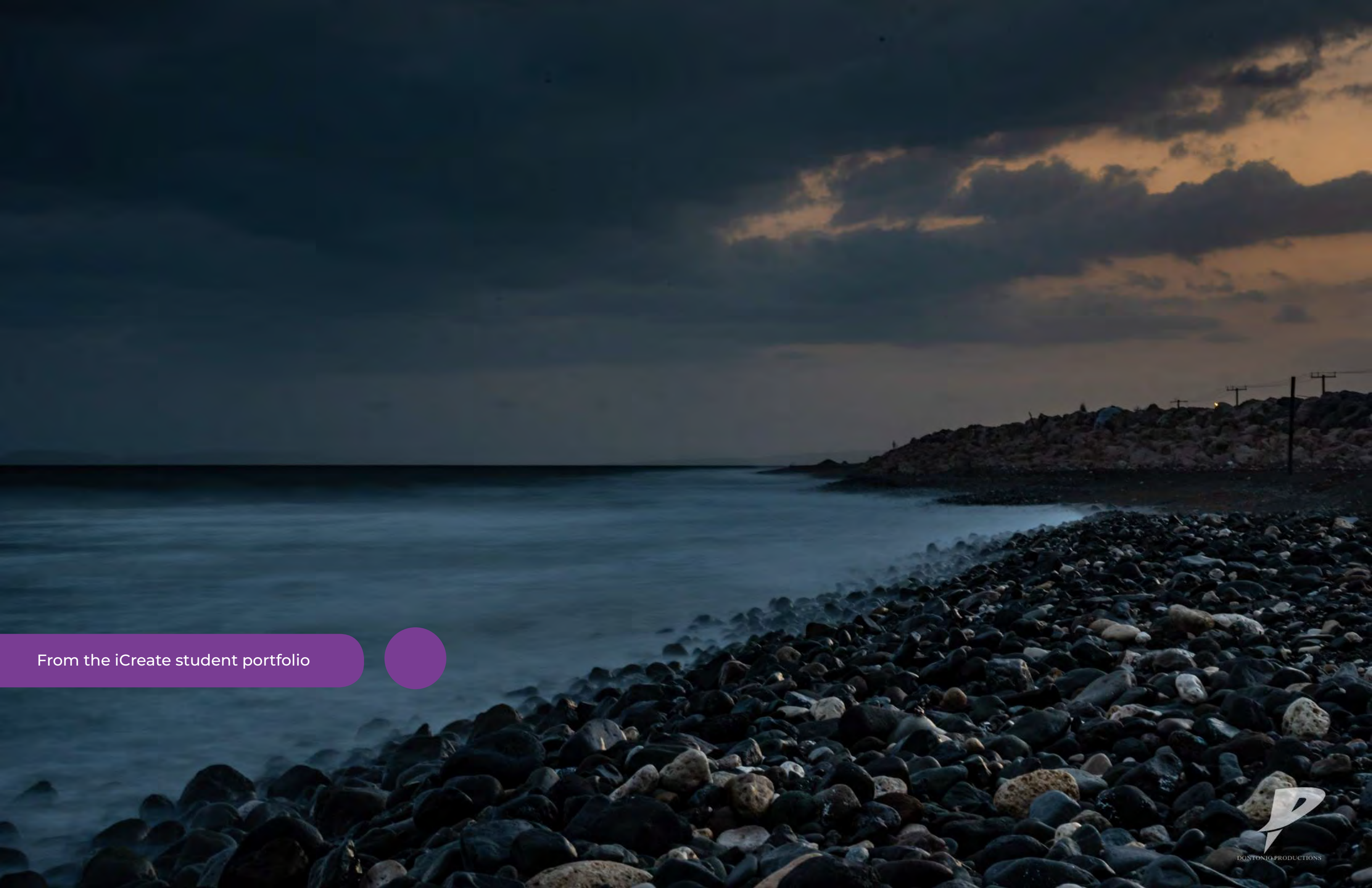
\*\*\*\*Hon. Kenneth Benjamin resigned on October 4, 2019





From the iCreate student portfolio





From the iCreate student portfolio



DONTONIO PRODUCTIONS

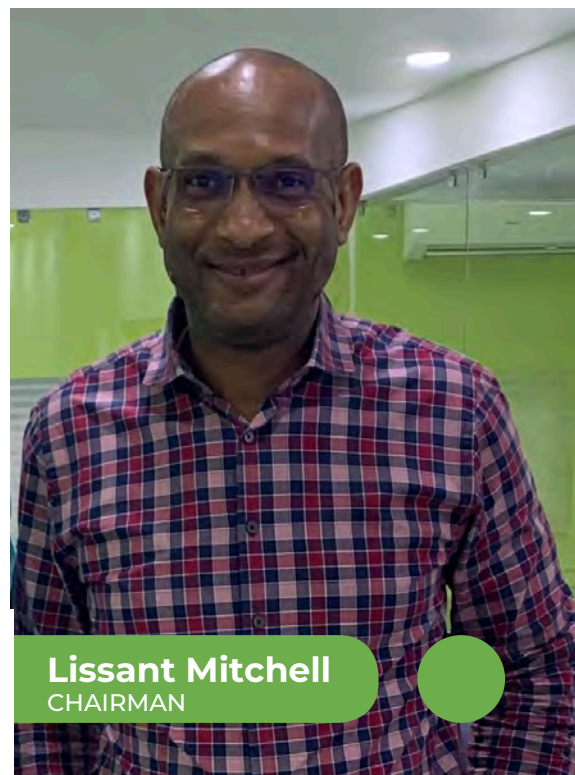


3.0





## BOARD OF DIRECTORS & COMPANY SECRETARY AT DEC 31, 2019



**Lissant Mitchell**  
CHAIRMAN

Lissant Mitchell is an experienced and driven executive with a successful career spanning twenty-five years in the Financial Industry, twenty of which have been at the management, senior management and executive levels, with tenures at local institutions as well as affiliates/subsidiaries of regional and international financial conglomerates. Proven record in designing and executing long term sustainable strategic priorities, change management, divestitures, mergers, acquisitions and share ownership privatization.

### CORE COMPETENCIES

Strategic Planning | Organizational Design & Restructuring | Change Management | Leadership Development | Media Engagement | Profit & Loss Management & Budgeting| Operations Management | Risk Management | Investment & Asset Management | Mergers & Acquisitions | Integration & Divestitures | Sales Leadership



**Tyrone Wilson**  
PRESIDENT & CEO

Tyrone is the President and CEO of iCreate Limited and a director of eMedia Interactive Group Limited. He is also an advisory board member for the GraceKennedy External Innovation Council in addition to serving as a Director of One on One Tutoring Services Limited, the Jamaica College Old Boys' Association, and the Academic Advisory Board for the University of Technology Jamaica's Entrepreneurship Degree.

Tyrone's charismatic leadership style and passion for entrepreneurship have enabled the strategic growth of his creative companies, which now span education, advertising, and television and film

Tyrone is a proud graduate of Jamaica College and holds a Bachelor of Science Degree in Banking and Finance from the University of the West Indies, Mona. He is the recipient of many awards and accolades, including the Prime Minister's Youth Award for Excellence in Entrepreneurship, The Private Sector Organization of Jamaica's 50UnderFifty Business Leaders Shaping Jamaica's Future, and the Caribbean Journal's Caribbean Entrepreneur of the Year in 2012, in addition to being listed as one of the Caribbean's Most Interesting People of 2013 by the Caribbean Journal.



