iCREATE LIMITED

GROUP FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of
iCreate Limited

Report on the Audit of the Consolidated and Company Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of iCreate Limited (the "Company") and the consolidated financial statements of the Company and its subsidiary (the "Group"), set out on pages 7 to 39 which comprise the Group and Company's statements of financial position as at December 31, 2022, the Group's and Company's statements of comprehensive income, the statements of changes in equity, and the statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2022 and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaican Companies Act (the "Act").

Basis for qualified opinion

1. Our audit procedures were limited by the absence of comprehensive and reliable documentation supporting intellectual property rights and valuation of computer software held in the subsidiary (note 6). This limitation impacted our ability to assess the accuracy and completeness of the accounting treatment.
2. As at the year end, the Company had made significant payments on an enforceable agreement to purchase the shares in an advertising firm. Due to the timing and nature of the acquisition, we are not able to carry out audit procedures to assess the impairment of the asset as required by auditing standards (note 25).

We emphasize that the nature and magnitude of these concerns are such that they do not lead us to conclude that the financial statements are materially misstated. However, users of the financial statements are advised to consider the impact of these limitations when interpreting the financial information.

Emphasis of Matter

The accompanying financial statements have been prepared on a going concern basis. As further discussed in the Key Audit Matters section of this audit report, the Company has made losses each year since its inception. This may cast doubt as to the Company's ability to continue as a going concern. Management has put forward plans to address this concern (note 26). Our opinion is not modified with respect to this matter.

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 Consolidated Financial Statements section of our report*. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (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 qualified opinion.

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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 consolidated 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 Group financial statements have been prepared on a going concern basis.

The Group has made losses since its inception in 2018 and has raised equity and borrowed funds to finance its operations. At December 31, 2022, accumulated losses shown in the statement of financial position amount to $162 million.

The going concern assumption has been included as a key audit matter as it relies on future revenue growth to generate sufficient cash flows to cover necessary expenditure.

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

- Assessing the cash flow requirements of the Group over the twelve (12) months beginning January 1, 2023 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 management's plan to reorganize and profitably operate the business;
- Considering the terms of the bond and bank overdraft facility and the amount available for drawdown; and
- Considering potential downside scenarios and the resultant impact on available funds.

Continuation as a going concern may be in doubt and is dependent on management action and the raising of additional financial support. No adjustments have been made in the financial statements for any effects that this may have on the carrying values of assets and liabilities as reported in the financial statements.

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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 consolidated 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 consolidated 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 consolidated and company financial statements

Management is responsible for the preparation of the consolidated and company 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 consolidated and company financial statements, management is responsible for assessing the Group's and 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 Group and Company, or to cease operations, or has no realistic alternative but to do so.

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

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To the members of
iCreate Limited

Auditor's responsibilities for the audit of the consolidated and company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company 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 consolidated and company financial statements is included in the Appendix to 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.

CrichtonMullings & Assoc.

CrichtonMullings & Associates
Chartered Accountants

Kingston Jamaica
September 29, 2023

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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 consolidated 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 Group's and 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 Group's and 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 Group and 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.

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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
GROUP STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Notes	2022
ASSETS		$
Non-current Assets		
Property, plant and equipment	5	4,425,624
Intangible assets	6	48,380,405
Deposit on acquisition of subsidiary	8 [i]	470,597,609
Total non-current assets		523,403,638
Current Assets		
Trade and other receivables	9	5,398,145
Due from related parties	10	6,818,963
Deferred costs of acquisition in progress	8 [ii]	176,041,605
Cash and bank balances	11	6,466,904
Total current assets		194,725,617
Total Assets		718,129,255
EQUITY AND LIABILITIES		
Equity		
Issued share capital	12	587,026,164
Revaluation surplus	13	7,070,947
Convertible preference shares	14	25,500,000
Accumulated deficit		(162,068,102)
		457,529,009
Non-controlling interest	15	17,598,173
Total equity		475,127,182
Non-current Liabilities		
Deferred tax liability	16	289,215
Loans payable	17	15,200,000
Total non-current liabilities		15,489,215
Current Liabilities		
Current portion of loans payable	17	6,255,326
Due to related parties	10	5,279,000
Trade and other payables	18	35,237,844
Payable on acquisition in progress	8 [iii]	176,041,605
Bank overdraft	11	4,699,083
Total current liabilities		227,512,858
Total Equity and Liabilities		718,129,255

The financial statements were approved for issue by the Board of Directors on September 29, 2023 and signed on its behalf by:

Director

Director

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
GROUP STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2022

