



**ONE on ONE EDUCATIONAL
SERVICES LIMITED**

Annual Report



\$150M
Investment
90%
Complete



LAUNCHING
SOON

Content Studio

Delivering next generation live training,
workshops, lessons and more.

Achieving Academic Success

POWERED BY

One on One
LEARNING MADE PERSONAL



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ABOUT ONE ON ONE

One on One Educational Services Limited stands as the Caribbean's beacon of learning innovation, ignited by a commitment to unlocking potential through our tailored educational solutions. Our journey began with the belief that learning should transcend traditional boundaries, and this ethos continues to drive the evolution and transformation of our educational initiatives.

Rooted in our core values of Trust, Passion, Growth, and a Commitment to 'WOW', we have cultivated an environment where people matter, knowledge transfer is effective, and empowerment is a given. With a focus on personalized lifelong learning, we are not just adapting to the future; we are creating it, ensuring that every learning experience is simplified, transformational, and economically empowering

Core Values

TRUST, PASSION, GROWTH, COMMITMENT TO WOW

Brand Values

People, Effective Knowledge Transfer & Empowerment, Personalised Lifelong Learning, Transformational, Future Focused, Learning Simplified, Economic Enabling

Vision

To become the global leader in the creation and delivery of personalised and impactful online learning experiences for individuals, businesses, and governments.

Mission

Making knowledge acquisition easier by developing adaptive technology and content to personalize online learning experiences.

OUR IMPACT

Since our inception in 2013, One on One has charted a course of remarkable influence, creating ripples of change that have touched lives, reshaped learning, and fostered growth. Our impact is measurable not just in numbers, but in the stories of success that resonate across the Caribbean.

TRUSTED BY

We've worked with clients and partners across 10+ Caribbean countries





CHAIRMAN STATEMENT

Dear Shareholders and Esteemed Partners,

As we navigate through the transformative landscape of education and technology, I am honored to address you as the Chairman of One on One Educational Services Limited. Reflecting on the fiscal year concluded on August 31, 2023, it is my privilege to share both our achievements and our strategic outlook for the future.

The past year has indeed been a period of consolidation and investment. Our audited financial reports reveal a steadfast focus on strengthening our B2G business line, which has shown commendable growth amidst a year of broader financial steadiness. Our revenues held firm at \$266.6 million, a testament to the resilience and adaptability of our operations. We embraced a strategic realignment, investing significantly in the development of new products and expanding our selling activities to bolster brand awareness. This investment in our future is reflected in an uptick in operating expenses, a calculated move designed to propel long-term growth and value creation.

Despite a challenging fourth quarter, where we experienced a dip in revenues and navigated increased expenses due to non-cash adjustments and inventory considerations, our vision remained unwavering. We understand that true growth often requires temporary recalibration, and we stand firm in the belief that our strategic decisions this year have set the stage for sustainable, recurring revenue streams in the years to come.

Our Balance Sheet reflects our concerted efforts to invest in the future. We've bolstered our non-current assets significantly, underscoring our commitment to building a robust foundation of intellectual property and advanced technological capabilities. While our total assets and equity have seen a reduction, these are the marks of a company boldly charting a course for long-term success.

The introduction of the OneAcademy for Schools solution marks a milestone not just for our company but for the educational landscape of Jamaica. We expect this venture to become a cornerstone of our business, fostering a sustainable model that generates recurring revenue while delivering unparalleled value to our stakeholders.

Our gratitude extends to you, our shareholders, for your unwavering support and patience as we navigate this pivotal phase. Your trust is the fuel that powers our journey. To our dedicated team, your resilience and commitment have not gone unnoticed; you are the backbone of One on One's continued evolution.

Looking ahead, we are poised to see the fruits of our labor. The investments made today are the groundwork for tomorrow's success. As we move into the 2023/24 fiscal year, we are confident in our strategic direction and excited about the opportunities that await us.

In closing, I reaffirm our commitment to innovation, excellence, and the relentless pursuit of creating value for our shareholders and enhancing the educational journey for learners everywhere.

Warm regards,

A handwritten signature in black ink, appearing to read "Mr. Michael Bernard".

Mr. Michael Bernard
Chairman



CEO PERFORMANCE REPORT & STRATEGY

Dear ONE Investors,

With a sense of forward momentum, I am pleased to share the CEO report for the fiscal year ending August 31, 2023. This year marked a pivotal transition for One on One Educational Services Limited, with a reinforced commitment to sustainable growth and innovation.