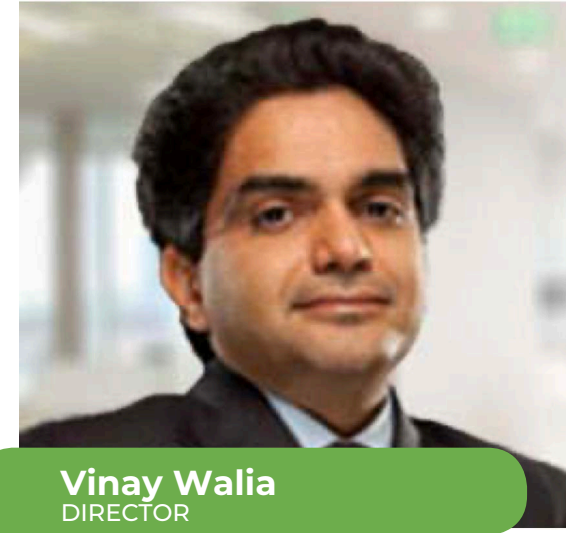
**Sheree Martin**  
DIRECTOR

Sheree has spent the last 15 years driving business value in the Financial Services and Energy sectors. Known as an inspiring and strategic leader with the proven ability to establish and lead effective teams, she has a track record of achievements in the areas of Business Strategy, Marketing, Risk Management, Organizational Transformation, and Corporate Innovation.

After her last post as General Manager for Customer Experience and Innovation at the NCB Group, Sheree joined the JPS Company Limited in January 2014 to lead Human Resources, Government and Regulatory Affairs, Revenue Management, Customer Service, and Communications, as a member of the Executive team. During her time overseeing HR, Sheree placed an expanded focus on Leadership Development by spearheading a new Hi-Potential Program called JPS i-Lead, which exposes select employees to advanced leadership competencies and executive coaching.

In 2016, she headed up the Transmission and Distribution business line, leading an island-wide team of engineers and other personnel to achieve further improvement in JPS grid reliability. Sheree was then appointed in November 2017 to establish the first business development arm of JPS, with responsibility for identifying new local and regional revenue opportunities in the Distributed Generation, Renewables and Energy Efficiency.

She has a Bachelor of Arts degree in Language and Literature (Honours), and an MBA in Banking & Finance (Distinction) from the University of the West Indies. Her executive education includes programs at Harvard Business School, USA and INSEAD in France. In 2016, Sheree was named as Jamaica's representative in the IWF Global Fellows Program for women leaders.



**Vinay Walia**  
DIRECTOR

Mr. Walia is the Managing Director of Guardsman Group and serves on the Board of Directors. He joined Guardsman Group as Financial Controller in 1998, before being promoted to Financial Director in 2000, Co-Managing Director in 2012 and appointed Managing Director in 2016. His responsibilities include providing financial leadership to the Group and its subsidiaries, driving and supporting key strategic growth and profitability initiatives, as well as ensuring full compliance with government and industry regulations, and corporate policies. Prior to joining Guardsman Group, Mr. Walia had a reputable career in accounting and auditing, first with A.F. Ferguson & Co. (a representative of KPMG Peat Marwick in India), and later with KPMG Peat Marwick in Jamaica. He is a Chartered Certified Accountant (A.C.C.A.) and holds a Bachelor of Commerce degree with Honours from Delhi University.





**Mischa McLeod-Hines**  
DIRECTOR

Mischa has more than 15 years of experience, spanning the range of treasury management and corporate finance. She is the Assistant Vice President, Capital Markets at Sagicor Investments, where she is responsible for creative advisory, origination, deal structuring and transaction management. Previously, she held the position of Treasury Manager, Fixed Income and focused on maximizing the firm's liquidity while mitigating its operational and financial risk.

Mischa holds a BBA in Finance from the University of Technology and a MBA from Edinburgh Business School (Heriot-Watt University).



**Rhys Campbell**  
DIRECTOR

Rhys Campbell is currently the Commercial Director for Caribbean Producers Jamaica Limited (CPJ) with overall responsibility for Retail sales, Marketing and Corporate Affairs since April 2017. Rhys has over a decade of experience in the Fast-Moving Consumer Goods (FMCG) industry having served as the Head of Corporate and Regulatory Affairs for Carreras Limited. During his tenure at British American Tobacco, Rhys was seconded to Trinidad and Tobago where he served as a Board Director for CARISMA Marketing Services, covering the company's operations across 24 markets in the English, French and Dutch Speaking Caribbean.

He most recently completed an international assignment as Vice-President of Corporate Affairs and Strategic Planning for the Bristol Group of Companies, the largest purveyor of

premium wines and spirits in the Commonwealth of the Bahamas. Rhys holds a Bachelor of Science in International Relations with a Double Minor in Political Science and Spanish as well as a Master of Science in Government specialising in International Relations and International Trade from The University of the West Indies (Mona Campus).





**David Wan**  
DIRECTOR

David is President of the Jamaica Employer's Federation and Chairman of the Board of the Bellevue Hospital. He is also a member of the boards of the University College of the Caribbean, National Housing Trust, and Clarendon Alumina Production. He has extensive experience in banking, wealth management, and insurance both in Jamaica and internationally.

David is also a Board member and Chairman of the Audit and Conduct Review sub-committee of the Development Bank of Jamaica, and is a member of the Investment, Finance and Loans sub-committee of the DBJ.

Mr Wan received a B.Sc. and M.B.A in Finance and Marketing from Florida International University.



**Dr. Jennifer Bailey**  
DIRECTOR

Jennifer joins the team as iCreate's Academic Director and Chairperson of the Academic Advisory Council. In this role she brings her passion for pedagogy to shaping a unique curriculum for training and developing the creative leaders of the future. She is currently the Faculty Advisor for Babson's Technology, Entrepreneurship and Design concentration. She also teaches the Integrated Product Design course, which is a three college collaborative course co-taught by business/engineering/design faculty from Babson College, Olin College of Engineering and Massachusetts College of Art and Design.

Jennifer's areas of expertise and research interests include operations management, entrepreneurship and innovation management. In her academic research she explores how organizations generate and implement creative solutions and

examines effective strategies which firms can employ to optimize their innovation resource investments, to maximize the likelihood of generating innovation breakthroughs, while managing the risks associated with innovation. She was the recipient of the 2015 Best Paper Award at the Product Development and Management Association (PDMA) conference for her research on innovation and was the 2015 recipient of the Babson College Dean's Award for Excellence and Innovation in Undergraduate Teaching.

Jennifer holds a B.S.E in Chemical Engineering from the University of Pennsylvania, an MBA with concentrations in Operations Management and Information Technology Management, from the Georgia Institute of Technology, and a Ph.D. in Operations Management from the Scheller School of Business at the Georgia Institute of Technology.





**Devon Lawrence**  
DIRECTOR

Devon is currently the Chief Internal Auditor at JMMB Bank and an Adjunct Lecturer at the University of the West Indies, Mona in the Department of Management Studies.

Devon taught at Jamaica College, his Alma-mater for eight years while earning a Bachelor of Science in Accounting and Management Studies as well as a Post Graduate Diploma in Education. He also taught for three years at the Raymond Gardiner High School in the Turks and Caicos Islands. Upon his return to Jamaica in 2007, he worked at Federal Capital Investment and Finance Limited then as a Senior Bank Examiner at the Bank of Jamaica prior to joining the JMMB Group in April 2013.

Devon earned a Master of Science in Accounting (Distinction) at the University of the West Indies, Mona and copped the

top student award coupled with the award for the most outstanding research in the programme, which had been published in the Journal of Accounting and Management Information Systems.



**Stephen Greig**  
COMPANY SECRETARY

Stephen is the Managing Partner of Mills Bellamy Greig and holds an LL.B degree from the University of the West Indies and a Legal Education Certificate from the Norman Manley Law School. He was admitted to practice at the Jamaica Bar in 1992.

