

**FirstRock**  
CAPITAL HOLDINGS



# ***Financial Statements***

— JUNE 2021 —

# Interim Unaudited Report to Shareholders

FOR THE SECOND QUARTER ENDED JUNE 30, 2021

# 9

CONSECUTIVE QUARTERS OF



ASSET  
GROWTH



PROFITABILITY



GROWTH IN  
SHAREHOLDERS'  
EQUITY

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**13%** REDUCTION  
IN EXPENSES

## **INTERIM UNAUDITED REPORT TO SHAREHOLDERS FOR THE SECOND QUARTER ENDED JUNE 30, 2021**

The Board of Directors of First Rock Capital Holdings Limited (“FCH”) is pleased to present our financial statements. The information herein, represents the unaudited consolidated financial statements for the quarter ended JUNE 30, 2021.

### **Financial Performance**

First Rock Capital Holdings Limited is pleased to announce our 9th consecutive quarter of profitability. The company has been carefully and diligently managing its balance sheet, which resulted in sales of some real estate assets for gains and subsequent reallocation of capital into new opportunities.

Net Profit attributable to Ordinary Shareholders for the six months totalled **US\$ 1,174,318** which yielded an Earnings Per Share (EPS) of US\$ 0.0041. For the three months ended June 30, 2021, Net Profit Attributable to Ordinary Shareholders totalled US\$ 406,822 which yield an EPS of US\$ 0.0014.

### **Financial Position**

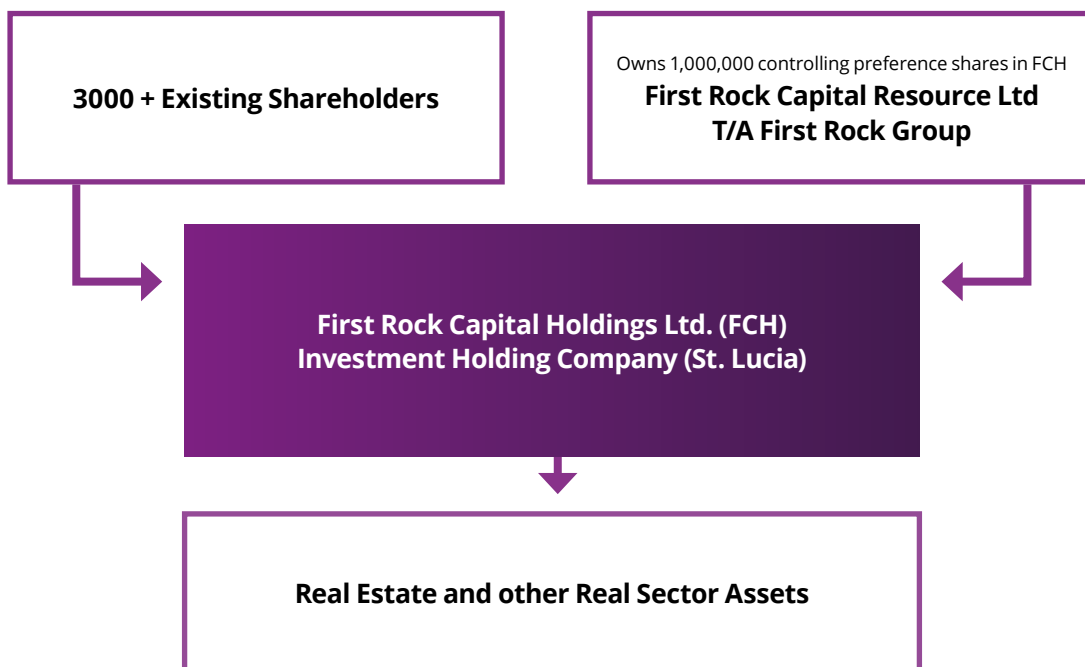
Total assets of the FCH Group at the end of the quarter stood at US\$ 40.20 Million, with Shareholders' Equity of US\$ 31 Million. The FCH Group's liabilities also stood at US\$ 9.30 Million as at June 30, 2021.

