



iCREATE
DESIGN *to* INSPIRE



**ANNUAL
REPORT**

2020



A Digital Revolution and Pivoting



The COVID-19 pandemic and government containment responses adversely impacted iCreate. At the beginning of the pandemic, iCreate outlined initiatives to pivot and grow. This involved significant cost-cutting and shifting to more digital training, new divisions and subsidiaries.

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, Creative Outsourcing initiatives and Coding and Data Security Industries.

→ Notice Of Annual General Meeting



YOUR CREATIVE CAREER AWAITS

The Hub, 34 Lady Musgrave Road / Kingston 5 / Jamaica, W.I. / www.iCreateEDU.com / 876-649-5563

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (AGM) of iCreate Limited is scheduled to be held on **Wednesday, January 5, 2022 at 2:00pm** at the AC Hotel by the Marriott, 38-42 Lady Musgrave Road, Kingston 5, in the parish of Saint Andrew at for the purpose of transacting the following business: -

Ordinary Resolutions

1. To receive the Reports of the Directors and Auditors and the Audited Financial Statements for the year ended December 31, 2020.

To consider, and if thought fit, pass the following resolution: -

“THAT the Reports of the Directors and Auditors and the Audited Financial Statements for the year ended December 31, 2020 be adopted.”

2. To retire and elect Directors.

To consider, and if thought fit, pass the following resolution: -

“THAT the Directors, retire by rotation upon the expiration of one year (1) year and be re-elected by a single resolution.”

3. In accordance with **Article 102** of the Company's Articles of Incorporation, Messrs. Arlene Martin, Tyrone Wilson, Ricardo Allen, Dainya-Joy Wint, Larren Peart and Stephen Hector, retire from office by rotation and being eligible, offer themselves for re-election.

To consider, and if thought fit, pass the following resolutions: -

- a. ***“THAT Ms. Arlene Martin who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***
- b. ***“THAT Mr. Tyrone Wilson who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***
- c. ***“THAT Mr. Ricardo Allen who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***
- d. ***“THAT Mrs. Dainya-Joy Wint who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***
- e. ***“THAT Mr. Larren Peart who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***
- f. ***“THAT Mr. Stephen Hector who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company.”***

4. To fix the remuneration of the Directors.

To consider, and if thought fit, pass the following resolutions: -

“THAT the remuneration of the Directors be determined by the Board of Directors upon their re-election for the ensuing year.”



YOUR CREATIVE CAREER AWAITS

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5. To appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors.

“THAT CrichtonMullings & Associates, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed Auditors of the Company, to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company.”

Special Resolution

6. To consider any other business which may properly be transacted at an Annual General Meeting.

Pursuant to the Further Amended Fixed Date Claim Form filed on June 18, 2021 and the Formal Order filed on July 15, 2021 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 <https://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 in person, 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 and sanitization will be administered to all individuals attending the AGM; and
4. All individuals will be required to sanitize prior to entering the meeting room.

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 forty eight (48) 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. 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, Kingston **not less than forty eight (48) hours** prior to the AGM. A corporate shareholder may (instead of appointing a proxy) appoint a representative in accordance with Articles 75 and 76 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 6th day of December 2021
BY ORDER OF THE BOARD OF DIRECTORS**


DEMETRIA A. ADAMS
Corporate Secretary

A form of proxy. A shareholder who is entitled to attend and vote at the Annual General Meeting of the company may appoint one or more proxies to attend in his/her place. A proxy need not be a shareholder of the company. All completed original proxy forms must be deposited together with the power of attorney or other document accompanying the proxy at the registered office of the company at least forty eight (48) hours before the Annual General Meeting.***The details of the modes of accessing the meeting online will be shared shortly.***

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Chairperson's Message



The effect of COVID-19 on the education sector was significant. The reduced movement of persons and limited physical engagement as measures resulting from the pandemic negatively impacted education institutions across the globe, especially for iCreate's creative courses that are best delivered through practical application, or in-person. Many of our subject areas were affected, including digital, which was impacted by the decline in economic activity and creative training, which was immediately halted by the measures implemented. In addition to the contracting economy, many households were forced to decide between necessities and other needs. Undoubtedly, the former always takes precedence.

Our strategy is to remain stable, continue cost-reduction, and focus on capitalising on the positive vital structural drivers of growth: a focus required as we pivot to leveraging a diverse product portfolio to deliver results and create value for our shareholders.

We focused on strengthening our business by cutting costs and staying viable in response to the halt of classroom and experiential courses. However, the pandemic has allowed us to focus on the short-term volatility and maintain a strong competitive position for the medium run.

The Board added two new members this year, and both have been a welcome addition to the team. The board successfully ensured that it had a solid mix of skills and backgrounds to help its management execute its strategic plans for the year.

Ricardo Allen joined the board in October 2020. A Founder and CEO of One on One Educational Services, the Caribbean's most prominent online Education Technology company. Ricardo also brings years of experience for led Structured Products division at Sagicor Investments Jamaica, combining his strong background in Actuarial Mathematics, Corporate Finance and Economics to conceptualise and develop derivative products for the retail and corporate markets.

Demetrie Adams joined the Board as our new Corporate Secretary. Demetrie has extensive experience in the practice of Commercial Litigation, Corporate and Commercial, Conveyancing, Energy and Insurance Law.

I'm very proud of how our team has met some difficult challenges this year. We had to close a few locations and make some changes to our organisational structure. Nonetheless, we came through with a clearer vision for the future of this company to deliver results and to create value for our shareholders.

Arlene Martin

Chairperson



President & CEO Statement



2020 - A YEAR OF CHANGE

At the beginning of the pandemic, we introduced several initiatives to move to a path of profitability. Coming out of a tough 2019. We are proud of the results, reducing our Net Loss position by 36.7%, coming from a total of \$45.9m to \$29.1m at the end of 2020.