	Notes	2022 $
Revenues	4	79,631,959
Direct cost		(30,171,730)
Gross profit		49,460,229
Other income		744,325
Administrative and general expenses	19	(85,244,735)
Depreciation and amortisation		(6,592,655)
Operating loss		(41,632,836)
Finance costs	20	(5,211,951)
Net loss, being total comprehensive expense for the year		(46,844,787)
LOSS PER STOCK UNIT		
BASIC	21	(0.16)
DILUTED	21	(0.16)
Net loss attributable to:		
Equity holders of the Group		(39,942,960)
Non-controlling interest	15	(6,901,827)
		(46,844,787)

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2022

	Note	Share Capital $	Revaluation Surplus $	Convertible Preference Shares $	Accumulated Deficit $	Total $	Non-controlling Interest $	Total Equity $
Balance at December 31, 2020		55,816,070	7,070,947	-	(89,862,844)	(26,975,827)	-	(26,975,827)
Paid-in-capital	**12**	68,800,000	-	-	-	68,800,000	-	68,800,000
Net loss, being total comprehensive expense for the year		-	-	-	(32,262,298)	(32,262,298)	-	(32,262,298)
Balance at December 31, 2021		124,616,070	7,070,947	-	(122,125,142)	9,561,875	-	9,561,875
Issue of share, net transactions costs	**12**	462,410,094	-	-	-	462,410,094	-	462,410,094
Preference shares	**14**	-	-	25,500,000	-	25,500,000	-	25,500,000
Non-controlling interest of subsidiary acquired		-	-	-	-	-	24,500,000	24,500,000
Net loss, being total comprehensive expense for the year		-	-	-	(39,942,960)	(39,942,960)	(6,901,827)	(46,844,787)
Balance at December 31, 2022		**587,026,164**	**7,070,947**	**25,500,000**	**(162,068,102)**	**457,529,009**	**17,598,173**	**475,127,182**

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
GROUP STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	**$**
Net loss for the year	**(46,844,786)**
Adjustment for items not affecting cash resources:	
Depreciation and amortisation	**6,592,655**
Expected credit loss provision	**14,642,665**
Interest expense	**4,533,527**
	(21,075,939)
(Increase) / decrease in operating assets:	
Trade and other receivables	**(12,664,295)**
Due from related parties	**3,020,341**
Increase in operating liabilities:	
Trade and other payables	**3,754,369**
Cash used in operating activities	**(26,965,524)**
Interest paid	**(4,533,527)**
Net cash used in operating activities	**(31,499,051)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of property, plant and equipment	**(1,372,500)**
Acquisition of intangible assets	**(44,426,598)**
Payment made on acquisition in progress	**(470,597,609)**
Net cash used in investing activities	**(516,396,707)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Issued share capital, net	**487,910,094**
Non-controlling interest of subsidiary acquired	**24,500,000**
Loan repayments	**(9,716,718)**
Net cash provided by financing activities	**502,693,376**
NET DECREASE IN CASH AND BANK BALANCES	**(45,202,382)**
OPENING CASH AND BANK BALANCES	**46,970,203**
CLOSING CASH AND BANK BALANCES	**1,767,821**
REPRESENTED BY:	
Cash and bank deposits	**6,466,904**
Bank overdraft	**(4,699,083)**
	1,767,821

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Notes	2022	2021
ASSETS		**$**	$
Non-current Assets			
Property, plant and equipment	**5**	**3,327,624**	5,792,764
Intangible assets	**6**	**7,656,024**	7,806,822
Interest in subsidiary	**7**	**25,500,000**	-
Deposit on acquisition in progress	**8 [i]**	**470,597,609**	-
Total non-current assets		**507,081,257**	13,599,586
Current Assets			
Trade and other receivables	**9**	**4,079,660**	7,376,515
Due from related parties	**10**	**6,818,963**	7,465,091
Deferred expense on acquisition in progress	**8 [ii]**	**176,041,605**	-
Cash and bank balances	**11**	**1,640,666**	47,116,587
Total current assets		**188,580,894**	61,958,193
Total Assets		**695,662,151**	75,557,779
EQUITY AND LIABILITIES			
Equity			
Issued share capital	**12**	**587,026,164**	124,616,070
Revaluation surplus	**13**	**7,070,947**	7,070,947
Convertible preference shares	**14**	**25,500,000**	-
Accumulated deficit		**(154,884,568)**	(122,125,142)
		464,712,543	9,561,875
Non-current Liabilities			
Deferred tax liability	**16**	**289,215**	289,215
Loans payable	**17**	**15,200,000**	28,190,218
Total non-current liabilities		**15,489,215**	28,479,433
Current Liabilities			
Current portion of loans payable	**17**	**6,255,326**	2,981,826
Due to related parties		-	2,904,786
Trade and other payables	**18**	**28,464,379**	31,483,475
Payable on acquisition in progress	**8 [iii]**	**176,041,605**	-
Bank overdraft	**11**	**4,699,083**	146,384
Total current liabilities		**215,460,393**	37,516,471
Total Equity and Liabilities		**695,662,151**	75,557,779