The company has two clear business strategies, Real Estate and Real Sector Investments, which are pursued via its four subsidiaries;

- i. First Rock USA LLC**, a limited liability company incorporated in and under the laws of the State of Florida, USA and holds real estate and investment assets.
- ii. First Rock Capital Latam, Sociedad Anónima**, a corporation incorporated in and under the laws of Costa Rica and holds real estate assets and investment assets.
- iii. First Rock Capital Cayman Limited**, a limited liability company incorporated in and under the laws of the Cayman Islands and holds real estate and investment assets.
- iv. FCH Jamaica Developers Limited**, a limited liability company incorporated in and under the laws of Jamaica to execute real estate developments.

# Corporate Structure

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



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## OUTLOOK

The company intends on being more aggressive within the region, primarily in new jurisdictions. Multi-jurisdictional asset allocation is a key feature of our risk-mitigation strategy. This strategy has done well for us and will continue. Opportunities within our domiciled country, St. Lucia will be explored during the financial year, and we intend on increasing our presence there.

Lastly, to our over three thousand (3,000) Ordinary Shareholders, we remain gratified for the continued confidence being reposed in us. Additionally, to the First Rock Group, the Board of First Rock Capital Holdings remains supportive of your efforts in managing our affairs.

**Norman Reid J.P.**  
Chairman


## Un-Audited Consolidated Statement of Financial Position

30-JUN-21

	GROUP US\$ UNAUDITED 30-Jun-21 USD	GROUP US\$ UNAUDITED 30-Jun-20 USD	GROUP US\$ AUDITED 31-Dec-20 USD
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Investment Property	17,349,827	16,572,081	18,546,108
Property, plant & equipment	14,467	92,600	224,907
Intangibles	-	426,169	341,395
Investment Securities net of provision for credit losses	6,457,796	5,846,701	4,297,873
	<u>23,822,090</u>	<u>22,937,551</u>	<u>23,410,283</u>
<b>Current assets</b>			
Property Inventory	9,275,233	-	-
Development in progress	2,243,845	196,460	1,014,804
Property acquisition deposits	24,958	1,803,593	1,598,524
Current portion of Investment Securities net of provision for credit losses	1,630,790	2,798,348	6,868,281
Securities purchased under resale agreements	496,464	360,249	103,832
Receivables	965,530	669,791	490,925
Investment Property held for sale	330,000	-	760,000
Cash and Cash Equivalents	1,466,592	4,371,615	1,569,910
	<u>16,433,411</u>	<u>10,200,055</u>	<u>12,406,276</u>
<b>Total Assets</b>	<b>40,255,501</b>	<b>33,137,606</b>	<b>35,816,559</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long Term Loans	3,100,228	-	-
Corporate Bond Payable	4,503,399	-	-
Deferred tax liability	53,678	-	152,790
	<u>7,657,305</u>	<u>-</u>	<u>152,790</u>
<b>Current liabilities</b>			
Current portion of long term loans	1,497,845	3,712,500	4,800,052
Dividend Payable	-	-	343,230
Due to related parties	(240,189)	95,656	306,401
Other Liabilities	385,726	342,512	357,533
Corporation Tax Payable	-	59,396	47,358
	<u>1,643,382</u>	<u>4,210,064</u>	<u>5,854,574</u>
<b>Total Liabilities</b>	<b>9,300,687</b>	<b>4,210,064</b>	<b>6,007,364</b>
Share Capital	27,738,653	27,738,653	27,738,654
Retained Earnings	2,982,977	1,143,461	1,979,974
Foreign exchange translation	233,184	(35,137)	42,098
<b>Total Shareholders' Equity</b>	<b>30,954,813</b>	<b>28,846,976</b>	<b>29,760,726</b>
Non-Controlling Interest	-	80,566	48,469
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>40,255,501</b>	<b>33,137,606</b>	<b>35,816,559</b>