We began the year on solid financial ground, with a cash reserve well over J\$250M following a triumphant IPO. This allowed us to focus intently on diversifying our revenue streams and enhancing our value proposition. The launch of One Academy represents a significant stride in our strategic evolution, addressing the educational needs of students, teachers, and schools with innovative digital solutions. Our investment in this venture exceeded J\$160 million, a testament to our belief in its potential to redefine educational engagement.

Throughout the year, we maintained our revenue at \$266.6 million. Notably, our Enterprise Segment, encompassing our Corporate and Government Divisions, has become a cornerstone of our business, generating over J\$200M in annual recurring income. This impressive figure constitutes 80% of our total income and is a clear indicator of our growth trajectory—especially considering that just last fiscal year, recurring contracts accounted for 40% of our revenue. With an average customer lifetime of five years in our enterprise sector, we anticipate this number to rise as we continue to secure new contracts and expand our user base.

Although we closed the year with a net loss of \$37.8 million due to our strategic investments, it is essential to view this in the context of laying the groundwork for the high-potential recurring revenue models we are building. Our operating expenses, which rose to \$230.4 million, reflect our aggressive investment in the future—a move we expect will pay off in the form of sustained and predictable profitability and shareholder value.

The decline in fourth-quarter revenues to \$44.3 million and the overall net loss highlight our prioritization of long-term, sustainable projects over immediate gains. These financial decisions, though impactful in the short term, are deliberate steps towards a future marked by stable and growing revenue streams.

Looking at our balance sheet, the strategic increase in non-current assets and the managed decrease in total assets to \$514 million signal a company that is investing in its capabilities and preparing for future success. The equity position, settling at \$404.1 million, also underscores our focused investment in the longevity and scalability of our business model.



As we forge ahead into the 2023/24 financial year, we do so with a portfolio of robust enterprise relationships and an expanding presence in the educational sector through One Academy. Our strategic aim is to solidify and extend our recurring revenue base, ensuring the sustainability and growth of One on One Educational Services Limited.

I extend my heartfelt thanks for the ongoing support of our shareholders. Your belief in our vision remains a crucial driver of our continued innovation and expansion. Together, we are setting the stage for a future where education is transformed, and shareholder value is enhanced.

Warm regards,

Ricardo D. Allen
President & CEO

BUSINESS & GOVERNMENT



One on One
LEARNING MADE PERSONAL

Helping organisations improve employee knowledge and performance using our LMS and content solutions.



Empowering Knowledge for Excellence
A Comprehensive Approach to Online Learning through our...
LMS, CONTENT, CONTENT STUDIO

POWERED BY
One on One
LEARNING MADE PERSONAL



BUSINESS & GOVERNMENT SOLUTIONS

One on One specializes in delivering comprehensive online training and learning solutions customized for businesses and governments across the Caribbean, catering to entities of all sizes.

LEARNING MANAGEMENT SYSTEM (LMS)

Our LMS streamlines the planning, management, and assessment of training programs. Over 150,000 Caribbean learners have honed their skills through One on One's LMS. Businesses leverage our platform to enrich face-to-face, online, and hybrid employee training. The LMS facilitates course organization, learning path assignment, relevant assessments, interactive learning environments, social learning promotion, and comprehensive reporting on the impact of training programs.

- Gamification
- Mobile-friendly learning
- Interactive content
- Social learning
- Video conferencing integrations
- Ecommerce integrations
- HRIS Integrations
- Accessible content
- Reporting and analytics

CONTENT DEVELOPMENT

One on One excels in crafting engaging content across all levels of interactivity, applying both emerging and established instructional design models. Whether developing bespoke content or converting existing material, we tailor content to meet specific goals. Our robust instructional design transforms any subject material into effective e-Learning courses for an immersive learning experience.

CONTENT STUDIO

Our state-of-the-art Content Studio in Kingston equips you with everything needed to produce high-quality, engaging content for various digital platforms. The studio is available seven days a week and offers opportunities for live streaming workshops and training sessions. This interactive tool allows your team to engage in real-time, participate in polls, quizzes, and live chat during the training sessions.