The financial statements were approved for issue by the Board of Directors on September 29, 2023 and signed on its behalf by:

Director

Director

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
COMPANY STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2022

	Notes	2022	2021
		$	$
Revenues	**4**	**47,381,388**	32,826,894
Direct cost		**(14,784,389)**	(8,340,284)
Gross profit		**32,596,999**	24,486,610
Other income		**744,218**	5,326,929
Administrative and general expenses	**19**	**(58,755,711)**	(48,846,659)
Depreciation and amortisation		**(2,615,938)**	(3,336,165)
Operating loss		**(28,030,432)**	(22,369,285)
Finance costs	**20**	**(4,728,994)**	(9,893,013)
Net loss, being total comprehensive expense for the year		**(32,759,426)**	**(32,262,298)**
LOSS PER STOCK UNIT:			
BASIC	**21**	**(0.11)**	(0.17)
DILUTED	**21**	**(0.11)**	(0.17)

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED DECEMBER 31, 2022

	Note	Share Capital $	Revaluation Surplus $	Convertible Preference Shares $	Accumulated Deficit $	Total $
Balance at December 31, 2020		55,816,070	7,070,947	-	(89,862,844)	(26,975,827)
Paid-in-capital	**12**	68,800,000	-	-	-	68,800,000
Net loss, being total comprehensive expense for the year		-	-	-	(32,262,298)	(32,262,298)
Balance at December 31, 2021		124,616,070	7,070,947	-	(122,125,142)	9,561,875
Issue of share, net transactions costs	**12**	462,410,094	-	-	-	462,410,094
Preference shares	**14**	-	-	25,500,000	-	25,500,000
Net loss, being total comprehensive expense for the year		-	-	-	(32,759,426)	(32,759,426)
Balance at December 31, 2022		**587,026,164**	**7,070,947**	**25,500,000**	**(154,884,568)**	**464,712,543**

The accompanying notes form an integral part of the financial statements

iCREATE LIMITED
COMPANY STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	**$**	$
Net loss for the year	**(32,759,426)**	(32,262,298)
Adjustment for items not affecting cash resources:		
Depreciation and amortisation	**2,615,937**	3,336,165
Depreciation charge on right-of-use asset	-	554,568
Right of use interest expense	-	3,742
Derecognition of leasehold improvements	-	4,576,709
Expected credit loss provision	**4,327,456**	8,532,563
Interest expense	**4,533,527**	8,748,572
Amortization adjustment, net	-	(202,256)
	(21,282,506)	(6,712,235)
Increase in operating assets:		
Trade and other receivables	**(1,030,601)**	(8,450,741)
Due from related parties	**(2,258,657)**	(910,345)
(Decrease) / increase in operating liabilities:		
Trade and other payables	**(3,019,096)**	1,785,523
Cash used in operating activities	**(27,590,860)**	(14,287,798)
Interest paid	**(4,533,527)**	(8,748,572)
Net cash used in operating activities	**(32,124,387)**	(23,036,370)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	-	(223,696)
Interest in subsidiary	**(25,500,000)**	-
Payment made on acquisition in progress	**(470,597,609)**	-
Net cash used in investing activities	**(496,097,609)**	(223,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments, net	-	(612,618)
Issued share capital, net	**462,410,094**	68,800,000
Convertible preference shares	**25,500,000**	-
Loan proceeds	-	6,066,674
Loan repayments	**(9,716,718)**	(4,259,108)
Net cash provided by financing activities	**478,193,376**	69,994,948
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	**(50,028,620)**	46,734,882
OPENING CASH AND BANK BALANCES	**46,970,203**	235,321
CLOSING CASH AND BANK BALANCES	**(3,058,417)**	46,970,203
REPRESENTED BY:		
Cash and bank deposits	**1,640,666**	47,116,587
Bank overdraft	**(4,699,083)**	(146,384)
	(3,058,417)	46,970,203

The accompanying notes form an integral part of the financial statements

1. IDENTIFICATION

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

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.

GetPAID Group Limited is a subsidiary of the Company incorporated in Jamaica under the Jamaican Companies Act (the "Act"). The subsidiary's registered office is at 7 Goodwood Terrace, Kingston 10.

The Company and its subsidiary are collectively referred to as the "Group". The principal activities of the Group are the provision of digital and creative training, e-commerce services and advertising.