Realising the lasting effects the pandemic would have on the economy, iCreate set out to deliver new ways to earn and grow. Our most significant and most ambitious project is our Creative City Development. The team is excited about the prospects of this project, and we have made substantial progress in a short time span. We are collaborating with real estate industry experts who are excited about the possibilities.

The Creative City and all our non-training businesses will fall under our Opportunity Ventures Division which will see us forming companies and partnering with others that can deliver robust growth for iCreate.

PARTNERSHIPS

Partnerships continue to be a significant part of iCreate's move forward — both in training and additional areas. One of our newest partnerships is with US-based computer training school, Code Fellows, which expanded our course offerings to include software development, ops and cybersecurity.

We've also partnered with the National Commercial Bank Foundation to deliver its first staging of the Level Up Grant Training Programme. This program aimed to offer grants to many who have lost their jobs as we grappled with the effects of COVID-19 to upskill or reskill in the digital era. These grants help people adjust to new circumstances and advance their careers through continued education.

Tyrone Wilson
President & CEO



Key Highlights

Sustainable growth and value for all stakeholders

iCREATE Limited presents its Audited Financial Statements for the 12-month period ending December 31, 2020:

2020 Financial & Operating Highlights



The company's Sales Revenue was \$58,377,536 compared to \$46,158,213 in the previous year, representing an increase of 26.5%.



Cost of Sales include trainer fees, license fees and any other expenses directly related to delivering the training. Our Cost of Sales reduced from \$24,116,780 to \$22,132,816 for the year ended 2020 when compared to the same period in 2019.



Operating loss reduced by 43.49%, moving from \$32,478,428 (2019) to \$13,645,407 (2020).



Earnings Per Share for the period was -0.11, moving from -0.24. A 54.2% improvement.



Net loss also reduced. We are able to reduce our Net Losses by 36.7% from \$45,950,076 (2019) to \$29,064,713 (2020). We also benefited from a surplus from our license acquisition with Code Fellows which further pushed our Total Comprehensive Expense for the year to \$21,993,766, coming from \$45,950,076. This represents a reduction for the period. This represents an improved performance on the bottomline of 95.2%.



Our Products & Partnerships

Software and Cyber Security - Code Fellows

We have partnered with a leading software development skills training academy, Code Fellows. This partnership enables us to offer online courses that train students how to develop software, operate systems, and manage cyber-security.

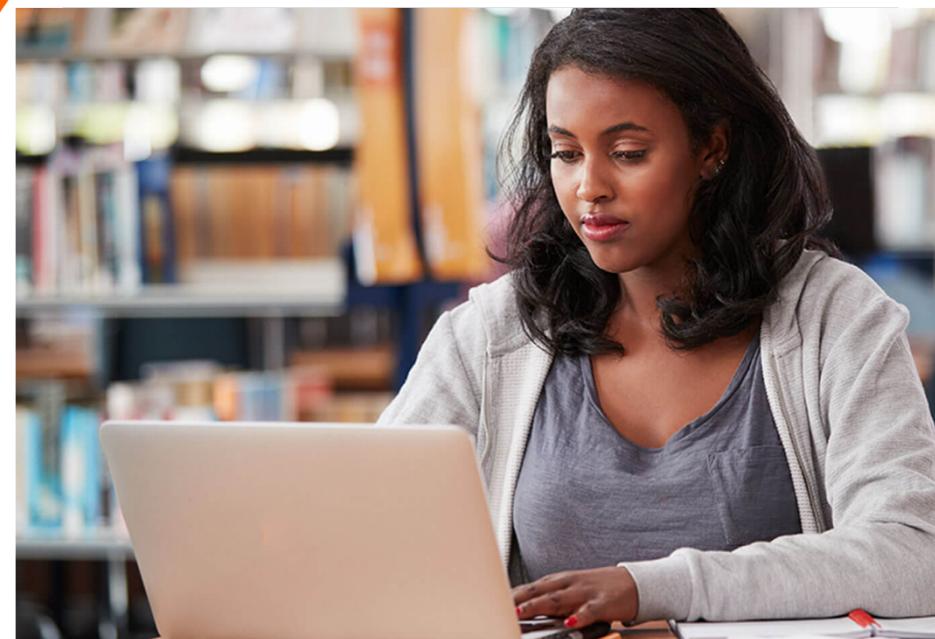


Creative Courses

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 Marketing and Sales - Digital Marketing Institute (DMI)

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



Certificate Courses being offered are:

- 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

Company Profile





Overview

iCreate has expanded its reach since 2012, crossing into new industries and becoming a leading provider of digital media education in Jamaica. The curriculum has been redesigned to keep up with technological advances while offering more flexibility in its delivery, drawing new students through partnerships with major companies as we poise ourselves for the work world in the post-pandemic era.

In 2020, with the growth of iCreate being halted by the global pandemic, the company decided it was the right time for a pivot and introduced a new division - Opportunity Ventures, consisting of non-training ventures such as the iCreate Creative City Subsidiary and Reggae Sunsplash. These ventures are aimed at propelling the growth of iCreate and in matching the efforts of the fourth industrial revolution.



On November 27 and 28, 2020, iCreate staged the Reggae Sunsplash Music Festival, which was executed virtually. The two (2) day Music Festival saw over Three Hundred and Thirty Thousand (330,000) views from thirty (30) different countries tuning in to the performances of Jamaica's top entertainers.

Partnerships

iCreate continues to strengthen its partnerships. In 2020, we added the National Commercial Bank, Tourism Enhancement Fund, Jamaica Tourist Board, Unicomer St. Lucia, One on One Educational Services and International and Foreign Language Education.