Stephen's legal practice includes Media, Entertainment, Intellectual Property, Conveyancing, Corporate and Commercial Law, Copyright, Patents and Trademarks. His experience includes more than 19 years' as in-house Attorney-at-Law and Company Secretary for the RJR Communications Group, which has involved research of complex legal issues, company secretarial duties for a company on the Jamaica Stock Exchange, and managing the intellectual property portfolio for the largest media company in the English speaking Caribbean. He interacts directly with the Jamaica Intellectual Property Organization, Broadcasting Commission of

Jamaica and other government regulatory agencies on matters concerning Intellectual property, company administration and broadcasting.

His corporate secretarial experience includes Company Secretary for overseeing all secretarial and legal duties for the group of companies that include five media entities: (Radio Jamaica Limited (RJR 94FM, FAME 95FM, HITS 92FM), also the boards for Television Jamaica Limited (TVJ), Reggae Entertainment Television Limited, Jamaica News Network Limited and Multi-Media Jamaica Limited). He also acted as company secretary for the Staff Pension Fund, the Finance Committee, the Audit Committee of Radio Jamaica Limited and Director for Multi-Media Jamaica Limited. He currently sits as Company Secretary for the 138 Student Living Ltd (a listed company of the Jamaica Stock Exchange), DRT Communications Limited, and the Kiwanis Club of Kingston Police Trust. Among other associations, Stephen is a member of the PSOJ Corporate Governance Committee, American Bar Association – Entertainment and Sports Forum, Jamaica Bar Association



## iCREATE ACADEMIC ADVISORY COUNCIL

In order to ensure that we are operating and competing at the forefront of the sector, we have assembled a panel of experts, educators, influencers, and representatives from leading companies who will serve as members of our Academic Advisory Council (AAC). At the core of the AAC's work is the identification of trends, best practices, research, and insights that will inform our academic framework and which should be embedded in our learning experiences. The AAC will meet three to four times annually. **Our Academic Advisory Council comprises of the following individuals:**

### Dr. Jennifer Bailey (Chairperson)

ASSISTANT PROFESSOR - BABSON COLLEGE - USA



Jennifer joins the team as iCreate's Academic Director and Chairperson of the Academic Advisory Council. In this role she brings her passion for pedagogy to shaping a unique curriculum for training and developing the creative leaders of the future. She is currently the Faculty Advisor for Babson's Technology, Entrepreneurship and Design concentration. She also teaches the Integrated Product Design course, which is a three college collaborative course co-taught by business/engineering/design faculty from Babson College, Olin College of Engineering and Massachusetts College of Art and Design.

Jennifer's areas of expertise and research interests include operations management, entrepreneurship and innovation management. In her academic research she explores how organizations generate and implement creative solutions and examines effective strategies which firms can employ to optimize their innovation

resource investments, to maximize the likelihood of generating innovation breakthroughs, while managing the risks associated with innovation. She was the recipient of the 2015 Best Paper Award at the Product Development and Management Association (PDMA) conference for her research on innovation and was the 2015 recipient of the Babson College Dean's Award for Excellence and Innovation in Undergraduate Teaching.

Jennifer holds a B.S.E in Chemical Engineering from the University of Pennsylvania, an MBA with concentrations in Operations Management and Information Technology Management, from the Georgia Institute of Technology, and a Ph.D. in Operations Management from the Scheller School of Business at the Georgia Institute of Technology.

### Lisandra Rickards

CEO - BRANSON CENTRE OF ENTREPRENEURSHIP - CARIBBEAN



Lisandra is the Chief Entrepreneurship Officer at the Branson Centre of Entrepreneurship - Caribbean, where she has developed and delivered scaled initiatives to more than 1,200 Caribbean entrepreneurs, including heading the Centre's Access to Finance initiative - developing equity, loan, crowdfunding and grant opportunities; designing and developing the core content for the Centre's free and open online platform; and helping to launch the Alpha Angels Network of business angels in Jamaica, as well as impact analysis and reporting. She was also the Founding Network Manager of Alpha Angels between 2014 and 2016.

Lisandra has conducted economic and statistical research for the best-selling books Freakonomics and SuperFreakonomics by Steven D. Levitt, Stephen J. Dubner; consulted for the Ministry of Finance in Jamaica; worked at Bain & Company in New York City; and has helped develop a global brand strategy for Caribbean

conglomerate GraceKennedy. She was previously a Director of Business Development at the RMP Group, a private investment firm based in Orlando, Florida that targeted businesses in the United States currently servicing Fortune 1000 clients for investments of growth capital.

Lisandra has an MBA with First-Year Honors from Harvard Business School, and a B.A. in Economics from the University of Chicago, where she graduated Phi Beta Kappa and Student Marshal. In 2008, she was featured in the CNBC documentary The Money Chase: Inside Harvard Business School.



## Aileen Corrigan

CEO - TREND MEDIA GROUP



Aileen was appointed the Chief Executive Officer for Trend Media in December 2016. Trend Media was launched in early 2014, bringing to the market digital-led media solutions that attracts and engages valuable audiences. Aileen has the privilege of leading a smart and talented group of people throughout the 24 Trend offices across the Caribbean to deliver a one-stop shop for digital advertisers and agencies. Trend Media also runs Loop News which operates across six markets in the Caribbean to deliver breaking local news to its two million users. She has worked at the forefront of digital technology for most of her career and her areas of expertise range from telecommunications, marketing, business development, digital productization and team building.

Prior to joining Trend Media, Aileen served as Chief Executive Officer at NewComLive Communications where she worked to strengthen and grow the integrated, multi-platform capabilities of their

Value-added services (VAS) network. Aileen was able to bring her extensive knowledge of the telecommunications market to this role after working for the leading telecommunications company in the Caribbean, Digicel, for more than eight years in roles such as Group Head of Brand Marketing and Business Marketing. Before moving to Jamaica, Aileen worked for O2 Ireland where she was the Retail Marketing Manager and part of the core team to launch the very first fully digital retail store in Ireland in 2004.

Aileen holds a Honors Postgraduate Certification in Digital Marketing and is in the final stages of completing her Masters in Digital Marketing from the Digital Marketing Institute of Ireland. She also holds a Graduateship in Marketing from the Marketing Institute, Ireland. Further, Aileen studied Industrial relations at McGill University in Montreal, Canada. Aileen is also president of the Jamdammers Running club of Kingston and is a board member of the Reggae Marathon.

## Professor Bernadette Warner

EXECUTIVE VICE PRESIDENT FOR ACADEMIC AFFAIRS,  
INTERNATIONALIZATION AND ONLINE PROGRAMS - UCC



Bernadette assumed duties as the Executive Vice President for Academic Affairs, Internationalization and Online Programs at the University of the Commonwealth Caribbean (UCC) on September 28, 2016, following more than thirty years of academic, higher education administration and senior management experience.

Since completing her doctorate in Strategic Management with distinction at the University of the West Indies, St. Augustine, she has developed a continuing academic record of effective teaching, student learning, accompanied by an expanding research publication record.

Professor Warner has been recruited to progressively more senior university leadership roles, beginning at the University of the West Indies, and continuing at BPP Business College in the United Kingdom, as well as the Cardiff Metropolitan University's London School of Commerce Campus, during 2007 to 2012. She

subsequently assumed leadership roles as Department Chair, Associate Dean and then Dean of the College of Business Administration at the American University in the Emirates, and was recruited by Al Falah University, also in Dubai, to serve as Academic Dean and Associate Provost in 2015.

Her experience, training, and professional commitments include faculty and student motivation, program development driven by market requirements and faculty competencies, engagement with institutional and program accreditation standards, and research-led teaching.



## Nadeen Matthews Blair

CHIEF DIGITAL AND MARKETING OFFICER – NCB  
CEO – NCB FOUNDATION



Nadeen currently serves as the Chief Digital and Marketing Officer for the NCB Group and the CEO of the NCB Foundation. Nadeen joined the National Commercial Bank Jamaica Limited (NCB) in 2010 as the Head of Strategy where she worked with the leadership of the organization to establish cohesive, coherent and effective strategic plans for the NCB Group including its subsidiaries. These strategies helped propel NCB to the leading position in Jamaica and a top five position in the English speaking Caribbean.