At December 31, 2022, the Company owned 51% of the shares of GetPAID Group Limited.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

The Group'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.

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

(b) Consolidation

(i) Subsidiary

A subsidiary is an entity controlled by the Group. Control exists when the Group has the power, directly and indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of the subsidiary are included in the consolidated financial statements from the date the control commences until the date the control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the group financial statements. Unrealized losses are eliminated in the same way as unrealized gains.

(c) 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 Group 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 January 2020.* Effective for periods commencing on or after 1 January 2022.
- *IAS 16 Property, Plant and Equipment - Proceeds before Intended Use - Amendment', issued May 2020.* Effective for periods commencing on or after 1 January 2022
- IAS 37 'Onerous Contracts - Cost of Fulfilling a Contract - Amendments', issued May 2020 Effective for periods commencing on or after 1 January 2022
- *Annual Improvements to IFRS Standards - IFRS 1, IFRS 9 and IFRS 16, issued May 14, 2020.* Effective for periods commencing on or after 1 January 2022
- *References to Conceptual Framework in IFRS 3 - Amendment, issued May 2020* Effective for periods commencing on or after 1 January 2022.

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 Group’s future financial statements:

- *IAS 1 'Classification of Liabilities as Current or Non-Current - Amendment', issued January 2020* Effective for periods commencing on or after 1 January 2024
- *IAS 8 'Definition of Accounting Estimates - Amendment', issued February 12, 2021.* Effective for periods commencing on or after 1 January 2023.
- IAS 12 '*Deferred Tax related to Assets and Liabilities arising from a Single Transaction-Amendment*', issued May 2021 Effective for periods commencing on or after 1 January 2023
- *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* Effective for periods commencing on or after 1 January 2023.

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

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

(d) 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 Group’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 Group 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 Group 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 Group considers whether the amount of variable consideration is constrained. The Group 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 Group 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.

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

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

(ii) Key assumptions and other sources of estimation uncertainty

(a) Allowance for expected credit losses

The Group 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 Group's historical observed default rates.

The Group calibrates 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 Group'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 Group's trade receivables is disclosed in Note 9.

(b) Estimated impairment of intangible assets

The Group tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 3 (b). The assessment of intangible assets impairment involves the determination of the value in use. Determination of value in use involves the estimation of future cash flows from the business taking into consideration the growth rates, inflation rates and the discount rates. Any changes in these variables would impact the value in use calculations.

(c) Business combinations

Business combinations are accounted for using the acquisition method. The Group determines the identifiable assets and liabilities using the Purchase Price Allocation method. Under this method, the Group makes estimates about future cash flows which are derived based on factors such as revenue growth, future margins, attrition rates, and discount rates in determining the fair values of the identifiable intangible assets.

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 Group'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 reducing balance 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.

3. SIGNIFICANT ACCOUNTING POLICIES

(d) 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 Group 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 Group 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 Group does not adjust any of the transaction prices for the time value of money.

(e) 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.

(f) Trade and other payables

Trade and other payables are stated at amortized cost.

(g) Trade and other receivables

Trade and other receivables are stated at amortized cost.

(h) Impairment of non-financial assets

The carrying amounts of the Group’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 Group of operating assets, exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it earns and incur expenses; whose operating results are regularly reviewed by the Group's Chief Decision Maker ("CODM") who decides about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. The Group's activities are not currently segmented.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Related party identification

A party is related to the Group if:

(i) directly or indirectly the party:

- controls, is controlled by, or is under common control with the Group;
- has an interest in the Group that gives it significant influence over the Group; or
- has joint control over the Group.

(ii) the party is an associate of the Group
individual referred to in (iv) or (v) above.

(iii) the party is a joint venture in which the Group is a venturer;

(iv) the party is a member of the key management personnel of the Group

(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 Group, or of any Group that is a related party of the Group.

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

(k) Financial instruments

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

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

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

Financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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 Group’s business model for managing them. The Group 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 Group’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 Group'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 Group’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 Group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

  When the Group 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial instruments (cont'd)

Financial assets (cont'd)

Impairment
The Group 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 Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group 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 Group 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 Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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 Group’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
YEAR ENDED DECEMBER 31, 2022

4. REVENUES

Revenues represent the invoiced value of tuition fees less discounts, e-commerce services and events production.