Furthermore, once a workshop or training is complete, participants can access the recorded sessions via our Learning Management System (LMS). The LMS goes beyond traditional playback, offering enhanced features that enrich the post-training experience. Participants can not only rewatch sessions but also benefit from advanced functionalities. The LMS indexes the video content, facilitating easy review and enabling keyword searches for specific topics. This comprehensive approach ensures that the valuable insights and information shared during sessions remain easily accessible and retrievable, promoting continuous learning and knowledge retention.

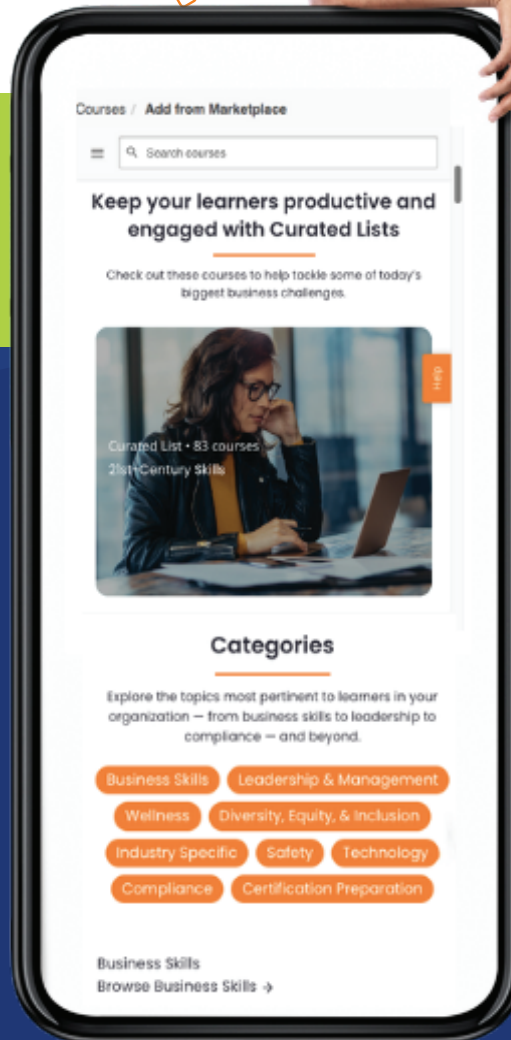
TRAIN Your Staff

One on One - Annual Report

ACCESS

an online training platform for your staff that has:

- **30,000+ Courses** in areas such as leadership, compliance, customer service, IT, cybersecurity, and much more
- **A User-Friendly Experience** perfect for staff that aren't techie
- **Reporting & Analytics** to keep track of your staff's progress
- **Gamification** to make learning fun



Learn More

<https://www.oneononelms.com/online-training-for-teams/>

POWERED BY



CLIENT TESTIMONIAL

SYMPTAI



“One on One’s team stood out to us. They took the time to deeply understand our requirements and lead us to the best possible solution. The team was also incredibly knowledgeable, readily accessible, and highly professional.”

Andre Palmer
Director of Research & Engagement
Symptai Consulting



**Watch
Testimonial**

GOVERNMENT SOLUTION

EDUCATION MANAGEMENT INFORMATION SYSTEM (EMIS)

One on One for Governments provides an Online Education Management Information System (EMIS) for Caribbean governments, offering a comprehensive solution to plan, manage, and assess student learning outcomes at all levels.

Since 2020, the Bahamian government has successfully utilized the EMIS platform to manage resources in all its public schools nationwide, totaling approximately 250 schools at primary and secondary levels. As of December 2022, the Bahamas Department of Education achieved a significant milestone by generating over 40,000 digital reports on time. This accomplishment signifies a major stride in the government’s initiative to fully digitize its education and record-keeping systems, establishing the Bahamas Education System as one of the most digitized globally.

We are eagerly anticipating delivering more business and government solutions in 2024, continuing our commitment to excellence and innovation.



Educational Management Information System (EMIS)

The OpenEMIS solution is fully implemented in over 15 countries worldwide, and One on One and its partners are working to fully digitalize education systems across the Caribbean through the One of its kind integration of our proprietary LMS and the EMIS solution.

01

OpenEMIS is an Education Management Information System designed to manage education systems.

02

Collect and report data on student attendance, behavior, and progress.

03

Collect and manage data on teacher qualifications and attendance.