Expansion

We highlighted new divisions and subsidiaries that will be introduced to improve the company's prospects.

How Did This Work Out?

- Reduction of Operating Expenses by 11.5%
 - Rent / Rights of Use decreased by 45% for the period
- Staged a Virtual Reggae Sunsplash, delivering revenues of \$11.5m
- Production of Digital Educational Content providing revenues of \$10.5m

Creative City

Built on the premise of Kingston as a Creative City, this project will see leading higher education providers, high-tech, digital media and creative companies, and a diverse mix of students and employees calling the iCreate - Creative Cities their home.

Innovation and creativity will be fostered by a community of creators and change-makers who will come together to share, learn and inspire each other. The Creative City will be a game-changing commercial real estate project that will bring new life to Kingston.

At the core of the Creative City is a Real Estate Development Company aimed at providing physical infrastructure for the Creative Economy. Our developments are defined as a Creative City if at least 35% support the creative and digital economy. The additional 65% can and will be sold to any individual or company interested in owning spaces at our creative city developments.

Since announcing the pivot into this area, we have been working with several investors, pension funds, and property owners to deliver several Creative City Clusters for Jamaica. We have potential projects in Kingston, Old Harbour and Montego Bay - Jamaica.



Corporate Data

Directors As at December 31st, 2020



Company Data & Advisors ²⁷

72B Hope Road

Registered Office

Jamaica Central Securities Depository
40 Harbour Street, Kingston

Registrar Agents

Demetrie Adams
58 Hope Road, Kingston 6

Company Secretary

Tavares-Finson Adams
58 Hope Road, Kingston 6

Attorneys-At-Law

External Auditors

**Crichton Mullings
And Associates**

Unit 27B, 80 LMR

80 Lady Musgrave Road
Kingston 10

Bankers

Sagicor Bank Jamaica Limited

85 Hope Road, Kingston 6

Management Discussion & Analysis

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, 2020 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.

Corporate & Social Responsibility

iCreate continued its strong history of community support in 2020 after all, we were born from an Internship program. During the reporting period, iCreate continued to disburse scholarships to students committed to up-skilling and reskilling to advance their careers during the heights of the pandemic. Through a partnership with the National Commercial Bank Foundation- Level Up Grant Program, we offered a value of over \$7,000,000 in online short courses to help enhance digital literacy and adoption. In addition, to aid many who have lost their jobs due to the economic downturn resulting from the pandemic.

Corporate Governance

iCreate continues to maintain its various policies that guide the company. These include:

- Board Charter
- Charter For Audit Committee
- Charter For HR And Compensation Committee
- Audit Committee Charter
- Delegation of Authority Policy
- Induction Program for Directors
- Revenue Recognition Policy & Procedure
- IPO Proceeds and Shareholders
- Payroll Policy and Procedures
- Cash and Bank Policy Procedures

Future Outlook

Now that the build out and majority of the expansion has been completed, iCreate has a solid foundation in which to grow from. COVID-19 pandemic has shown the increased need for digital training and iCreate has surfaced 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 iCreate to be a key player in re/skilling and up/skilling our workforce for the future.

As the tech industry continues to grow iCreate is dedicated to adapting to market trends and changing landscapes. Most noticeably, as security becomes everyone's business in the workplace and even more so as many people continue to work from home we see where iCreate's partnership with Code Fellow gives us the opportunity to train even more people to adapt to new and updated technologies in Coding and Cybersecurity courses and help them to adapt the next level.

More Courses For Our Students

As the digital economy continues to grow rapidly, digital is now an integral part of today's successful companies.

While organizations are aware of adopting and harnessing digital technologies, many are struggling to begin or progress along their transformation path.

Our courses are uniquely placed to help build the digital capabilities of your business and staff. We work with organizations to help them understand the impact of, and opportunities within, the digital economy.

Certified Digital & Social Sales Professional

This certification enables your sales team to make sales faster and easier using digital and social selling techniques. It's ideal for salespeople at all levels and capabilities.

Certified Digital Marketing Specialist in Search

This certification can help your staff understand how to create, manage and implement advanced search marketing strategies using AdWords, PPC, display and remarketing.

Certified Digital Marketing Specialist in Social Media

By becoming a Certified Digital Marketing Specialist in Social Media your staff will understand key specialisms including content marketing and promotion platforms.

Certified Digital Marketing Specialist in Strategy & Planning

This certification will introduce your staff to digital communications and social customer service so they can develop a measured and well-considered strategy.

Content Marketing

This short course teaches you content marketing best practice. Craft your social media messaging to attract visitors, celebrate your brand story, optimise keywords and channels, and measure.

Data and Web Analytics

Fast-track your Data and Analytics skills with this online short course. Sharpen your analysis by learning Data Analytics, Reporting, Data Management and Data Security best practices.

eCommerce

Our popular interactive short course covering UX design principles, Conversion Rate Optimisation, Customer Experience (CX) and eCommerce funnel management.

Social Media Marketing

Short course providing rapid exploration of today's social media landscape. Learn brand storytelling, persona targeting, community building, social analytics and more. Perfect intro.

MULTIPLE MODES
Learning Just-in-Time

Interactive Learning

Toolkits and Templates

Quick Reads



Technical Skills Training Academy

Code Fellows at iCreate Coding & Data Security Programs

Official partner of Code Fellows, a coding school that offers; students computer programming, app and web development and ops and cyber security online.