5. PROPERTY, PLANT AND EQUIPMENT

The Group

	Furniture and Fixtures	Computers	Office Equipment	Total
	$	$	$	$
At Cost				
Balance at January 1, 2021	1,660,706	7,001,195	4,498,298	13,160,199
Additions	-	-	1,372,500	1,372,500
Balance at December 31, 2022	**1,660,706**	**7,001,195**	**5,870,798**	**14,532,699**
Accumulated Depreciation				
Balance at January 1, 2021	511,295	4,365,486	2,490,654	7,367,435
Charge for the year	165,378	1,400,239	1,174,023	2,739,640
Balance at December 31, 2022	**676,673**	**5,765,725**	**3,664,677**	**10,107,075**
Net Book Value				
Balance at December 31, 2022	**984,033**	**1,235,470**	**2,206,121**	**4,425,624**

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company:

	Leasehold Improvements	Furniture and Fixtures	Computers	Office Equipment	Total
	$	$	$	$	$
At Cost					
Balance at December 31, 2020	6,968,263	1,660,706	7,001,195	4,498,298	20,128,462
Derecognition	(6,968,263)	-	-	-	(6,968,263)
Balance at December 31, 2021	-	1,660,706	7,001,195	4,498,298	13,160,199
Balance at December 31, 2022	-	**1,660,706**	**7,001,195**	**4,498,298**	**13,160,199**
Accumulated Depreciation					
Balance at December 31, 2020	1,694,728	345,225	2,965,247	1,590,995	6,596,195
Charge for the year	696,826	166,070	1,400,239	899,659	3,162,794
Derecognition	(2,391,554)	-	-	-	(2,391,554)
Balance at December 31, 2021	-	511,295	4,365,486	2,490,654	7,367,435
Charge for the year		165,378	1,400,239	899,523	2,465,140
Balance at December 31, 2022	-	**676,673**	**5,765,725**	**3,390,177**	**9,832,575**
Net Book Value					
Balance at December 31, 2020	5,273,535	1,315,481	4,035,948	2,907,303	13,532,267
Balance at December 31, 2021	-	1,149,411	2,635,709	2,007,644	5,792,764
Balance at December 31, 2022	-	**984,033**	**1,235,470**	**1,108,121**	**3,327,624**

iCREATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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6. INTANGIBLE ASSETS

Intangible assets comprise of licensing rights granted to the Group.

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

The Group:

	Software Licences $	Computer Software $	Total $
At Cost / Valuation			
Balance at January 1, 2021	8,825,957	-	8,825,957
Additions	-	44,426,598	44,426,598
Balance at December 31, 2022	**8,825,957**	**44,426,598**	**53,252,555**
Accumulated Amortisation			
Balance at January 1, 2021	1,019,135	-	1,019,135
Current year	150,798	3,702,217	3,853,015
Balance at December 31, 2022	**1,169,933**	**3,702,217**	**4,872,150**
Carrying Value			
Balance at December 31, 2022	**7,656,024**	**40,724,381**	**48,380,405**

The Company:

	Software Licences $	Total $
At Cost / Valuation		
Balance at December 31, 2021	8,825,957	8,825,957
Balance at December 31, 2022	**8,825,957**	**8,825,957**
Accumulated Amortisation		
Balance at December 31, 2021	1,019,135	1,019,135
Current year	150,798	150,798
Balance at December 31, 2022	**1,169,933**	**1,169,933**
Carrying Value		
Balance at December 31, 2021	7,806,822	7,806,822
Balance at December 31, 2022	**7,656,024**	**7,656,024**

7. INTEREST IN SUBSIDIARY

On January 1,2022, the Company acquired 51% ownership of GetPAID Group Limited.

	2022 **$**	2021 $
GetPAID Group Limited	**25,500,000**	-
	25,500,000	-

8. ACQUISITION IN PROGRESS

At 31 December 2022, the total cost of acquisition in progress is $646,639,215 (US$4,125,000), comprising deposits made and payments due in 2023 as follows:

[i] Deposit on acquisition

	Group and Company
	2022
	$
Deposit on purchase consideration	**470,597,609**

At 31 December 2022, the Company made deposits totalling $470,597,609 (US$2,986,807) on the Visual Vibe.com Limited acquisition. These payments were supported by the funding raise as follows:

- Issuing convertible debt of $331,125,000, which was subsequently converted to share capital by issuing 331,125,000 shares at a price of $1.00 per share.
- A special purpose vehicle (Kintyre Holdings SPV) was established, to access USD$1 million in margin loan from Victoria Mutual Investments Limited (VMIL). In order to access these funds, 310,000,000 shares at a price of $0.50 were issued to VMIL as security. This transaction contributed $139,472,609 (US$881,762) to the acquisition deposits.

[ii] Acquisition costs deferred

	Group and Company
	$
Balance due on the purchase consideration	**118,016,368**
Additional closing costs (interest and other charges)	**58,025,237**
	176,041,605

The additional closing costs will be recognized as expenses of acquisition date, May 31, 2023.