NOTICE FOR AGM



NOTICE FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of ONE ON ONE EDUCATIONAL SERVICES LIMITED (the "Company") will be held on WEDNESDAY, JANUARY 31, 2024, at 2:00 p.m.(Jamaica) in a hybrid format (i) by live-streaming and (ii) at 3 Leonard Road, Kingston 10 subject to pre-registration for the following purposes:

1. TO RECEIVE THE REPORTS OF THE DIRECTORS AND AUDITORS AND THE AUDITED ACCOUNTS FOR THE TWELVE (12) MONTHS ENDED AUGUST 31, 2023.

The Company is asked to consider and if thought fit pass the following Resolution.

Resolution 1 "THAT the Reports of the Directors and Auditors and the Audited Accounts for the year ended August 31, 2023, circulated with the Notice convening the meeting be and are hereby adopted."

2. TO RE-APPOINT DIRECTORS.

The directors retiring from office by rotation pursuant to Article 113 of the Company's Articles of Incorporation are Mr. Michael Bernard and Mr. John Bailey both of whom, being eligible, offer themselves for re-election.

The Company is asked to consider and if thought fit pass the following Resolutions.

Resolution 2 "THAT Mr. Michael Bernard, be and is hereby re-elected a Director of the Company."

Resolution 3 "THAT Mr. John Bailey be and is hereby re-elected a Director of the Company."

3. TO APPOINT AUDITORS AND AUTHORISE THE DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS

The Company is asked to consider and if thought fit pass the following Resolution.

Resolution 4 "THAT Crichton Mullings & 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 end of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company."

4. TO APPROVE DIRECTORS' REMUNERATION

The Company is asked to consider and if thought fit pass the following Resolution.

Resolution 5 "THAT the amount included in the Audited Accounts of the Company for the year ended August 31, 2023, as remuneration for their services as

Directors be and is hereby approved."

Dated this 29th day of December 2023.

By Order of the Board of Directors



Nicole Foga
Company Secretary

Registered Office:
9th Floor PanJam Building
60 Knutsford Boulevard
Kingston 5
Jamaica

Note:

A shareholder is entitled to vote by Proxy and a Proxy need not be a shareholder. You are encouraged to vote by Proxy and a Form of Proxy is available online at: www.oneononelms.com/2023-annual-report/

Forms of Proxy must be lodged at the Company's registered office or received via email addressed to oneinvestor@oneononelms.com at not less than forty-eight hours before the time appointed for holding the meeting.

Special instructions to participate in the ONE ON ONE EDUCATIONAL SERVICES LIMITED (ONE) Annual General Meeting (AGM)

Due to space constraints at the physical location, shareholders are encouraged to participate remotely via live-stream and will be able to vote electronically on matters arising at the meeting once they register to attend the AGM. All registered Members, regardless of geographic location, will therefore have an equal opportunity to participate in the AGM.

Only those Members who have registered or their proxies will be able to vote on resolutions.

Shareholders are encouraged to submit their questions in relation to the resolutions in advance of the AGM by sending an email to oneinvestor@oneononelms.com. These questions will be addressed during the AGM as deemed reasonably practicable in the Chairman's discretion.



PROXY FORM

ONE ON ONE EDUCATIONAL SERVICES LIMITED

I/We

being member(s) of the above-named Company, hereby appoint of

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held virtually and accessed live online via the website www.oneononelms.com on January 31, 2024 at 2:00 pm, and at any adjournment thereof.

Please mark here if this form is for a specific meeting only:

Please mark here if this form is for all meetings until revoked:

Signed this _____ day of _____, 2023.

Signature

Notes:

- A proxy need not be a member of the Company.
- If you wish to appoint a person other than the Chairman of the Meeting, please insert the full name of your appointed proxy in the space provided.
- In the case of joint holders, the signature of any one holder will suffice.

For Digital Submission:

Please complete the digital Proxy Form available at <https://www.oneononelms.com/2023-annual-report/> and submit it electronically.

For Email Return:

Alternatively, you may return this completed and signed form via email to oneinvestor@oneononelms.com, not less than 48 hours before the time appointed for the holding of the meeting.

For Physical Return:

If you prefer, you may return this form to the Company Secretary at the registered address, 9th Floor PanJam Building, 60 Knutsford Boulevard, Kingston 5, Jamaica, West Indies, not less than 48 hours before the time appointed for the holding of the meeting.