NORMAN REID, CHAIRMAN



DOUGLAS HALSALL, DIRECTOR

## Profit &amp; Loss Account

SIX-MONTHS ENDED 30-JUNE-2021

	QTR ACTUAL FCH	PRIOR YR QTR FCH	YTD ACTUAL FCH	PRIOR YR YTD FCH	PRIOR YR ENDED FCH
	UNAUDITED QUARTER- ENDED 30-Jun-2021	UNAUDITED QUARTER- ENDED 30-Jun-2020	UNAUDITED SIX-MONTHS- ENDED 30-Jun-2021	UNAUDITED SIX-MONTHS- ENDED 30-Jun-2020	AUDITED TWELVE MONTHS ENDED 31-Dec-20
	US\$	US\$	US\$	US\$	US\$
<b>INCOME</b>					
Rental Income	94,615	108,060	170,007	222,302	431,172
Realised and Unrealised Gains/ (Losses) on Investments	926,405	768,533	1,615,504	1,760,978	5,027,248
Interest Income	132,760	442,290	565,937	659,572	1,344,886
Foreign Exchange Gain/ (Loss)	(89,121)	(151,318)	(265,733)	(157,618)	(463,022)
Gain on Acquisition/ Disposal of Subsidiary	-	-	553,000	188,843	225,518
Other Income	10,823	32,157	104,687	84,066	175,265
<b>Total Investment Income</b>	<b>1,075,482</b>	<b>1,199,721</b>	<b>2,743,402</b>	<b>2,758,141</b>	<b>6,741,067</b>
<b>EXPENSES</b>					
Depreciation and Amortization	8,821	5,656	41,505	8,449	120,170
Preference Dividend	-	-	115,660	113,298	255,712
Allowance for credit losses	14,192	100,097	(107,269)	114,843	701,862
Administrative & General Expenses	644,914	667,418	1,514,581	1,286,685	2,993,516
<b>Total Expenses</b>	<b>667,926</b>	<b>773,171</b>	<b>1,564,477</b>	<b>1,523,275</b>	<b>4,071,260</b>
Net Profit/(Loss) before Taxation	407,555	426,550	1,178,925	1,234,867	2,669,807
Taxation	733	5,102	(24,181)	10,193	65,170
Net Profit (Loss) after Taxation	406,822	421,447	1,203,106	1,224,674	2,604,637
Income (loss) attributable to non-controlling interest	-	(31,253)	28,788	(25,850)	(54,452)
Profit attributable to owners of the company	406,822	452,700	1,174,318	1,250,524	2,659,089
<b>EARNINGS PER STOCK UNIT</b>	<b>0.0014</b>	<b>0.0016</b>	<b>0.0041</b>	<b>0.0030</b>	<b>0.01</b>

## FIRSTROCK CAPITAL HOLDINGS GROUP

## Profit &amp; Comprehensive Income

SIX-MONTHS ENDED 30-JUNE-2021

	US\$	US\$	US\$	US\$	US\$
Net Profit (Loss) after Taxation	406,822	421,447	1,203,106	1,224,674	2,604,637
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that are or may be reclassified to profit or loss:					
Foreign exchange translation reserve	(25,565)	25,164	191,086	9,752	82,628
<b>Total Comprehensive Income</b>	<b>381,257</b>	<b>446,611</b>	<b>1,394,192</b>	<b>1,234,426</b>	<b>2,687,265</b>