[iii] Amounts due on acquisition in progress

	Group and Company
	2022
	$
Acquisition costs payable	**176,041,605**

The above represents the balance due to the previous owners, closing and acquisition costs at the reporting date.

9. TRADE AND OTHER RECEIVABLES

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Trade receivables	**38,255,124**	**26,983,080**	27,792,997
Less: Expected credit losses	**(35,972,444)**	**(25,657,235)**	(21,329,779)
Net trade receivables	**2,282,680**	**1,325,845**	6,463,218
Withholding taxes	**-**	**-**	28,530
Deposit	**2,156,000**	**2,156,000**	-
Amortizable bond costs	**597,815**	**597,815**	884,767
Prepayments	**361,650**	**-**	-
	3,115,465	**2,753,815**	913,297
	5,398,145	**4,079,660**	7,376,515

10. DUE FROM / (TO) RELATED PARTIES

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Due from:			
Parallel Real Estate Development Ventures Limited	**1,295,539**	**1,295,539**	-
eMedia Interactive Group Limited	**-**	**-**	2,919,045
Director	**7,977,033**	**7,977,033**	5,253,793
	9,272,572	**9,272,572**	8,172,838
Less:			
Expected credit losses	**(2,453,609)**	**(2,453,609)**	(707,747)
	6,818,963	**6,818,963**	7,465,091
	6,818,963	**6,818,963**	7,465,091
Due to:			
eMedia Interactive Group Limited	**-**	**-**	(2,897,139)
GetPAID Group Limited	**(5,279,000)**	**-**	-
Kintyre Holdings Limited	**-**	**-**	(7,647)
	(5,279,000)	**-**	(2,904,786)

The amount due from the director will be settled from remuneration earned by said director in the 2023 financial year.

11. CASH AND BANK BALANCES

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Certificate of deposit	**1,568,484**	**1,568,484**	1,568,484
Cash in hand	**-**	**-**	48,103
Bank accounts	**4,898,420**	**72,182**	45,500,000
	6,466,904	**1,640,666**	47,116,587
Bank overdraft:			
Current accounts	**4,699,083**	**4,699,083**	146,384

12. ISSUED SHARE CAPITAL

	Group and Company	
	2022	2021
Authorized share capital:	**$**	$
No maximum share capital		
Issued and fully paid:		
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	**(14,433,930)**	(14,433,930)
Paid-in-capital	**68,800,000**	68,800,000
752,092,742 ordinary shares of no par value	**468,573,059**	-
Less: transaction costs of share issue	**(6,162,965)**	-
	587,026,164	124,616,070

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 $69,750,000 from its initial public offering of 74,062,500 shares for its enlistment on the Jamaica Stock Exchange Junior Market. Transaction costs of $14,433,930 were incurred for the issuing of shares. All ordinary shares carry the same voting rights.

During the year, the Company executed convertible notes and right issues on June 28th and December 14th respectively in which 752,092,742 shares were issued and fully paid. Transaction costs of $6,162,965 were incurred for the rights issues. All ordinary shares carry the same voting rights.

13. REVALUATION SURPLUS

This represents the surplus on revaluation of the Code Fellows Holdings Incorporation licence. The licence has an indefinite useful life.

14. CONVERTIBLE PREFERENCE SHARES

These are five (5) year convertible preference shares with an interest rate of 6%.

	Group and Company	
	2022	2021
	$	$
Preference shares	**25,500,000**	-

15. NON-CONTROLLING INTEREST

The non-controlling interest represents 49% of the ordinary shares in GetPAID Group Limited (the "Subsidiary") being held by minority shareholders.

	Group
	2022
	$
49% of the Subsidiary's net loss at the end of the year	**(6,901,827)**
Non-controlling interest equity holding:	
Share of Subsidiary's interest at the start of the year	**24,500,000**
Share of Subsidiary's net loss for the year	**(6,901,827)**
Balance at end of the year	**17,598,173**

16. DEFERRED TAX LIABILITY

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

	Group and Company	
	2022	2021
	$	$
Deferred tax liability	**289,215**	289,215

Deferred tax liability is attributable to the following:

	Group and Company	
	2022	2021
	$	$
Depreciation and capital allowances	**303,983**	303,983
Intangible asset	**(14,768)**	(14,768)
	289,215	289,215

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

	2022	2021
	$	$
Balance at the beginning of the period	**(220,907)**	(220,907)
Movement during the period	**510,122**	510,122
Balance at the end of the period	**289,215**	289,215

17. LOANS PAYABALE

	Group and Company	
	2022	2021
	$	$
Sagicor Investments Limited (i)	**20,000,000**	24,000,000
Dolla Financial Services Limited (ii)	**-**	1,834,892
Wilco Finance Limited (iii)	**1,455,326**	3,555,326
Short-term loans	**-**	1,781,826
Total at year end	**21,455,326**	31,172,044
Less current portion of loans payable	**(6,255,326)**	(2,981,826)
Non-current portion	**15,200,000**	28,190,218

(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%.