On January 1, 2013, Nadeen's role expanded to include leadership of the Marketing & Communications Unit. In this capacity she is responsible for the development and execution of integrated Marketing and Communications strategies to help drive the organization's strategic growth objectives and further enhance the organization's brand equity and image.

In February 2013, Nadeen's responsibilities were further expanded after she was appointed CEO of the N.C.B. Foundation. In this capacity she ensures effective execution of NCB's Corporate Social Responsibility mandate and proper governance and stewardship of funding and resources provided by the NCB Group to administer the Foundation.

Effective November 1, 2015, Nadeen transitioned to the role of Chief Digital Officer, becoming the first such executive to be appointed in Jamaica. In this capacity, she is leading NCB's digital transformation programme with the objectives of: 1) Enhancing customer experiences 2) Increasing organizational efficiency and agility and 3) Transforming NCB's business model for long-term viability. Within this mandate, Nadeen spearheaded the launch of the first Agile Lab in the English speaking Caribbean. In this lab, cross-functional Scrum teams work to reimagine and enhance existing customer journeys leveraging digital technology. She is also focused on developing Jamaica's tech ecosystem through the launch of NCB's Digital Innovation Competition and Tech Symposium, sponsorship of hackathons, internship programmes, and scholarships for students pursuing technical disciplines.

In October 2017 and September 2018, Nadeen was recognized by FinTech Americas as one of Top 25 Most Innovative Bankers in Latin America. In March 2017, Nadeen was selected as the sole representative of the English and Spanish-speaking Caribbean in the World Economic Forum's cohort of Young Global Leaders (YGL) for 2017. YGL is a high profile, growing network of bold and action-oriented young leaders from across the world, all under 40 years. In August 2018, Nadeen was selected to participate in the IWF's Leadership 2018-2019 Fellows Programme.

In 2014, Nadeen served as Co-Creator and Executive Producer of the hit business reality TV programme NCB Capital Quest, which features small and medium enterprises competing for the opportunity to access an equity investment of up to J\$50M. Nadeen is passionate about helping Jamaica by improving the number of Jamaicans that have access to better education and improving the capacity of SMEs to operate and grow viable businesses. She has been able to support both of those passions through her work at NCB.

Prior to joining NCB, Nadeen worked as Senior Associate at the premier global consulting firm McKinsey & Company in Atlanta Georgia and was an Assistant Vice President at JPMorgan Chase in New York.

Nadeen completed her MBA at The Wharton School, University of Pennsylvania in Marketing and Entrepreneurship and graduated cum laude from Binghamton University with a Bachelor of Science in Financial Economics.

In her spare time, she enjoys spending time with her two daughters Nyla (5) and Lyan (2).



### Corporate Governance & Accountability

The Board has established an Audit Committee and a Remuneration Committee, each of which is required to be established by the Junior Market Rules. The members of each Committee include at least 2 independent non-executive Directors, and are comprised as follows:

Audit Committee	Remuneration Committee
Devon Lawrence	Rhys Campbell
Mischa McLeod-Hines	Sheree Martin
David Wan	Dr. Jennifer Bailey

Each non-executive Director of the Company will be paid a fee for his/her attendance at Board meetings. Directors who are also members of committees of the Board will be paid an additional fee. All fees are exclusive of reasonable expenses incurred in attending meetings of the Board and/or the Committees, and the Annual General Meeting.

The Chairperson, Sandra Glasgow, is currently one of the JSE's approved mentors for the purposes of Rule 503 of the Junior Market Rules and is therefore able to discharge the functions and responsibilities required of a mentor under Rule 503(2); accordingly, the Company, through its legal counsel, has applied to the JSE for a waiver of the mentor requirement under the Junior Market Rules.

### The iCreate Management Team at DECEMBER 31, 2019

The iCreate Management team is comprised as follows:

Tyrone Wilson	President & Chief Executive Officer
Odette Lewis	Chief Financial Officer (Consulting)
Carl Carram	General Manager





From the iCreate student portfolio





4.0





**CONTENTS**

	<b>Page(s)</b>
Independent Auditor's Report	1 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 33

**INDEPENDENT AUDITOR'S REPORT**

**To the members of**  
**iCreate Limited**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of iCreate Limited (the "Company"), which comprises the statement of financial position as at December 31, 2019, the statement of comprehensive income, the statement of changes in equity, and the 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 financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Jamaican Companies Act (the "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 *Auditor's Responsibilities for the Audit of the Financial Statements section of our report*. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). 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 22 in the financial statements which indicates that the Company made a loss of \$45,950,076 for the financial year ended December 31, 2019 and has accumulated deficit of \$60,798,131 as at the end of the year. Further, as at December 31, 2019, the Company's current liabilities exceeded its current assets by \$33,543,299. From inception the Company has not achieved the level of revenues projected and required to sustain its operations. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion has not been modified in respect of this matter

Cont. /2



**Independent Auditor's Report (cont'd)**

---

**To the members of  
iCreate Limited****Key audit matters**

Key audit matters are those matters that, in our professional judgement, 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.

**Going concern**

The financial statements have been prepared on a going concern basis.

The Company has been making losses since its inception in 2018. It has raised equity and borrowed funds to finance its operating costs. At December 31, 2019, accumulated losses shown in the Statement of Financial Position totalled \$60.7 million.

We included the going concern assumption as a key audit matter as it relies on existing cash reserves and future revenue growth generating sufficient cashflows to cover necessary expenditure.

In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:

- Assessing the cash flow requirements of the Company over the twelve (12) months beginning January 1, 2020 based on budgets and forecasts.
- Understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the liquidity of existing assets on the Statement of Financial Position.
- Considering the terms of the bond and bank overdraft facility and the amount available for drawdown.
- Considering potential downside scenarios and the resultant impact on available funds.

Cont. /3

**Independent Auditor's Report (cont'd)**

---

**To the members of  
iCreate Limited****Other information**

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's 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 with the Board of Directors.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the 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 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 Company, or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Cont. /4



Independent Auditor's Report (cont'd)

To the members of  
iCreate Limited

**Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is included in Appendix of this auditor's report. This description, which is located at pages 5-6, forms part of our auditor's report.

**Report on additional matters as required by the Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Leary Mullings.

*Crichton Mullings & Assoc.*  
Crichton Mullings & Associates  
Chartered Accountants

Kingston Jamaica  
April 14, 2020

Cont. /5

Independent Auditor's Report (cont'd)

To the members of  
iCreate Limited

**Appendix to the independent auditor's report**

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 auditor's 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 auditor's report. However, future events or conditions may cause 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 achieves fair presentation.

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.