## Statement of Cash Flows

SIX-MONTHS ENDED 30-JUNE-2021

	Jun-21 SIX-MONTHS ENDED Unaudited US\$	Jun-20 SIX-MONTHS ENDED Unaudited US\$	Dec-20 TWELVE-MONTHS ENDED Audited US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net profit	1,174,318	1,250,524	2,659,089
Adjustment for:			
Depreciation and Amortisation	41,505	8,449	120,170
Net Credit Impaired losses	(107,269)	100,097	701,862
Foreign Exchange Gain/ (Loss)	265,733	(147,866)	(376,035)
Net gain from fair value adjustment on investments	(1,202,855)	(1,836,276)	(5,027,248)
Interest Income from investment securities	(132,760)	(659,572)	(1,344,886)
Interest Expense	99,765	21,449	40,219
Taxation expense	(47,358)	57,678	45,641
Operating cash flow before movements in working capital	91,079	(1,205,516)	(3,181,188)
Changes in:			
Other receivables	(473,939)	(457,963)	(290,088)
Dividend Payable	(343,230)	-	343,230
Other liabilities	28,193	215,587	230,608
Deferred tax liability	(99,112)	-	152,790
Resale agreements	(392,632)	(360,249)	(103,832)
Related company	(547,255)	(25,841)	184,903
Interest Received	372,875	321,908	797,646
Interest paid	(99,765)	(21,449)	(40,219)
Due from Property Manager	-	(10,990)	-
Net cash provided/(used in) by operating activities	(1,463,788)	(1,544,514)	(1,906,150)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
(Acquisition) / Disposal of PPE	168,935	(50,807)	(294,836)
Goodwill & other intangibles	-	(426,169)	(341,395)
Investment Securities	3,210,453	(4,318,097)	(6,919,688)
Pre-Construction costs	-	(132,833)	-
Development in progress	(1,229,041)	(63,627)	(1,014,804)
Property Acquisition deposits	1,573,566	(481,972)	(276,903)
Investment Property	2,829,136	(5,054,191)	(4,597,246)
Property Inventory	(9,275,233)	-	-
Cash used in investing activities	(2,722,183)	(10,527,696)	(13,444,871)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Loans payable	(201,979)	3,712,500	4,800,052
Corporate Bond Payable	4,503,399	-	-
Issue of preference shares	-	-	-
Issue of ordinary shares net of transaction cost	-	12,266,306	12,266,308
Non-controlling interest	(48,469)	80,566	48,469
Dividends Paid	(171,315)	(600,653)	(1,172,703)
Net cash provided by financing activities	4,081,636	15,458,719	15,942,125
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>(104,335)</b>	<b>3,386,509</b>	<b>591,104</b>
Effects of exchange rate differences on cash	1,016	6,300	-
Cash and cash equivalents at beginning of year	1,569,910	978,806	978,806
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,466,591</b>	<b>4,371,615</b>	<b>1,569,910</b>

# Statement of Changes In Shareholders' Equity

## SIX-MONTHS ENDED 30-JUNE-2021

	Share capital	Non Controlling Interest	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$
<b>Period ended June 30, 2021</b>					
Balance at 31 December 2020	27,738,654	48,469	42,098	1,979,974	29,809,195
Total Comprehensive Income for the period	-	28,788	191,086	1,174,318	1,394,192
Issue of Shares net of Transaction Cost	-	-	-	-	-
Dividend paid	-	-	-	(171,315)	(171,315)
Acquisition/ (Disposal) of subsidiary with non-controlling interest	-	(77,257)	-	-	(77,257)
<b>Balance at 30 June 2021</b>	<b>27,738,654</b>	<b>(0.00)</b>	<b>233,184</b>	<b>2,982,977</b>	<b>30,954,814</b>
<b>Period ended June 30, 2020:</b>					
Balance at 31 December 2019	15,472,346	-	(44,889)	493,588	15,921,045
Total Comprehensive Income for the period	-	(25,850)	9,752	1,250,524	1,234,426
Issue of Share	12,266,308	-	-	-	12,266,308
Transaction Cost - Issue of Share	-	-	-	-	-
Dividend paid	-	(60,326)	-	(600,653)	(660,979)
Acquisition/ (Disposal) of subsidiary with non-controlling interest	-	166,743	-	-	166,743
<b>Balance at 30 June 2020</b>	<b>27,738,654</b>	<b>80,566</b>	<b>(35,137)</b>	<b>1,143,459</b>	<b>28,927,542</b>



## 1. Incorporation and Principal Activities

First Rock Capital Holdings Limited (the company) is an International Business Company (IBC) duly incorporated under the laws of Saint Lucia on 4 October 2017. The registered office of the company is located at Bourbon House, Bourbon Street, Castries, Saint Lucia. Its main operations are located at Suite 6, 14 Canberra Crescent, Kingston 6, Saint Andrew, Jamaica.