18. TRADE AND OTHER PAYABLES

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Trade payables	**9,159,869**	**7,123,054**	7,123,053
Accruals	**19,619,093**	**18,319,093**	8,090,669
Accrued salaries	**451,684**	**451,684**	8,603,602
Accrued loan interest	**913,049**	**913,049**	1,200,000
Statutory deductions	**-**	**-**	6,466,151
Other payables	**5,094,149**	**1,657,499**	-
	35,237,844	**28,464,379**	31,483,475

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19. ADMINISTRATIVE AND GENERAL EXPENSES

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Salaries and related charges	**8,702,575**	**-**	22,829,952
Management compensation	**3,691,600**	**3,691,600**	-
Contract workers	**20,768,500**	**20,768,500**	-
Dues and subscription	**727,520**	**727,520**	728,522
Legal and professional fees	**3,386,462**	**3,146,462**	3,162,751
Meals and entertainment	**181,572**	**76,572**	10,812
Office expense	**1,156,937**	**936,000**	510,042
Rent	**2,335,000**	**1,380,000**	2,582,374
Marketing and public relations	**5,184,748**	**5,037,813**	685,033
Utilities	**749,961**	**224,000**	617,251
Computer hosting and maintenance	**3,319,935**	**-**	-
Audit fees	**3,700,000**	**2,500,000**	1,100,000
Bad debt expense:			
Expected credit loss provision	**14,642,665**	**4,327,456**	8,532,563
Specific bad debt written off	**11,256,204**	**11,256,204**	-
JSE annual listing fees	**537,579**	**537,579**	1,186,260
JCSD trustee fee	**891,981**	**891,981**	619,850
Derecognition of leasehold improvements	**-**	**-**	4,576,709
Amortization adjustment	**-**	**-**	(202,256)
General expenses	**4,011,496**	**3,254,024**	1,906,797
	85,244,735	**58,755,711**	48,846,659

20. FINANCE COSTS

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Bank charges	**709,785**	**226,828**	657,743
Interest expense	**4,533,527**	**4,533,527**	8,748,572
Depreciation on right-of-use asset	**-**	**-**	554,568
Foreign exchange gain	**(31,361)**	**(31,361)**	(71,612)
Right of use interest expense	**-**	**-**	3,742
	5,211,951	**4,728,994**	9,893,013

21. 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.

	Group	Company	
	2022	**2022**	2021
	$	**$**	$
Loss attributable to stockholders	**(46,844,787)**	**(32,759,426)**	(32,262,298)
Weighted average number of ordinary stocks units	**286,061,590**	**286,061,590**	191,505,171
Basic loss per stock unit (¢ per share)	**(0.16)**	**(0.11)**	(0.17)
Weighted average number of preference stocks units	**300,468,370**	**300,468,370**	191,505,171
Diluted loss per stock unit (¢ per share)	**(0.16)**	**(0.11)**	(0.17)

22. RELATED PARTY TRANSACTIONS

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

	Company	
	2022	2021
	$	$
Amounts due from related parties	**6,818,963**	2,211,298
Amounts due to related party	**5,279,000**	2,904,786
Amounts due from directors	**7,977,033**	5,253,793

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

	Company	
	2022	2021
	$	$
Key management personnel compensation	**3,691,600**	9,160,000

23. BUSINESS COMBINATION

On January 1, 2022, the Company acquired a 51% equity interest in GetPAID Group Limited. The principal activities of GetPAID Group Limited is the provision of e-commerce services. Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	Group
	$
	2022
(a) Purchase consideration:	
Consideration transferred for the business	**50,000,000**

(b) Identifiable assets acquired and liabilities assumed:

	Group
	$
	2022
Property, plant and equipment	**1,372,500**
Intangible assets	**44,426,598**
Trade and other receivables	**5,118,273**
Cash and bank balances	**2,919,443**
Total assets	**53,836,814**
Notes payable	**2,000,000**
Trade and other payables	**1,836,814**
Total liabilities	**3,836,814**
Total identifiable net assets	**50,000,000**
Non-controlling interest - 49% of identifiable net assets	**24,500,000**
Equity holders of the Group - Controlling interest 51%	**25,500,000**
Total identifiable net liabilities	**50,000,000**

24. 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 Group. 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 Group would realise in a current market exchange.

The following methods and assumptions have been used.