Board Members Meeting Attendance

	Board Of Directors Meeting	Audit Committee Meeting	Compensation Committee Meeting
Lissant Mitchel* (Chairperson)	2		
Arlene Martin** (Chairperson)	1		
Jennifer Bailey***(Chairperson)	3		1
Tyrone Wilson (CEO/Director)	6	3	
David Wan resigned April 16, 2020	2		1
Devon Lawrence resigned December 31, 2020	5	3	
Sheree Martin resigned April 22, 2020	2		1
Rhys Campbell resigned April 14, 2020	2		1
Mischa McLeod-Hines (Director) resigned on April 15, 2020	2		
Vinay Walia resigned April 15, 2020	2		
Stephen Greig (Company Secretary) resigned April 17, 2020	2		1
Demetrie Adams (Company Secretary) appointed April 22, 2020	4		
Ricardo Allen appointed April 21, 2020	4	3	
Natasha Dixon appointed April 21, 2020; resigned December 31, 2020	4		

*Lissantt Mitchell resigned | April 1, 2020

**Arlene Martin appointed chairperson | September 16, 2020

***Jennifer Baily appointed chairperson | April 22, 2020; resigned |September 16, 2020

Board Of Directors



Arlene Martin
Chairperson

Arlene L. Martin is a leading practitioner in strategy development, project management and programme implementation. Her proven ability to use logic and analysis to identify the strengths and weaknesses of different approaches makes her an invaluable asset in any planning process seeking to positively impact a company's bottom line.

Arlene has a track record in investment facilitation, new venture development and project management. She also has extensive experience in the fields of national and industry strategy with a focus on export development & strategy, market analysis, international trade policy and development of trade training. Throughout her career, she has developed international policy positions, participated in local and regional trade discussions, conducted training on market analysis tools, coordinated the development of a national export strategy and designed awareness programmes, developed new venture plans, facilitated FDI projects in Jamaica, as well as sector competitiveness improvement projects.

Among her noted projects are the Foreign Investment Promotion Programme for Jamaica, Jamaica's National Export Strategy and participation in the Brand Botswana initiative, as well as a Market Analysis and Business Plan for a Creative Incubator, and Facilitator for the BPO Cluster coordinating a Competitiveness Improvement Initiative.

Prior to consulting, Ms. Martin served at JAMPRO as Programme Manager for the Jamaica Legacy Programme, which had five separate projects, during its active phase, Senior Consultant in the Export Development Department and Policy Development Consultant in the Corporate Affairs Unit, dealing with International Trade issues. Before JAMPRO, Ms. Martin was Manager for Caribbean and Latin American Promotions at the USA Poultry and Egg Export Council, a non-profit organisation with responsibility for the international promotion of USA egg and poultry products, where she developed new markets for that industry. She was also an International Trade Specialist with the Georgia Department of Agriculture, in the USA. There, Ms. Martin worked to develop export-ready or new-to-export firms. Ms. Martin also owns and operates a clothing line, drennaLUNA, officially launched in 2010.

Arlene L. Martin completed an MBA at the Mona School of Business, the University of the West Indies in 2007. She is a graduate of the University of Georgia where she completed her undergraduate degree in International Business with minors in Spanish and Horticulture. She also completed a Certificate in International Agriculture at that institution. Additional training includes a Certificate in Applied Project Management.

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.



Devon Lawrence
Member Of The Executive Board

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.

Ricardo Allen

Member Of The Executive Board

President & CEO - One on One Educational Services Limited

Prior to his business success, Ricardo led the Structured Products division at Sagicor Investments Jamaica, combining his strong background in Actuarial Mathematics, Corporate Finance and Economics to conceptualize and develop derivative products for the retail and corporate markets.

Mr Allen currently serves as a member of the Jamaica College Old Boys' Association and served as the United Ways' Young Leaders Society chairman. Ricardo is also a member of the Jamaica Stock Exchange Best Practices Committees, Chairman of the University of Technology Actuarial Science Course Advisory Committee, and the Entrepreneurship Advisory Committee.



Demetrie Adams

Corporate Secretary

Mr. Adams commenced his legal career in 2015 at Messrs. Rattray Patterson Rattray, Attorneys-at-Law. In 2017, he commenced his sole practice with offices located at 20½ Duke Street, Kingston. He continued with a majority of his practice being engaged in defending various companies in personal injuries and property damage claims. In October 2017, he was admitted to the Barbadian Bar and has since successfully appeared in the Caribbean Court of Justice (CCJ) in the watershed decision of *Chefette Restaurants Limited v Orlando Harris* [2020] CCJ (AJ)(BB) on Employment Law from that jurisdiction, which has reshaped the country's labour relations. He is now a Partner at Tavares-Finson Adams, Attorneys-at-Law.

He is also an Adjunct Lecturer at the Faculty of Law, University of the West Indies, Mona Campus where he teaches Law of Contract I and II and Legal Method and Research Writing.

Mr. Adams is also a Chartered Director, a Member of the Jamaica Bar Association and the Munro College Old Boy's Association. His areas of practice include Commercial Litigation, Corporate and Commercial, Conveyancing, Energy and Insurance Law.



Natasha Dixon

Member Of The Executive Board

Academic Advisory Council

Management Team



Lisandra Rickards
Founder - Soul Careers



Aileen Corrigan
CEO - Trend Media Group



Professor Bernadette Warner
Executive Vice President For Academic Affairs,
Internationalization And Online Programs - UCC



Nadeen Matthews Blair
Chief Digital And Marketing Officer - NCB
CEO - NCB Foundation



Tyrone Wilson
President / CEO



Shanán Smart
General Manager



Financials

iCREATE LIMITED
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2020

iCREATE LIMITED
FINANCIAL STATEMENTS
THE YEAR ENDED DECEMBER 31, 2020

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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, 2020, 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, 2020, 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 \$29,064,713 (2019: 45,950,076) for the year ended December 31, 2020 and has accumulated deficit of \$89,862,844 (2019: \$60,798,131) as at the end of the year. Further, as at December 31, 2020, the Company's current liabilities exceeded its current assets by \$22,983,209 (2019: \$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

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Miramar, FL 33027
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Atlanta, Georgia
903 Pavilion Court
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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, 2020, accumulated losses shown in the Statement of Financial Position totalled \$89.8 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, 2021 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.