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

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

Subsidiaries	Principal Activities	Incorporated in	Proportion of Capital
First Rock USA, LLC	Property Investment	USA	100%
First Rock Capital LATAM, Sociedad Anónima	Property Investment	Costa Rica	100%
First Rock Capital Cayman Ltd.	Property Investment	Cayman	100%
FCH Jamaica Developers Ltd	Real Estate Development	Jamaica	100%

## 2. Significant Accounting Policies

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

### (a) Basis of preparation

#### Interim financial reporting

The condensed consolidated interim financial statements for the three months ended June 30, 2021 have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

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

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

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

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

**(ii) Dividend income**

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

**(iii) Rental income**

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

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

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

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

**(d) Foreign currency translation****(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

**(iii) Group companies**

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

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

**(e) Investment property**

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

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

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

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

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

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

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

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

**Financial assets**

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

**Financial liabilities**

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

**Classification**

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

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

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for them at FVPL. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

**Debt instruments**

The Group classifies its debt instruments at amortized cost. These are assets that are held for collection of contractual cash flows where those cash flows represent SPPI and are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as a separately and form part of profit or loss.

**Equity instruments**

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

**Impairment**

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

Debt investments and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The impairment charge for debt investments was assessed and is recorded in profit or loss.

**(g) Trade and other receivables**

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

**(h) Cash and cash equivalents**

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

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

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

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

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

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

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

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

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

**(j) Share capital**

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

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

**(k) Management fees**

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

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

**(l) Performance based fees**

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

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

**(m) Operating expenses**

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

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

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

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

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

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

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

### 3. Earnings per Share

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

Net profit attributable to shareholders (USD\$)	1,174,318
Weighted average number of ordinary shares in issue	286,025,318
Basic earnings per share (USD per share)	<u>0.0041</u>

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

### 4. Dividends

The group declared and paid dividends at a rate of USD 0.0006 per share during the period.



## Aggregate Top 10 Shareholders

AS AT JUNE 30, 2021

	Shareholder	Unit Holdings	% Holdings
1	David Chin & Joyce Chin	19,350,000	6.77
2	JCSD Trustee Services Limited - Sigma Equity	15,400,000	5.38
3	NMIA Airports Limited	14,259,000	4.99
4	Airport Authority of Jamaica	14,259,000	4.99
5	Sagicor Pooled Equity Fund	13,746,000	4.81
6	MF&G Asset Management Limited	10,400,000	3.64
7	National Insurance Fund	10,000,000	3.50
7	Beech Realty Company Limited	10,000,000	3.50
8	Gul Khemlani	7,471,000	2.61
9	Nekia Limited	7,129,000	2.49
10	Ryan Kwesi Reid	5,370,000	1.88
	<b>AGGREGATE ISSUED SHARE CAPITAL</b>	<b>286,025,318</b>	

**(Combined Holdings) Directors' Ownership****AS AT JUNE 30, 2021**

Name of Director	Connected Parties	Combined Shareholdings
Norman Reid	Pauline Reid*	14,000
	Ryan-Kwesi Reid	5,370,000
	Gloria Marjorie	Nil
Douglas Halsall	Stacey Peart*	924,000
	Advanced Integrated Systems Limited	Nil
	Qmall Limited	Nil
	Health Administration Systems Limited	3,852,000
York Page Seaton	Claudette Seaton*	4,779,158
	Y.P. Seaton Associates Limited	Nil
Alton Morgan	Peggy Myers-Morgan	Nil
	Dionne Morgan	Nil
	Nicholas Morgan	Nil
	Legisperitus Limited	Nil
Kisha Anderson		25,000
	Kurt Anderson*	135,000
	Daniel Anderson	Nil
	Matthew Anderson	Nil
Natalie E.G. Augustin		Nil

\*Joint ownership with director