DIRECTOR'S REPORT

The Directors are pleased to present their report for the financial year ended August 31, 2023

| Financial Results | 2023 | 2022 | Variance (\$) | Variance (%) |
|-------------------------------|------------|-----------|---------------|--------------|
| | \$000 | \$000 | \$000 | % |
| Revenues | \$271,353 | \$276,329 | (\$4,976) | -2% |
| Gross Profit (Loss) | \$205,906 | \$214,707 | (\$8,800) | -4% |
| Expenses | \$239,997 | \$185,153 | \$54,844 | 30% |
| Profit (Loss) Before Taxation | (\$32,765) | \$17,867 | (\$50,632) | -283% |
| Taxation | \$5,686 | \$4,455 | \$1,232 | 28% |
| Net Profit (Loss) | (\$37,764) | \$12,263 | (\$50,028) | -408% |
| Retained Earnings (Deficit) | (\$9,760) | \$28,004 | (\$37,764) | -135% |

Dividend

No Dividends were declared during the financial year ended August 31, 2023.

The Board

The Directors as at August 31, 2023 were as follows:

- Mr. Michael Bernard
- Mrs. Mischa McLeod-Hines
- Mrs. Karen Vaz
- Mr. John Bailey
- Mrs. Carol Granston-Corcho
- Mr. Ricardo Allen
- Hon. Douglas Orane (Mentor under the Junior Market Rules of the Jamaica Stock Exchange)

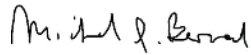
In accordance with the Articles of Incorporation, Directors Mr. Michael Bernard and Mr John Bailey will retire by rotation and, being eligible, offer themselves for re-election.

Auditors

The company's auditors, CRICHTON MULLINGS & ASSOCIATES, have indicated a willingness to continue in office pursuant with the provisions of Section 154 (2) of the Companies Act.

The Directors wish to place on record their appreciation and recognition of the dedicated efforts and hard work given by the officers and staff of the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mr. Michael Bernard
Chairman
December 29, 2023



Salutes

DANNY WILLIAMS

July 3, 1934-September 16, 2023



Tribute from One on One Team

You may have known him as R. Danny Williams, but for me, he was Sir D, and he played an irreplaceable role in the heart of One on One and in my journey from boyhood to manhood.

From a janitor to a Rhodes Scholar nominee and now CEO of a publicly listed company; my journey would have been unimaginable without him. In 2005, as a struggling student at Jamaica College, I handed Sir D my resume, marking the start of a transformative mentorship—both personally and professionally. He ultimately became my "adopted" father, the first man to call me "Son," and provided invaluable support in all areas of my journey.

His wisdom shaped my academic and professional choices, and his insistence that "Ricardo, you have a business!" kickstarted our company, One on One, turning weekend tutoring gigs into a thriving enterprise serving over 250,000 learners since its inception. He was also our very first angel investor and has been the bedrock of our company's evolution from startup to becoming a publicly listed company on the Jamaica Stock Exchange in 2022.

Sir D's indelible values—punctuality, planning, and unfaltering commitment—fuel the ethos of not only me, but the entire team at One on One and our founding Directors/Shareholders. His final words to me about One Academy and our solution to solve massive problems in education echo as a lasting challenge: "If you guys pull this off, you'll be heroes." Sir D, thank you for shaping not just me, but the destinies of those we collectively touch. You are irreplaceable and YES, you DID make a difference, now it's time for US to make our difference.

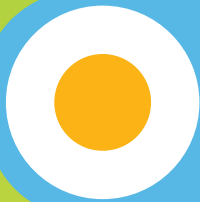
On behalf of the board of directors, shareholders, team at One on One, I pledge to uphold your ideals and give back through education, just as you have given to me and by extension, us. Your legacy will endure in the hearts and minds of all who had the privilege of knowing you.

With love,
Ricardo D. Allen
President & CEO
One on One Educational Services Limited

BOARD OF DIRECTORS AND PROFILES



"Today, our vision has blossomed into one of the largest online learning companies in the Caribbean, providing our proprietary online learning platform and content to governments, businesses, and individuals across 15 countries and impacting over 250,000 learners over the past 24 months
-Michael Bernard - Chairman



#WeAreOne
Be One too!