The amounts included in the financial statements for cash and bank balances, receivable, payables, and due to / from related parties 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 Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group 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 Group's activities.

24. 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 Group’s principal financial assets are cash and bank deposits, accounts receivable and related party receivables.

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 Group 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).

(ii) Liquidity risk

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

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.

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

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

(ii) Liquidity risk (cont'd)

	Group		
	Carrying value	Contractual cash flows	Within 3-12 months
	$	$	$
December 31, 2022:			
Current portion of loans payable	6,255,326	6,255,326	6,255,326
Trade and other payables	35,237,844	35,237,844	35,237,844
Bank overdrafts	4,699,083	4,699,083	4,699,083
	46,192,253	**46,192,253**	**46,192,253**

	Company		
	Carrying value	Contractual cash flows	Within 3-12 months
	$	$	$
December 31, 2022:			
Current portion of loans payable	6,255,326	6,255,326	6,255,326
Trade and other payables	28,464,379	28,464,379	28,464,379
Bank overdrafts	4,699,083	4,699,083	4,699,083
	39,418,788	**39,418,788**	**39,418,788**

	Company		
	Carrying value	Contractual cash flows	Within 3-12 months
	$	$	$
December 31, 2021:			
Current portion of loans payable	2,981,826	2,981,826	2,981,826
Trade and other payables	31,483,475	31,483,475	31,483,475
Bank overdrafts	146,384	146,384	146,384
	34,611,684	34,611,684	34,611,684

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

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

(iii) Market risk (cont'd)

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

Interest rate risk:
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group 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, 2022, 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 Group does not hold any fixed rate financial assets that are subject to material changes in fair value 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 Group is exposed to foreign currency risk on transactions that it undertakes in foreign currencies. The main foreign currency giving rise to this risk is the United States dollar. The exposure to foreign currency risk at the statement of financial position date was as follows:

	Group		Company			
	2022		2022		2021	
	US$	EURO$	US$	EURO$	US$	EURO$
Cash and bank balances	**8,988**	**-**	**-**	**-**	-	-
Trade and other receivables	**30,414**	**3,915**	**30,414**	**3,915**	27,893	4,066
Trade and other payables	**(3,374)**	**-**	**(3,374)**	**-**	(3,310)	-
Net exposure	**36,028**	**3,915**	**27,040**	**3,915**	24,583	4,066

Sensitivity analysis:

A strengthening of 1% (2021: 2%) of the Jamaican dollar against the currencies indicated above at December 31 would have reduced the Group's and Company's loss by $60,664 and $40,832 (2021: $75,674), respectively.
A weakening of 4% (2021: 8%) of the Jamaican dollar against the currencies indicated above at December 31 would have increase the Group's and Company's loss by $242,655 and $163,328 (2021: $302,698), respectively. This analysis assumes that all other variables, in particular interest rates, remain constant.

(c) The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group met the capital requirements to list on the Junior Market of the Jamaica Stock Exchange. There was no other externally imposed capital requirement.

25. SUBSEQUENT EVENT

On May 31, 2023, iCreate Limited, the Group, acquired 100% equity interest in Visual Vibe.Com Limited, for a purchase consideration of US$3,750,000. The principal activity of the company is outdoor digital advertising services. This acquisition was settled with a cash consideration of US$3,000,000 and a vendor's note US$1,270,683, which is to be settled by September 30, 2023.

As a result of an extended delay the settlement of the transaction, the Group incurred additional closing costs totalling US$375,000 and US$173,362 as at 31 December 2022 and 31 May 2023 respectively. The interest costs on the vendor's mortgage were US$48,042 as at 31 May 2023.

	31-Dec-22	31-May-23	Total May 31, 2023
Deposit on purchase consideration	2,986,807	13,193	3,000,000
Balance due on purchase consideration	763,193	(13,193)	750,000
Additional closing costs	375,000	173,362	548,362
Interest Cost on vendor's note		48,042	48,042
Total (US$)	**4,125,000**	**221,404**	**4,346,404**

Amounts quoted in United States Dollars (US$)

26. OPERATION

During the year, the training institute and creative arm of the Company continued to be impacted by the negative effects of the COVID-19 pandemic period. The Company pivoted its business model to pursue a diversification of revenue and cash flows through a merger and acquisition ("M&A") strategy. The M&A strategy was underpinned by a capital growth strategy which saw shareholders' equity move from $9,561,875 at the end of 2021 to $457,529,009 at the end of 2022. The company closed the acquisition of a 51% interest in GetPAID Group Limited and entered the e-commence space from January 2022. The Company also significantly advanced the acquisition of the digital-out-of-home advertising firm, Visual Vibe.com Limited. This 100% change of control took place on May 31, 2023.