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
August 27, 2021

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)

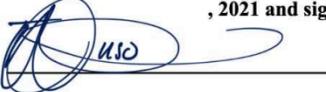
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, 2020

	Notes	2020 \$	2019 \$
ASSETS			
Non-current Assets			
Property, plant and equipment	5	13,532,267	20,543,285
Right-of-use asset	6	554,567	7,498,212
Intangible assets	7	7,554,241	808,956
Total non-current assets		21,641,075	28,850,453
Current Assets			
Trade and other receivables	8	7,458,337	2,126,183
Due from related party	9	6,547,098	8,458,653
Cash and bank balances	10	708,599	3,241,547
Total current assets		14,714,034	13,826,383
Total Assets		36,355,109	42,676,836
EQUITY AND LIABILITIES			
Equity			
Issued share capital	11	55,816,070	55,816,070
Revaluation surplus	12	7,070,947	-
Accumulated deficit		(89,862,844)	(60,798,131)
		(26,975,827)	(4,982,061)
Non-current Liability			
Deferred tax liability	13	289,215	289,215
Loans payable	14	25,344,478	-
Total non-current liabilities		25,633,693	289,215
Current Liabilities			
Current portion of lease liability	6	608,875	7,778,964
Current portion of loans payable	14	4,020,000	-
Due to related party	9	2,897,138	2,897,138
Trade and other payables	15	29,697,952	23,238,690
Bank overdraft	Text 10	473,278	12,564,890
Customer deposits	16	-	890,000
Total current liabilities		37,697,243	47,369,682
Total Equity and Liabilities		36,355,109	42,676,836

The financial statements on pages 7 to 33 were approved for issue by the Board of Directors on
, 2021 and signed on its behalf by:


Tyrone Wilson
President & CEO


Arlene Martin
Chairperson

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	2020 \$	2019 \$
Revenues	4	58,377,536	46,158,213
Direct Cost		(22,132,816)	(24,116,780)
Gross profit		36,244,720	22,041,433
Other income		34,985	559,258
Administrative and general expenses	17	(45,938,260)	(51,901,753)
Depreciation and amortisation		(3,986,852)	(3,177,366)
Operating loss		(13,645,407)	(32,478,428)
Finance costs	18	(15,419,306)	(12,961,526)
Loss before taxation		(29,064,713)	(45,439,954)
Taxation charge	19	-	510,122
Loss for the year		(29,064,713)	(45,950,076)
Other comprehensive income			
<i>Items that will not be classified</i>			
Surplus from licence, other comprehensive income for the year		7,070,947	-
Total comprehensive expense for the year		(21,993,766)	(45,950,076)
LOSS PER STOCK UNIT	20	(0.11)	(0.24)

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Note</u>	<u>Share Capital</u> <u>₹</u>	<u>Revaluation</u> <u>Surplus</u> <u>₹</u>	<u>Accumulated</u> <u>Deficit</u> <u>₹</u>	<u>Total</u> <u>₹</u>
Allotted during the year		500,000		-	500,000
Net loss, being total comprehensive expense for the period		-	-	(14,848,055)	(14,848,055)
Balance at December 31, 2018		500,000	-	(14,848,055)	(14,348,055)
Issue of shares, net of transaction costs	11	55,316,070		-	55,316,070
Net loss, being total comprehensive expense for the year		-	-	(45,950,076)	(45,950,076)
Balance at December 31, 2019		55,816,070	-	(60,798,131)	(4,982,061)
Other comprehensive income	12	-	7,070,947	-	7,070,947
Loss for the year		-	-	(29,064,713)	(29,064,713)
Balance at December 31, 2020		55,816,070	7,070,947	(89,862,844)	(26,975,827)

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u> <u>₹</u>	<u>2019</u> <u>₹</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(29,064,713)	(45,950,076)
Adjustment for items not affecting cash resources:		
Depreciation and amortisation	3,986,852	3,177,366
Depreciation charge on right-of-use asset	6,943,644	10,120,786
Right of use interest expense	330,323	990,385
Derecognition of leasehold improvements	3,640,714	-
Expected credit loss provision	3,796,795	8,796,969
Surplus from licence	7,070,947	-
Interest expense	7,457,198	-
Deferred taxation	-	510,122
	4,161,760	(22,354,448)
(Increase) / Decrease in operating assets:		
Trade and other receivables	(9,128,949)	(5,550,088)
Due from related party	1,911,556	(4,921,663)
Increase / (decrease) in operating liabilities:		
Trade and other payables	4,770,882	13,738,975
Customer deposits	(890,000)	(160,000)
Cash used in operating activities	825,249	(19,247,224)
Interest Paid	(5,768,818)	-
Net cash used in operating activities	(4,943,569)	(19,247,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(206,285)	(17,330,860)
Acquisition of intangible assets	(7,155,547)	-
Net cash used in investing activities	(7,361,832)	(17,330,860)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments, net	(7,500,413.07)	(10,830,419)
Issued share capital, net	-	55,316,070
Loan proceeds	31,900,000	-
Loan repayments	(2,535,522)	-
Convertible notes	-	(17,500,000)
Net cash provided by financing activities	21,864,065	26,985,651
NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES	9,558,664	(9,592,433)
OPENING CASH AND BANK BALANCES	(9,323,343)	269,090
CLOSING CASH AND BANK BALANCES	235,321	(9,323,343)
REPRESENTED BY:		
Cash and bank deposits	708,599	3,241,547
Bank overdraft	(473,278)	(12,564,890)
	235,321	(9,323,343)

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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 activities of the Company are :

Educational Services -the provision of creative and digital training.