Cont. /6



Independent Auditor's Report (cont'd)

To the members of  
**iCreate Limited**

Appendix to the independent auditor's report (cont'd)


We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**iCREATE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	<u>Notes</u>	2019	2018
		\$	\$
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Intangible asset	5	808,956	1,097,845
Property, plant and equipment	6	20,543,285	6,100,903
Right-of-use asset	7	7,498,212	-
Deferred tax asset	8	-	220,907
<b>Total non-current assets</b>		<u>28,850,453</u>	<u>7,419,655</u>
<b>Current Assets</b>			
Trade and other receivables	9	2,126,183	5,373,063
Due from related party	10	8,458,653	1,756,054
Cash and bank balances	11	3,241,547	269,090
<b>Total current assets</b>		<u>13,826,383</u>	<u>7,398,207</u>
<b>Total Assets</b>		<u>42,676,836</u>	<u>14,817,862</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued share capital	12	55,816,070	500,000
Accumulated deficit		<u>(60,798,131)</u>	<u>(14,848,055)</u>
		<u>(4,982,061)</u>	<u>(14,348,055)</u>
<b>Non-current Liability</b>			
Deferred tax liability, being total of non-current liability	8	<u>289,215</u>	-
<b>Current Liabilities</b>			
Current portion of lease liability	7	7,778,964	-
Bank overdraft		12,564,890	-
Trade and other payables	13	23,238,690	9,499,715
Customer deposits	14	890,000	1,050,000
Convertible notes	15	-	17,500,000
Due to related party	10	2,897,138	1,116,202
<b>Total current liabilities</b>		<u>47,369,682</u>	<u>29,165,917</u>
<b>Total Equity and Liabilities</b>		<u>42,676,836</u>	<u>14,817,862</u>

The financial statements on pages 7 to 33 were approved for issue by the Board of Directors on  
, 2020 and signed on its behalf by:

  
Tyrone Wilson  
CEO

  
Director

The accompanying notes form an integral part of the financial statements



**iCREATE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2019**

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
<b>Revenues from contract with customers</b>	<b>4</b>	<b>46,158,213</b>	31,848,759
Direct Cost		<u>(24,116,780)</u>	<u>(11,839,112)</u>
<b>Gross profit</b>		<b>22,041,433</b>	20,009,647
Other income		<b>559,258</b>	119,790
Administrative and general expenses	<b>16</b>	<u>(51,901,753)</u>	(32,058,845)
Depreciation and amortisation		<u>(3,177,366)</u>	<u>(1,045,093)</u>
<b>Operating loss</b>		<b>(32,478,428)</b>	(12,974,501)
Finance costs	<b>17</b>	<u>(12,961,526)</u>	<u>(2,094,461)</u>
<b>Loss before taxation</b>		<b>(45,439,954)</b>	(15,068,962)
Taxation charge / (credit)	<b>18</b>	<u>510,122</u>	<u>(220,907)</u>
<b>Net loss, being total comprehensive expense for the period</b>		<b><u>(45,950,076)</u></b>	<b><u>(14,848,055)</u></b>
<b>LOSSES PER STOCK UNIT</b>	<b>19</b>	<b><u>(0.24)</u></b>	<b><u>(0.08)</u></b>

The accompanying notes form an integral part of the financial statements

**iCREATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**THE YEAR ENDED DECEMBER 31, 2019**

	<u>Note</u>	<u>Share Capital</u> \$	<u>Accumulated Deficit</u> \$	<u>Total</u> \$
Alloted during the year		500,000	-	500,000
Net loss, being total comprehensive expense for the period		<u>-</u>	<u>(14,848,055)</u>	<u>(14,848,055)</u>
Balance at December 31, 2018		500,000	(14,848,055)	(14,348,055)
Issue of shares, net of transaction costs	<b>12</b>	55,316,070	-	55,316,070
Net loss, being total comprehensive expense for the period		<u>-</u>	<u>(45,950,076)</u>	<u>(45,950,076)</u>
<b>Balance at December 31, 2019</b>		<b><u>55,816,070</u></b>	<b><u>(60,798,131)</u></b>	<b><u>(4,982,061)</u></b>

The accompanying notes form an integral part of the financial statements



**iCREATE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year	(45,950,076)	(14,848,055)
Adjustment for items not affecting cash resources:		
Depreciation and amortisation	3,177,366	1,045,093
Depreciation charge on right-of-use asset	10,120,786	-
Expected credit loss provision	8,796,969	1,850,087
Interest expense	-	1,361,438
Deferred taxation	510,122	(220,907)
	<u>(23,344,833)</u>	<u>(10,812,344)</u>
Decrease in operating assets:		
Trade and other receivables	(5,550,088)	(7,223,151)
Due from related party	(4,921,663)	(639,852)
Increase / (decrease) in operating liabilities:		
Trade and other payables	13,738,975	8,138,278
Customer deposits	(160,000)	1,050,000
Net cash used in operating activities	<u>(20,237,609)</u>	<u>(9,487,069)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(17,330,860)	(6,797,127)
Acquisition of intangible assets	-	(1,446,714)
Net cash used in investing activities	<u>(17,330,860)</u>	<u>(8,243,841)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Right-of-use asset	(17,618,998)	-
Lease liability	7,778,964	-
Issued share capital, net	55,316,070	500,000
Convertible notes	(17,500,000)	17,500,000
Net cash provided by financing activities	<u>27,976,036</u>	<u>18,000,000</u>
<b>NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES</b>	<b>(9,592,433)</b>	<b>269,090</b>
<b>OPENING CASH AND BANK BALANCES</b>	<b>269,090</b>	<b>-</b>
<b>CLOSING CASH AND BANK BALANCES</b>	<b><u>(9,323,343)</u></b>	<b><u>269,090</u></b>
<b>REPRESENTED BY:</b>		
Cash and bank deposits	3,241,547	269,090
Bank overdraft	(12,564,890)	-
	<u>(9,323,343)</u>	<u>269,090</u>

The accompanying notes form an integral part of the financial statements

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**1. IDENTIFICATION**

iCreate Limited is a limited liability Company incorporated in Jamaica under the Jamaican Companies Act (the "Act"). The registered office of the Company is 72B Hope Road, Kingston 6.

The principal activity of the Company is the provision of educational services in the digital industry. The Company offers professional diploma and certificate courses in the field of digital marketing, advertising design, graphic design, animation, digital photography, live television video production and mobile games.

iCreate Limited is a wholly owned subsidiary of eMedia Interactive Group Limited. The Company through partnership, is a creative institute at the University of the Commonwealth Caribbean (UCC).

On January 31, 2019, iCreate Limited became a public listed entity on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to full remission of income taxes for the first five (5) years and fifty percent (50%) remission for the following 5 years providing it complies with the requirements of the Jamaica Stock Exchange Junior Market.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(a) Statement of Compliance**

The Company's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board and the relevant requirements of the Act.

This is the first set of the Company's annual financial statements in which IFRS 16, Leases have been applied. Changes to significant accounting policies are described in note 2 (d).

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

Page 12

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(b) Changes in accounting standards and interpretations**

Certain new standards and interpretations of and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards, interpretations and amendments are relevant to its operations:

- *IAS 12 'Income Tax - Amendment', issued December 2017*  
Effective for periods commencing on or after 1 January 2019
- *IAS 23 'Borrowing Costs - Amendment', issued December 2017*  
Effective for periods commencing on or after 1 January 2019
- *IFRS 9 'Financial Instruments - Amendment', issued October 2017*  
Effective for periods commencing on or after 1 January 2019
- *IFRS 16 'Leases - Amendment', issued January 2016*  
Effective for periods commencing on or after 1 January 2019
- *IFRIC 23 'Uncertainty Over Income Tax Treatments', issued June 2017*  
Effective for periods commencing on or after 1 January 2019

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- *IAS 1 'Presentation of Financial Statements - Amendment', issued October 2018*  
Effective for periods commencing on or after 1 January 2020
- *IAS 8 'Changes in Accounting Estimates and Errors - Amendment', issued October 2018*  
Effective for periods commencing on or after 1 January 2020
- *IFRS 9 'Financial Instruments - Amendment', issued September 2019*  
Effective for periods commencing on or after 1 January 2020
- *References to Conceptual Framework in IFRS Standards - Amendment, issued March 2018*  
Effective for periods commencing on or after 1 January 2020

The Board of directors anticipate that the adoption of the standards, amendments and interpretations, which are relevant to the Company in future periods is unlikely to have any material impact on the financial statements.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements**

The preparation of the financial statements requires management to make judgements, as well as estimates, based on assumptions, that affect the application of accounting policies, and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts may differ from these estimates.