Mr. Michael Bernard
(Board Chairman)

- Non-Executive Director
- Member of the Audit Committee

Former Managing Director of Carreras Group Limited, Michael possesses over 20 years of experience in leading and growing some of Jamaica's largest corporations. In addition to his extensive local and international business experience, Michael holds a B.A. and B.Sc. In Business Administration and Forest Management respectively, and an MBA from the Harvard Graduate School of Business Administration.

Michael Bernard is a Bachelor of Science in Forest Management, Bachelor of Arts in Business, and a minor in economics from Washington State University. He made the USA National Deans list and in 1983 topped as a Forest Management graduate at Washington State University, copping the award for 'Most Outstanding Forestry Senior'. In January 1984, he attained a BSc. summa cum laude in Forest Management and BA. summa cum laude in Business Administration.

Michael Bernard is the former General Manager of Jamaica Biscuit Company. In 1995, he was appointed Managing Director of the Cigarette Company of Jamaica Limited as well as Managing Director of the Agricultural Products of Jamaica Limited and was appointed to the Carreras Group Board in 1997. In 2010, he announced his retirement as Managing Director of the Carreras Group.

Mr. Bernard serves on the board of several other entities and is currently the Board Chairman of his alma mater Jamaica College.



Mentor

Mr. Douglas Orane

An engineer by training, Mr. Orane holds a degree in Mechanical Engineering from Glasgow University. He is also a graduate of the Harvard Business School where he earned a Master's degree in Business Administration. Mr. Orane possesses an active social conscience and leverages his position as a leader of industry to highlight the possibilities in Jamaican society. As President of the Private Sector Organization of where he gained national attention for his incisive, rational, and pragmatic views on topical issues. He also stands as a shareholder of One on One.



Mr. Ricardo Allen

- **Founder and Executive Director**
- **Member of the Corporate Governance Committee**

Ricardo Allen, armed with an actuarial mind honed at The University of the West Indies, entered the private sector at Sagicor, where he led the Structured Products division of Sagicor Investments. It was an opportunity to combine his strong background in actuarial mathematics with corporate finance and economics to conceptualise and develop derivative products for retail and corporate markets. Allen would eventually give up his Sagicor job to follow his entrepreneurial spirit, fusing his innate passion for mathematics and love for technology and people to build a solution that enables thousands across the region to take their favourite courses online, at their convenience, materializing his vision to make it easy for students and adults to take on any course of learning at their own pace, using online facilities.

Ricardo is a Young Leader of the Americas Initiative Fellow, having been selected by President Obama in the first year of the programme. Ricardo is a member of the Jamaica Stock Exchange Best Practices Committee, Chairman of the Actuarial Science Course Committee at UTECH, a Member of the Course Committee in the Joan Duncan School of Entrepreneurship and Leadership at UTECH and a member of the Board of Directors at iCreate Limited.



Mr. John Bailey

- **Non-Executive Director**
- **Chairman of the Corporate Governance Committee**

Mr. John Bailey is a prominent businessman in Jamaica. He holds a degree in Business Administration from the University of South Florida, majoring in Finance. He is well known for his success in a wide range of sectors including manufacturing, tourism & real estate development. Mr. Bailey brings to the fore over three decades of experience in business management as well as a very sharp mind for financial management and accountability. He currently stands as a shareholder of One on One.



Mrs. Karen Vaz

- Non-Executive Director
- Chairperson of the Remuneration Committee

Karen is the Group Vice President of HR & Information Technology at PanJam Investment Limited. Her career spans over 20 years in the financial services industry encompassing several varied leadership roles in the areas of Human Resources, Information Technology, Project Management and New Product Development. She has a wealth of experience in people management, working with large cross-functional teams, managing budgets and workflow optimization. Karen leads the Human Resources, Administration & Information Technology units and has direct responsibility for implementing strategies aligned with the organization's objectives, while sustaining a culture of high performance & productivity. She currently sits on the Board of Sagicor Bank Jamaica Ltd, Sagicor Bank's Audit and Corporate Governance Committees, and is a PanJam Council Member of the Private Sector Organization of Jamaica (PSOJ). She holds a BA in Management Information Systems from the University of South Florida and is a Certified Continuity Manager (CCM).