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.

Opportunity Ventures - the provision of multimedia content and events production.

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.

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
FOR THE YEAR ENDED DECEMBER 31, 2020

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 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 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 January 2020*
Effective for periods commencing on or after 1 January 2023
- *IAS 16 'Property, plant and equipment - Amendment', issued May 2020*
Effective for periods commencing on or after 1 January 2022
- *IAS 37 'Provision, Contingent Liabilities and Contingent Assets - Amendment', issued May 2020*
Effective for periods commencing on or after 1 January 2022
- *IFRS 9 'Financial Instruments - Amendment', issued May 2020*
Effective for periods commencing on or after 1 January 2022
- *IFRS 16 'Leases - Amendment', issued May 2020*
Effective for periods commencing on or after 1 June 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
FOR THE YEAR ENDED DECEMBER 31, 2020

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) Revenues

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
FOR THE YEAR ENDED DECEMBER 31, 2020

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 8.

(b) Leases - estimating the incremental borrowing rate

If the Company cannot readily determine the interest rate implicit in the lease, it 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
FOR THE YEAR ENDED DECEMBER 31, 2020

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% and 20% for software.

(c) Cash and bank balances

Cash comprises of cash in hand and cash at bank.

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

3. SIGNIFICANT ACCOUNTING POLICIES

(e) Revenues

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

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
FOR THE YEAR ENDED DECEMBER 31, 2020

3. SIGNIFICANT ACCOUNTING POLICIES

(g) Leases(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.

(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
FOR THE YEAR ENDED DECEMBER 31, 2020

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. Transaction 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

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
FOR THE YEAR ENDED DECEMBER 31, 2020

4. REVENUES

Revenues represent the invoiced value of tuition fees less discounts and events production.

eMedia Interactive Group Limited (the "Parent Company") has the right to the Reggae Sunsplash Music Festival licence for a period of two (2) annual stagings. eMedia sublease the licence to the Company to execute the event and own any content produced during the period.

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture and Fixtures	Computers	Office Equipment	Total
	\$	\$	\$	\$	\$
At Cost					
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	11,059,073	1,577,639	7,001,195	4,490,080	24,127,987
Additions	115,000	83,067	-	8,218	206,285
Derecognition	(4,205,810)	-	-	-	(4,205,810)
Balance at December 31, 2020	6,968,263	1,660,706	7,001,195	4,498,298	20,128,462
Accumulated Depreciation					
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	1,148,375	179,847	1,565,008	691,472	3,584,702
Charge for the year	1,111,449	165,378	1,400,239	899,523	3,576,589
Derecognition	(565,096)	-	-	-	(565,096)
Balance at December 31, 2020	1,694,728	345,225	2,965,247	1,590,995	6,596,195
Net Book Value					
Balance at December 31, 2018	3,508,259	484,562	1,837,060	271,022	6,100,903
Balance at December 31, 2019	9,910,698	1,397,792	5,436,187	3,798,608	20,543,285
Balance at December 31, 2020	5,273,535	1,315,481	4,035,948	2,907,303	13,532,267

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

6. RIGHT-OF-USE ASSET

	2020	2019
	\$	\$
Buildings	17,618,998	17,618,998
	17,618,998	17,618,998
Depreciation charge of right-of use asset		
Buildings	17,064,431	10,120,786
	17,064,431	10,120,786
	554,567	7,498,212
Lease Liability		
	2020	2019
	\$	\$
Current	608,875	7,778,964

7. INTANGIBLE ASSETS

Intangible assets represent 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.

During the year the Company acquired a licence to deliver coding and software development courses in Jamaica. The agreement has indefinite life and as such will be assessed annually for impairment loss.

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

	2020	2019
	\$	\$
Balance at the beginning of the year	1,446,714	1,446,714
Additions	7,155,547	-
	8,602,261	1,446,714
Accumulated Amortisation		
Balance at the beginning of the year	637,758	348,869
Current year	410,262	288,889
	1,048,020	637,758
Closing balance, net of amortisation	7,554,241	808,956

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

8. TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	19,055,305	11,045,392
Less: Expected credit losses (note 21 (i))	<u>(12,797,216)</u>	<u>(9,514,206)</u>
Net trade receivables	6,258,089	1,531,186
Deposits	-	239,436
Withholding taxes	28,530	3,880
Amortizable bond costs	1,171,718	-
General prepayments	<u>-</u>	<u>351,681</u>
	<u>1,200,248</u>	<u>594,997</u>
	<u>7,458,337</u>	<u>2,126,183</u>

9. DUE FROM / (TO) RELATED PARTY

	2020	2019
	\$	\$
Due from:		
iCreate Institute Incorporated (Florida)	-	2,218,802
eMedia Interactive Group Limited	<u>2,919,045</u>	<u>3,007,291</u>
	2,919,045	5,226,093
Less:		
Expected credit losses (note 21 (i))	<u>(707,747)</u>	<u>(193,961)</u>
	2,211,298	5,032,132
Director	<u>4,335,800</u>	<u>3,426,521</u>
	<u>6,547,098</u>	<u>8,458,653</u>
Due to:		
eMedia Interactive Group Limited	<u>(2,897,138)</u>	<u>(2,897,138)</u>

10. CASH AND BANK BALANCES

	2020	2019
	\$	\$
Certificate of deposit	704,503	3,200,000
Cash in hand	4,096	15,555
Current accounts	<u>-</u>	<u>25,992</u>
	<u>708,599</u>	<u>3,241,547</u>
Bank overdraft:		
Current accounts	<u>473,278</u>	<u>12,564,890</u>

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

11. ISSUED SHARE CAPITAL

	2020	2019
	\$	\$
<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	69,750,000
Less: transaction costs of share issue	<u>(14,433,930)</u>	<u>(14,433,930)</u>
	<u>55,816,070</u>	<u>55,816,070</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.