The estimates, and the assumptions underlying them, 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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

**(i) Critical accounting judgements in applying the Company's accounting policies**

For the purpose of these financial statements, prepared in accordance with IFRS, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS.

**(a) Revenue from contracts with customers**

Certain contracts for the provision of educational services include performance obligations and determining the timing of the satisfaction of the performance obligations. In estimating the variable consideration, the Company is required to estimate the amount of consideration to which it will be entitled in exchange for transferring the promised services to the customer.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of services.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

**(b) 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 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.



**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(c) Use of estimates and judgements (cont'd)**

(ii) Key assumptions and other sources of estimation uncertainty

(a) Allowance for expected credit losses

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for various ageing buckets and the related loss patterns. The provision matrix is initially based on the Company's historical observed default rates.

The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, inflation and foreign exchange rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 9.

(b) Leases - estimating the incremental borrowing rate

If the Company cannot readily determine the interest rate implicit in the lease, its uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as stand-alone credit rating).

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**(d) Changes in accounting policies**

IFRS 16 supersedes 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. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. The Company is not a lessor.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company has lease rental contracts for office space located in Kingston and Montego Bay . Before the adoption of IFRS 16, the Company classified each if its leases (as lessee) at the inception date as an operating lease. Refer to Note 3 (g) for the accounting policy prior to January 1, 2019.

The Company adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of January 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at January 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The effect of adoption of IFRS 16 as at January 1, 2019 (increase/(decrease)) is as follows:

	\$
<b>Assets</b>	
Right-of-use assets	17,618,998
<b>Total assets</b>	<u>17,618,998</u>
<b>Liabilities</b>	
Lease liabilities	17,618,998
<b>Total liabilities</b>	<u>17,618,998</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

All property, plant and equipment are recorded at historical or deemed cost, less any accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Company's and its cost can be reliably measured.

The cost of day-to-day servicing of property, plant and equipment is recognized in the statement of comprehensive income as incurred.

Depreciation is calculated on the straight line basis over the estimated useful lives of such assets. The rates of depreciation in use are:

Computer	20%
Office equipment	20%
Leasehold improvement	10%
Furniture and fixtures	10%

**(b) Intangible assets**

Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs associated with maintaining computer software programs are recognised in profit or loss as incurred.

These assets are measured at cost less accumulated amortisation and, if any, impairment losses. The assets are amortised using the straight-line method over their useful lives, estimated at five years. Amortisation methods, useful lives and residual values are reassessed at each reporting date.

Current annual amortisation rate is 33.3% for license and 20% for software.

**(c) Cash and bank balances**

Cash comprises of cash in hand and cash at bank.

**(d) Convertible notes**

Convertible notes are recognised at the proceeds received. The accrued interest charges is recognised in profit or loss over the period of the borrowings.

At the mutual promises between the parties, the Company grants to the Noteholders the right to convert the Note into ordinary shares in the Company.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(e) Revenues from contract with customers**

Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the Company for services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled. Revenue is decreased by any trade discounts granted to customers.

The Company does not expect to have any contracts where the period between the transfer of the promised service to the customers and payment by the customers exceed one year. Accordingly, the Company does not adjust any of the transaction prices for the time value of money.

**(f) Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax.

**(i) Current income tax**

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date.

**(ii) Deferred income tax**

Deferred income tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

**(g) Leases**

*Policy applicable from January 1, 2019*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognized, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.



**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

Page 18

**3. SIGNIFICANT ACCOUNTING POLICIES**

**(g) Leases(cont'd)**

*Policy applicable from January 1, 2019 (cont'd)*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Policy applicable before January 1, 2019*

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the terms of the relevant lease.

**(h) Trade and other payables**

Trade and other payables are stated at amortized cost.

**(i) Trade and other receivables**

Trade and other receivables are stated at amortized cost.

**(j) Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset, or Company of operating assets, exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(k) Related party identification**

A party is related to the Company if:

- (i) directly or indirectly the party:
  - controls, is controlled by, or is under common control with the Company;
  - has an interest in the Company that gives it significant influence over the Company; or
  - has joint control over the Company.
- (ii) the party is an associate of the Company individual referred to in (iv) or (v) above.
- (iii) the party is a joint venture in which the Company is a venturer;
- (iv) the party is a member of the key management personnel of the Company
- (v) the party is a close member of the family of an individual referred to in (i) or (iv) above
- (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) above
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

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

**(l) Financial instruments**

Financial instruments include transactions that give rise to both financial assets and financial liabilities.

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss where such costs are recognised immediately in profit or loss), as appropriate, on initial recognition.

In these financial statements, financial assets comprise cash and cash equivalents, trade receivables, other receivables, deposits and related party receivables. Financial liabilities comprise accounts payable, customer deposits, related party payables and notes payable.

**Financial assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

Page 20

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(l) Financial instruments (cont'd)**

**Financial assets (cont'd)**

*Initial recognition and measurement (cont'd)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cashflows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

*Subsequent measurement*

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes loan and other receivables, due from related parties and cash and bank balances.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2019**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(l) Financial instruments (cont'd)**

**Financial assets (cont'd)**

*Impairment*

The Company recognises an allowance for expected credit losses (ECLs) on the financial instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a life time expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles for services provided over a period of twelve (12) months and the corresponding historical credit losses experienced within this period. The Company has identified the GDP and the inflation rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Financial liabilities**

*Initial recognition and measurement*

The Company's financial liabilities, comprising loans and accounts payable, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.



**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**4. REVENUES**

Revenue represents the invoiced value of tuition fees less discounts and rebates.

**5. INTANGIBLE ASSET**

Intangible asset represents licensing rights granted to the Company for the duration of three years and a student recruiting software with an estimated useful life of five (5) years.

Intangible asset in the statement of financial position was determined as follows:

	2019	2018
	\$	\$
Cost	1,446,714	1,446,714
less accumulated amortisation	<u>(637,758)</u>	<u>(348,869)</u>
Balance, net of amortisation	<u><b>808,956</b></u>	<u>1,097,845</u>

Intangible assets are being amortised at 33 1/3% and 20% for the license and software, respectively unless there is significant impairment during the year.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements	Furniture and Fixtures	Computers	Office Equipment	Total
	\$	\$	\$	\$	\$
<b>At Cost</b>					
Additions	3,784,818	526,185	2,171,163	314,961	6,797,127
Balance at December 31, 2018	3,784,818	526,185	2,171,163	314,961	6,797,127
Additions	7,274,255	1,051,454	4,830,032	4,175,119	17,330,860
Balance at December 31, 2019	<u>11,059,073</u>	<u>1,577,639</u>	<u>7,001,195</u>	<u>4,490,080</u>	<u>24,127,987</u>
<b>Accumulated Depreciation</b>					
Charge for the year	276,559	41,623	334,103	43,939	696,224
Balance at December 31, 2018	276,559	41,623	334,103	43,939	696,224
Charge for the year	871,816	138,224	1,230,905	647,533	2,888,478
Balance at December 31, 2019	<u>1,148,375</u>	<u>179,847</u>	<u>1,565,008</u>	<u>691,472</u>	<u>3,584,702</u>
<b>Net Book Value</b>					
Balance at December 31, 2018	<u>3,508,259</u>	<u>484,562</u>	<u>1,837,060</u>	<u>271,022</u>	<u>6,100,903</u>
Balance at December 31, 2019	<u><b>9,910,698</b></u>	<u><b>1,397,792</b></u>	<u><b>5,436,187</b></u>	<u><b>3,798,608</b></u>	<u><b>20,543,285</b></u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**7. RIGHT-OF-USE ASSET**

	2019	2018
	\$	\$
Buildings	<u>17,618,998</u>	-
	<u>17,618,998</u>	-
<b>Depreciation charge of right-of use asset</b>		
Buildings	<u>10,120,786</u>	-
	<u>10,120,786</u>	-
	<u>7,498,212</u>	-
<b>Lease Liability</b>	2019	2018
	\$	\$
Current	<u>7,778,964</u>	-