Mrs. Mischa McLeod-Hines

- Non- Executive Director
- Member of the Corporate Governance Committee

Mischa McLeod-Hines is the Vice President in charge of Capital Markets at Sagicor Investments Jamaica Limited. She has 20 years of banking experience in Treasury and Trading, Corporate Finance and Capital Markets. Since 2018, she has led the company's strategic revenue growth in Capital Markets in Jamaica and the Caribbean. She holds a BBA in Finance from the University of Technology and an MBA from Edinburgh Business School (Heriot-Watt University), as well as a certificate in Jamaican Securities from the Jamaica Institute of Management.



Dr. Carol Granston, PHD

- Independent Non- Executive Director
- Chairperson of the Audit Committee and a member of the Remuneration Committee

Dr Carol Granston is an Instructional Designer and has served in the field of Education and Training for over thirty years. She currently serves as the Chief Innovation Officer for NexGen Learning Solutions, a company which she started in 2021. NexGen Learning Solutions is an educational products and services provider specializing in three key areas; training/professional development; consultancy services and product design and development.

A Fulbright scholar, Dr. Granston has served in Education at the international, regional and local levels. Prior to starting her company, she served as Pro-Registrar/Deputy Chief Executive Officer of the Caribbean Examinations Council (CXC®) from April 2014 to December to 2020 and had overall responsibility for the operations of the Western Zone Office located in Jamaica. She joined the Caribbean Examinations Council in July 2010 as Senior Manager for Syllabus and Curriculum Development. She previously served as Educational Technology Specialist at the Instructional Development Unit (now the Centre for Excellence in Teaching and Learning) at the Mona campus of the University of the West Indies. Dr. Granston was also an Education Officer in the Media Services Unit of the Ministry of Education, Youth and Information, Jamaica and Lecturer at in the School of Education at the University of South Florida, Tampa campus.



Nicole Foga

- Company Secretary

Nicole Foga is the Managing Partner of Foga Daley Attorneys-At-Law and heads the firm's Commercial Department. Her practice areas include Cyber Law, Intellectual Property and Commercial Law. Ms. Foga also holds chairmanship positions on the Telecommunications, Broadcasting and Technology Committee of the Jamaica Bar Association and the University of Technology's Pension Fund. She is Vice Chairman of Jamaica's Copyright Tribunal and Director and Company Secretary for the Usain Bolt Foundation. Among her numerous other interests, she is also a prolific author. Ms. Foga holds a LLM in Commercial Law (Aberdeen University), LLB and a Bachelor of Arts Degree (1st Class Hons.) from the University of the West Indies.



Meet Our Team

Meet Ricardo D. Allen, the innovative President and CEO of One on One Educational Services Limited. With a foundation in Actuarial Sciences from the University of the West Indies, Jamaica, Ricardo's analytical expertise is matched only by his passion for advancing the frontiers of education. His leadership is characterized by a forward-thinking philosophy that drives our team to push the boundaries of how educational content is delivered and experienced.

In the profiles that follow, you will be introduced to our Senior Managers, each a key architect in our quest to tailor learning to the individual. Their diverse backgrounds and strategic insights underpin our commitment to delivering personalized, impactful educational experiences. This collective of thought leaders and pioneers is the force behind our transformative approach to education, ensuring that every learner can access high-quality, relevant content that empowers and inspires.



Senior Officers & Profiles



Mrs. Donnisha Brooks, FCCA, FCA, BSc
Financial Controller

Donnisha Brooks is a Chartered Accountant and serves as the Finance Manager at One on One since September 2021. Prior to joining she has spent 11 years at Caribbean Assurance Brokers Ltd. a multi-line insurance broker as the Accounts & Finance Manager where she distributed and looked after the financial health of the organization, and over 6 years' experience at BDO Jamaica as an external auditor where her skills were developed auditing major companies in the Manufacturing & Retail, Consulting, Financial Services, and Insurance industries.

Donnisha holds a B.Sc. (Accounting) from the University of Technology, Jamaica. She is a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Institute of Chartered Accountants of Jamaica.



Dr. Ricardo Anderson, Phd.
Research Development and Digital Innovation Consultant

Dr. Anderson serves as Research Development and Digital Innovation Consultant at One on One through which he leads the strategies towards the technical evolution of products, driven by cutting-edge research.

Dr. Anderson has significant experience in Systems Development and IT Management, Artificial Intelligence and has delivered a significant number of strategic IT projects in education and across industries over the past 17 years. He actively conducts research in Educational Data Mining and more broadly Machine Learning and has published several papers on these subjects and how these technologies can be applied to education and other industries.