12. REVALUATION SURPLUS

This represents the revalued cost of the Code Fellows Holdings Incorporation, licence. The licence has an indefinite useful life.

13. DEFERRED TAX LIABILITY

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:

	2020	2019
	\$	\$
Deferred tax liability	<u>(289,215)</u>	<u>(289,215)</u>
Deferred tax liability is attributable to the following:	2020	2019
	\$	\$
Depreciation and capital allowances	-	(303,983)
Intangible asset	<u>-</u>	<u>14,768</u>
	<u>-</u>	<u>(289,215)</u>

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

	2020	2019
	\$	\$
Balance at the beginning of the period	(289,215)	220,907
Movement during the period	<u>-</u>	<u>(510,122)</u>
Balance at the end of the period	<u>(289,215)</u>	<u>(289,215)</u>

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

14. LOANS PAYABLE

	2020	2019
	\$	\$
Sagicor Investments Limited (i)	24,000,000	-
Dolla Financial Services Limited (ii)	2,320,000	-
Wilco Finance Limited (iii)	3,044,478	-
Total at year end	29,364,478	-
Less current portion of loans payable	(4,020,000)	-
Non-current portion	25,344,478	-

(i) This represents a medium-term fixed rate secured bond of \$24,000,000. The loan duration is five (5) years at an interest rate of 12.5%

The loan is secured over the present and future assets and property of the Company.

(ii) This represents an unsecured short-term loan of \$4,000,000. The loan duration is three (3) months at an interest rate of 4% per month.

(iii) This represents an unsecured short-term loan of \$3,900,000. The loan duration is twenty-one (21) months at an interest rate of 36%.

15. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	15,943,090	9,211,918
Accruals	1,733,333	3,802,240
Accrued salaries	2,952,538	2,509,015
Student refund	-	138,876
Accrued loan interest	1,688,380	-
Statutory deductions	7,634,206	5,246,550
Credit cards	(374,027)	574,919
Other payables	120,432	1,755,172
	29,697,952	23,238,690

16. 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
FOR THE YEAR ENDED DECEMBER 31, 2020

17. ADMINISTRATIVE AND GENERAL EXPENSES

	2020	2019
	\$	\$
Salaries and related charges	19,300,153	25,867,691
Dues and subscription	1,104,013	1,571,472
Legal and professional fees	3,088,101	4,257,138
Meal and entertainment	65,925	270,139
Office expense	654,013	826,179
Rent	1,675,735	-
Advertising and promotion	192,988	2,276,361
Security expense	71,521	534,567
Telephone and internet	5,214,984	3,247,965
Utilities	1,583,307	2,021,872
Audit fees	900,000	900,000
Transportation	-	341,200
Repairs and maintenance	480,000	-
Expected credit losses provision	3,796,795	8,796,969
Bad debt written off	2,218,803	-
JSE annual listing fees	769,234	714,075
JCSD trustee fee	690,000	-
Derecognition of leasehold improvements	3,388,469	-
General expenses	744,221	276,127
	45,938,260	51,901,753

18. FINANCE COSTS

	2020	2019
	\$	\$
Bank charges	515,733	547,346
Interest expense	7,457,198	1,303,009
Depreciation on right-of-use asset	6,943,644	10,120,786
Foreign exchange loss	172,408	-
Right of use interest expense	330,323	990,385
	15,419,306	12,961,526

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

19. TAXATION CHARGE

- 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:

	2020		2019
	\$		\$
Current:			
Provision for charge on current profit	-		-
Deferred:			
Origination and reversal of temporary differences	-		510,122
	<u>-</u>		<u>510,122</u>
b) Reconciliation of effective tax rate and credit:			
	2020		2019
	\$	%	\$
			%
Loss before taxation	<u>(29,064,713)</u>		<u>(45,439,954)</u>
Computed tax charge	-	0%	-
Taxation differences between profit for financial statements and tax reporting purposes on:			
Depreciation and capital allowances	-	0%	169,762
Other adjustments	-	0%	340,360
	<u>-</u>		<u>-2%</u>
Actual tax charge and rate	<u>-</u>	<u>0%</u>	<u>510,122</u>
			<u>-1%</u>

20. LOSS PER STOCK UNIT:

Basic loss 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.

	2020		2019
	\$		\$
Net loss attributable to stockholders (\$'000)	<u>(21,993,766)</u>		<u>(45,950,076)</u>
Weighted average number of ordinary stocks units ('000)	<u>191,505,171</u>		<u>191,505,171</u>
Basic loss per stock unit (¢ per share)	<u>(0.11)</u>		<u>(0.24)</u>

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

21. RELATED PARTY TRANSACTIONS

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

	2020		2019
	\$		\$
Amounts due from related parties	<u>2,211,298</u>		<u>5,032,132</u>
Amounts due to related party	<u>2,897,138</u>		<u>2,897,138</u>
Amounts due to directors	<u>4,335,800</u>		<u>3,426,521</u>

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

	2020		2019
	\$		\$
Key management personnel compensation	<u>8,800,000</u>		<u>7,975,000</u>

22. 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
FOR THE YEAR ENDED DECEMBER 31, 2020

22. 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, 2020 and 2019:

	2020		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		\$	\$
Current (not past due)	0%	-	-
31-60 days past due	1%	534,623	5,346
61-90 days past due	65%	421,000	273,650
More than 91 days past due	70%	18,099,682	12,518,220
		19,055,305	12,797,216

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

22. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd):