**8. DEFERRED TAX (LIABILITY) / ASSET**

Certain deferred tax assets and liabilities have been offset in accordance with the Company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for reporting purposes:

	2019	2018
	\$	\$
Deferred tax (liability) / asset	<u>(289,215)</u>	<u>220,907</u>
Deferred tax (liability) / asset is attributable to the following:		
	2019	2018
	\$	\$
Depreciation and capital allowances	(303,983)	(134,334)
Intangible asset	14,768	14,882
Accrued expenses	-	340,360
	<u>(289,215)</u>	<u>220,907</u>

The movement during the period in the Company's deferred tax position was as follows:

	2019	2018
	\$	\$
Balance at the beginning of the period	220,907	-
Movement during the period	<u>(510,122)</u>	<u>220,907</u>
Balance at the end of the period	<u>(289,215)</u>	<u>220,907</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**9. TRADE AND OTHER RECEIVABLES**

	2019	2018
	\$	\$
Trade receivables	11,045,392	4,269,568
Less: Expected credit losses (note 21 (i))	<u>(9,514,206)</u>	<u>(1,779,275)</u>
Net trade receivables	1,531,186	2,490,293
Deposits	239,436	188,400
Withholding taxes	3,880	573
General prepayments	351,681	-
Prepayments - IPO related costs:		
Valuation	-	2,238,647
Legal fees	-	455,150
	<u>594,997</u>	<u>2,882,770</u>
	<u>2,126,183</u>	<u>5,373,063</u>

**10. DUE FROM / (TO) RELATED PARTY**

	2019	2018
	\$	\$
<b>Due from:</b>		
iCreate Institute Incorporated (Florida)	2,218,802	1,570,867
eMedia Interactive Group Limited	<u>3,007,291</u>	<u>-</u>
	5,226,093	1,570,867
<b>Less:</b>		
Expected credit losses (note 21 (i))	<u>(193,961)</u>	<u>(70,813)</u>
	5,032,132	1,500,054
Director	<u>3,426,521</u>	<u>256,000</u>
	<u>8,458,653</u>	<u>1,756,054</u>
<b>Due to:</b>		
eMedia Interactive Group Limited	<u>(2,897,138)</u>	<u>(1,116,202)</u>

**11. CASH AND BANK BALANCES**

	2019	2018
	\$	\$
Certificate of deposit	3,200,000	-
Cash in hand	15,555	32,305
Current accounts	<u>25,992</u>	<u>236,785</u>
	<u>3,241,547</u>	<u>269,090</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**12. ISSUED SHARE CAPITAL**

	2019	2018
	\$	\$
<u>Authorized share capital:</u>		
No maximum share capital		
<u>Issued and fully paid:</u>		
123,530,000 ordinary shares of no par value	500,000	500,000
74,062,500 ordinary shares of no par value	69,750,000	-
Less: transaction costs of share issue	<u>(14,433,930)</u>	<u>-</u>
	<u>55,816,070</u>	<u>500,000</u>

On November 30, 2018, the Company passed a resolution that the authorised share capital of the Company to be deemed to have no maximum share capital.

On November 30, 2018, 100,000,000 ordinary shares were issued to eMedia Interactive Group Limited without par value. Additionally on the same date, 23,530,000 ordinary shares were issued to Sagicor Investments Limited.

On January 31, 2019, the Company raised additional capital of \$69.7 million from its initial public offering of 74,062,500 shares for its enlistment on the Jamaica Stock Exchange Junior Market. Transaction costs of \$14.4 million were incurred for the initial public offering. All ordinary shares carry the same voting rights.

**13. TRADE AND OTHER PAYABLES**

	2019	2018
	\$	\$
Trade payables	9,211,918	3,302,755
Accruals	3,802,240	4,188,001
Salaries	2,057,331	-
Staff payables	451,684	-
Student refund	138,876	176,251
Accrued loan interest	-	1,361,438
Statutory deductions	5,246,550	-
Credit cards	574,919	-
Other payables	<u>1,755,172</u>	<u>471,270</u>
	<u>23,238,690</u>	<u>9,499,715</u>

**14. CUSTOMER DEPOSITS**

This represents monies advanced by students for services to be delivered in subsequent periods. Upon recognition of the service, the amounts will be transferred to the relevant revenue account.



**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**15. CONVERTIBLE NOTES**

The Company grants Noteholders the right to convert the notes into ordinary shares upon the initial public offering of the it's ordinary shares.

	2019	2018
	\$	\$
Key partners (i)	-	10,000,000
GK Investments Limited (ii)	-	7,500,000
	<u>-</u>	<u>17,500,000</u>

(i) On January 31, 2019, 13,750,000 ordinary shares at \$0.81 were issued to Andrew and Paula Pairman upon the initial public offer of the Company's shares.

(ii) On January 31, 2019, 10,312,500 ordinary shares at \$0.81 were issued to GK Investments Limited upon the initial public offer of the Company's shares.

**16. ADMINISTRATIVE AND GENERAL EXPENSES**

	2019	2018
	\$	\$
Salaries and related charges	25,867,691	14,433,425
Dues and subscription	1,571,472	2,169,460
Legal and professional fees	4,257,138	1,281,050
Meal and entertainment	270,139	355,565
Office expense	826,179	716,203
Rent ( <i>see note 7</i> )	-	6,064,157
Advertising and promotion	2,276,361	1,582,209
Security expense	534,567	267,394
Telephone and internet	3,247,965	972,904
Utilities	2,021,872	695,855
Audit fees	900,000	700,000
Commissions and fees	-	74,066
Transportation	341,200	874,470
Repairs and maintenance	-	12,000
Expected credit losses provision	8,796,969	1,850,087
JSE annual listing fees	714,075	-
General expenses	276,127	-
Sponsorship	-	10,000
	<u>51,901,753</u>	<u>32,058,845</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**17. FINANCE COSTS**

	2019	2018
	\$	\$
Bank charges	547,346	407,220
Interest expense	990,385	23,214
Depreciation on right-of-use asset	10,120,786	-
Foreign exchange loss	-	5,784
Loan interest	1,303,009	1,658,243
	<u>12,961,526</u>	<u>2,094,461</u>

**18. TAXATION CHARGE / (CREDIT)**

a) Income tax is computed at 25% of the profit for the period, as adjusted for taxation purposes. Deferred tax is computed at 25% for the period based on the applicable income tax rate for unregulated companies. The taxation credit is made up as follows:

	2019		2018	
	\$		\$	
Current:				
Provision for charge on current profit	-		-	
Deferred:				
Origination and reversal of temporary differences	510,122		(220,907)	
	<u>510,122</u>		<u>(220,907)</u>	
b) Reconciliation of effective tax rate and credit:				
	2019	%	2018	%
	\$		\$	
Loss before taxation	(45,439,954)		(15,068,962)	
Computed tax credit	-	0%	-	0%
Taxation differences between profit for financial statements and tax reporting purposes on:				
Depreciation and capital allowances	169,762	0%	119,453	1%
Other adjustments	340,360	-1%	(340,360)	-2%
Actual tax credit and rate	<u>510,122</u>	-1%	<u>(220,907)</u>	-1%

**19. LOSSES PER STOCK UNIT:**

Basic losses per stock unit is calculated by dividing the net loss attributable to stockholders by the weighted average number of ordinary stock units in issue at year end.