Trade receivables (cont'd):

	2019		
	Weighted average loss rate	Gross carrying amount	Loss allowance
		\$	\$
Current (not past due)	5%	-	-
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%	7,775,942	7,260,591
		11,045,392	9,514,206

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:

	2020		
	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	14%	2,919,045	707,747
		2,919,045	707,747

	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	4%	5,226,093	193,961
		5,226,093	193,961

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

22. 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 \$
December 31, 2020:				
Current portion of loans payable	4,020,000	4,020,000	4,020,000	-
Trade and other payables	29,697,952	29,697,952	29,697,952	-
Bank overdraft	473,278	473,278	473,278	-
	34,191,230	34,191,230	34,191,230	-
	Carrying value \$	Contractual cash flows \$	Within 3-12 months \$	Over 12 months \$
December 31, 2019:				
Trade and other payables	23,238,690	23,238,690	23,238,690	-
Bank overdraft	12,564,890	12,564,890	12,564,890	-
Customer deposits	890,000	890,000	890,000	-
	36,693,580	36,693,580	36,693,580	-

(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.

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

22. FINANCIAL INSTRUMENT AND FINANCIAL RISK MANAGEMENT (CONT'D)

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

(iii) Market risk (cont'd)

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, 2020, 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.

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.

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

22. OPERATION

The Company, which is still in a developmental phase, reported a loss for the year ended December 31, 2020 of \$29,064,713 (2019, a loss of (\$45,950,076) and had an accumulated deficit of \$89,862,844 (2019: \$60,798,131). Further as at December 31, 2020, the Company had net current liabilities of \$22,983,209 (2019: \$33,543,299). The Company has not to date been able to realise its projected revenues.

Additionally, the ongoing COVID-19 pandemic has placed an added burden on the Company's growth trajectory with revenue fall out due to the nature of its business.

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 ongoing COVID-19 pandemic:

Cost Reduction

- A complete shutdown of its Montego Bay office with the migration of classes online
- Reduction in staff count at 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.





YOUR CREATIVE CAREER AWAITS

The Hub, 34 Lady Musgrave Road / Kingston 5 / Jamaica, W.I. / www.iCreateEDU.com / 876-649-5563

Form of Proxy

[PLACE POSTAGE STAMP]

I/We _____ (insert name)
of _____ (insert address)
being a shareholder(s) of the above-named Company, hereby appoint
_____ (proxy name)
of _____ (address of proxy)
or failing him/her, _____ (alternate proxy)
of _____ (address of alternate proxy)
as my/our Proxy to vote for me/us and on my/our behalf in the Annual General Meeting of the Company to be held on **Wednesday, January 5, 2022 at 2:00pm** in a hybrid format and at any adjournment thereof.

No.	Resolutions	For	Against
		<i>(tick as appropriate)</i>	
1.	<i>"THAT the Reports of the Directors and Auditors and the Audited Financial Statements for the year ended December 31, 2020 be adopted."</i>		
2.	<i>"THAT the Directors, retire by rotation upon the expiration of one year (1) year and be re-elected by a single resolution."</i>		
The following Directors of the Board, having resigned by rotation in accordance with the Articles of Incorporation of the Company, and being eligible, hereby offer themselves for re-election by shareholders.			
3(a)	<i>"THAT Ms. Arlene Martin who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		
3(b)	<i>"THAT Mr. Tyrone Wilson who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		
3(c)	<i>"THAT Mr. Ricardo Allen who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		
3(d)	<i>"THAT Mrs. Dainya-Joy Wint who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		



YOUR CREATIVE CAREER AWAITS

The Hub, 34 Lady Musgrave Road / Kingston 5 / Jamaica, W.I. / www.iCreateEDU.com / 876-649-5563

3(e)	<i>THAT Mr. Darren Peart who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		
3(f)	<i>THAT Mr. Stephen Hector who retires by rotation and being eligible for re-election be and is hereby re-elected as a Director of the Company."</i>		
4.	<i>"THAT the remuneration of the Directors be determined by the Board of Directors upon their re-election for the ensuing year."</i>		
5.	<i>"THAT CrichtonMullings & Associates, Chartered Accountants, having agreed to continue in office as auditors, be and are hereby appointed Auditors of the Company, to hold office until the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."</i>		
6.			
7.			

Dated the _____ day of _____ 2021: _____

Signature of Shareholder

Signed: _____ (signature of primary shareholder)

Name: _____ (print name of primary shareholder)

Signed: _____ (signature of joint shareholder, if any)

Name: _____ (print name of joint shareholder, if any)

Our Official Partners



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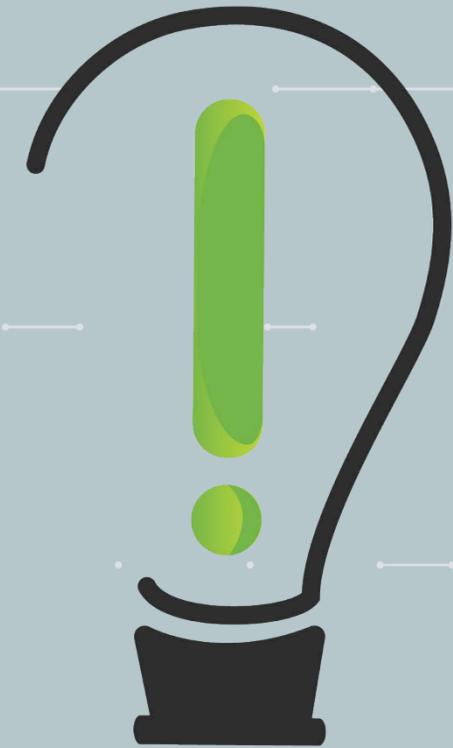
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