	2019	2018
	\$	\$
Net loss attributable to stockholders (\$'000)	(45,950,076)	(14,848,055)
Weighted average number of ordinary stocks units ('000)	<u>191,505,171</u>	<u>191,505,171</u>
Basic losses per stock unit (¢ per share)	<u>(0.24)</u>	<u>(0.08)</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**20. RELATED PARTY TRANSACTIONS**

The following related party balances are shown separately in the Company's statement of financial position:

	2019	2018
	\$	\$
Amounts due from related parties	<u>5,032,132</u>	<u>1,500,054</u>
Amounts due to related party	<u>2,897,138</u>	<u>1,116,202</u>
Amounts due to directors	<u>3,426,521</u>	<u>256,000</u>

The Company's statement of comprehensive income includes the following transactions, undertaken with related parties in the ordinary course of business:

	2019	2018
	\$	\$
Key management personnel compensation	<u>7,975,000</u>	<u>6,900,000</u>

**21. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT**

**(a) Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Company. Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at the statement of financial position date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Company would realise in a current market exchange.

The amounts included in the financial statements for cash and cash equivalents, receivable, payables, and due to / from related companies reflect the approximate fair values because of short-term maturity of these instruments.

**(b) Financial risk management**

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Cash flow risk

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**21. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Financial risk management (cont'd)**

**(i) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's principal financial assets are cash and bank deposits, accounts receivable and related party receivables.

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit ratings.

*Cash and bank balances:*

The credit risk on cash and bank deposits is limited as they are held with financial institutions with high credit rating.

*Trade receivables:*

The Company uses a provision matrix to measure expected credit losses (ECLs) of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates, determined by a probability weighted approach.

Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, current conditions, the economic conditions over the expected lives of the receivables and other macro-economic factors such as foreign currency exchange rates, interest rates and Gross Domestic Products (GDP).

The following table provides information about the exposure to credit risk and ECLs for trade receivable as at December 31, 2019 and 2018:

	2019		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		\$	\$
Current (not past due)	0%	-	-
31-60 days past due	0%	50,000	-
61-90 days past due	70%	3,219,450	2,253,615
More than 91 days past due	93%	<u>7,775,942</u>	<u>7,260,591</u>
		<u><b>11,045,392</b></u>	<u><b>9,514,206</b></u>



**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**21. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Financial risk management (cont'd)**

**(i) Credit risk (cont'd):**

*Trade receivables (cont'd):*

	2018		
	Weighted average loss rate	Gross carrying amount \$	Loss allowance \$
Current (not past due)	5%	195,000	9,750
31-60 days past due	5%	750,750	37,538
61-90 days past due	10%	216,000	21,600
More than 91 days past due	55%	3,107,818	1,710,387
		<u>4,269,568</u>	<u>1,779,275</u>

*Related party balances:*

The Company assesses each related party ability to pay if payment is demanded as at the reporting date. Management reviews recovery scenarios considering given economic conditions and the borrowers liquidity over the expected life of the recoverable. The expected credit losses are calculated on this basis as follows:

	2019		
	Weighted average loss rate	Gross carrying amount \$	Loss allowance \$
1-30 days past due	1%	-	-
61-90 days past due	1%	-	-
More than 91 days past due	6%	5,226,093	193,961
		<u>5,226,093</u>	<u>193,961</u>

	2018		
	Weighted average loss rate	Gross carrying amount \$	Loss allowance \$
1-30 days past due	1%	64,422	644
61-90 days past due	1%	128,844	1,288
More than 91 days past due	5%	1,377,601	68,880
		<u>1,570,867</u>	<u>70,813</u>

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**21. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Financial risk management (cont'd):**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company.

Management aims at maintaining sufficient cash and the availability of funding through an amount of committed facilities. The management maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

	Carrying value \$	Contractual cash flows \$	Within 3-12 months \$	Over 12 months \$
<b>December 31, 2019:</b>				
Trade and other payables	23,238,690	23,238,690	23,238,690	-
	<u>23,238,690</u>	<u>23,238,690</u>	<u>23,238,690</u>	<u>-</u>
	Carrying value \$	Contractual cash flows \$	Within 3-12 months \$	Over 12 months \$
<b>December 31, 2018:</b>				
Trade and other payables	9,499,715	9,499,715	9,499,715	-
Convertible Notes	17,500,000	17,500,000	17,500,000	-
	<u>26,999,715</u>	<u>26,999,715</u>	<u>26,999,715</u>	<u>-</u>

**(iii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk:*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company materially contracts financial liabilities at fixed interest rates for the duration of the term. When utilized, bank overdrafts are subject to fixed interest rates which may be varied by appropriate notice by the lender. At December 31, 2018, there were no financial liabilities subject to variable interest rate risk.

Interest-bearing financial assets comprises of bank deposits, which have been contracted at fixed interest rates for the duration of their terms.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

Page 32

**21. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Financial risk management (cont'd):**

**(iii) Market risk (cont'd)**

*Fair value sensitivity analysis for fixed rate instruments:*

The Company does not hold any fixed rate financial assets that are subject to material changes in fairvalue through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or equity.

*Foreign currency risk:*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Company is exposed to foreign currency risk on transactions that it undertakes in foreign currencies. The main foreign currencies giving rise to this risk is the United States dollar.

**(iv) Cash flow risk**

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate because of changes in market interest rates. The Company manages this risk through budgetary measures, ensuring, as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows.

**22. OPERATION**

The Company, which is still in a developmental phase, reported a loss for the year ended December 31, 2019 of \$45,950,076 (2018, a loss of \$14,848,055) and had an accumulated deficit of \$60,798,131 (2018: \$14,848,055). Further as at December 31, 2019, the Company had net current liabilities of \$47,369,682 (2018: \$29,165,917). The Company has not to date been able to realise its projected revenues as it has sought to establish itself in the education industry. The Company has since raised additional funding through Sagicor Investments Jamaica Limited (SIJL) on February 6, 2020 totaling \$24,000,000 (*see note 23*) to support its working capital needs mentioned above.

**iCREATE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**THE YEAR ENDED DECEMBER 31, 2019**

**22. OPERATION (CONT'D)**

Additionally, the COVID-19 pandemic has placed an added burden on the Company's growth trajectory with possible revenue fall out due to the nature of its business being mostly practical and hands-on face-to-face learning.

The above factors indicate a possible material uncertainty that may cast doubt on the Company's ability to continue as a going concern and that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company has embarked on the following strategies to achieve sustainability and minimize the fall-out from the COVID-19 pandemic:

*Cost Reduction*

- A complete shutdown of its Montego Bay office with the migration of classes online
- Reduction in staff count for its Kingston's office
- Reduction of other operational costs

*Revenue Growth in response to COVID-19 Pandemic*

- Migrate majority of classes online - especially from the Montego Bay office
- Introduce new income streams through revenue diversification

Based on the plans and strategies being pursued and implemented, the directors and management believe that the Company will generate adequate cash flows and profitability which would allow it to continue in operational existence for the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of these financial statements. This basis of preparation presumes that the Company will be able to realize its assets and discharge its liabilities in the ordinary course of business.

**23. SUBSEQUENT EVENT**

**(i) Fixed Rate Bond**

On February 7, 2020, the Company raised \$24 million through the issue of a fixed rate bond arranged by Sagicor Investments Limited. The bond attracts an interest rate of 12.5% per annum. Interest is paid on a semi-annual basis. The bond matures in 2025.

**(ii) COVID-19 Pandemic**

The COVID-19 global pandemic has cast uncertainty over the continuation of businesses. However, management has deemed the impact on the Company's operation to be minor. Subsequent to reporting date, the Company was able to secure a partnership with One on One Group Limited that will see iCreate offering a number of courses to individuals using a world class online learning platform.





## PARTNERS



**UNIVERSITY OF THE  
COMMONWEALTH  
CARIBBEAN (UCC)**

*Fostering Leadership & Innovation*



**digital  
marketing  
institute**

**(876) 665 0772**

 [www.icreateedu.com](http://www.icreateedu.com)

   @icreateedu

 Kingston, Jamaica Montego Bay, Jamaica Miami, Florida, USA