Dr. Anderson holds Bachelors Degree in Computer Science, MSc. in Management Information Systems and a PhD in Computer Science with high commendation. He has been a certified Project Management Professional (PMP) since 2013.



Mrs. Jadelle Holder-Remy, BSc., Post Dip.
Chief Product Officer

Jadelle has served as the Chief Product Officer at One on One since November 2021 and previously served as the Regional Product Manager from April 2020 to October 2021. She drives the strategic direction of the Product and Content Teams to ensure the delivery of engaging and effective educational experiences for learners.

With over 12 years' experience in the education sector, her prowess has allowed her to break through barriers, paving the way to achieve significant success throughout her career. Jadelle has launched and scaled multiple award-winning platforms benefiting the Caribbean and Africa. She holds a Postgraduate Diploma in Education and a bachelor's degree in Spanish with Communication Studies from the University of the West Indies.



Mrs. Juanita Neil, BSc.
Head of Marketing

Juanita Neil is a marketing and business specialist with a wealth of experience spanning over 20 years. She's our newly appointed Head of Marketing. Before joining our team, Juanita served as Marketing Manager for the No. 1 Hit UK station, Capital Fm in Birmingham, UK (formerly Galaxy Fm) and Owner and CEO of 'The One Management' and 'The Connectors' in the UK.

Over the years, her strategies to develop and reposition brands have led to successful marketing campaigns for numerous iconic UK companies, including Selfridges, Aston Manor Brewery, University of Birmingham, and Bullring. She holds a B.A. in Business Studies and Marketing from The University of Central England, UK. Juanita's wit and natural leadership skills have secured her a spot as a powerful woman in our Education Technology space.



Mrs. Kerry-Ann Kudo, MBA
Head of Customer Experience

Meet Kerry-Ann Kudo, the person behind the passionate customer-centric team that ensures every interaction with the brand is a positive one. Kerry-Ann was appointed as the Head of Customer Experience in January 2022, where she revolutionized and improved the relationships between our brand and clients. She started her journey at Digicel Jamaica in multiple roles, notably in Customer Operations and Project Management before heading to Japan to work alongside the Board of Education, Ministry of Tourism, and the Jamaican Embassy to expand Brand Jamaica.

Kerry-Ann has worked with a diverse group of clients within the Adtech, Martech, Fintech, HRTech and Cybersecurity/Disaster Recovery space. She has a Bachelor of Science Degree in Molecular Biology and Chemistry from the University of West Indies and a Master in Business Administration (MBA) from The University of Bradford in the UK.



Mrs. Brittany Singh Williams, MSc.
Head of People, Culture and Change Management

Brittany Singh Williams has served as the Head of the K-12 Division since July 2021 and previously as the Advisor to the Minister of State in the Ministry of Education, Youth and Information from March 2018 until April 2021. Founder of Spark Education and The Pod School; Brittany has spent the last four (4) years creating personalized learning ecosystems that empower and equip learners and their families to thrive in both their personal and academic lives. Prior to venturing full-time into the Education space, Mrs. Singh Williams worked with PanJam Investment Limited as the Executive Director of the C.B. Facey Foundation where she gained experience in sustainability and corporate social responsibility rooted in education, environmental, and social impacts for growth and profitability. Mrs. Singh Williams holds a B.A. in Elementary and Special Education from Loyola University of Maryland and an MSc in Global and International Education from Drexel University.

RECORD OF DIRECTOR'S ATTENDANCE MEETING OF BOARD AND COMMITTEES SEPTEMBER 1, 2022 - AUGUST 31, 2023

The attendance record of each Director at meetings is shown below:

| | BOARD OF DIRECTORS | AUDIT COMMITTEE | HR & COMPENSATION COMMITTEE |
|---|--------------------|-----------------|-----------------------------|
| NUMBER OF MEETINGS HELD | 6 | 3 | 2 |
| Michael Bernard, Board Chairman | 6 | 3 | N/A |
| Ricardo Allen | 6 | 3* Invited | N/A |
| Karen Vaz, Chairperson of the HR and Compensation Committee | 6 | N/A | 2 |
| John Bailey | 6 | 3 | N/A |
| Carol Granston-Corcho, Chairperson of the Audit Committee | 4 | 3 | N/A |
| Mischa McLeod-Hines | 5 | N/A | N/A |
| Tyrone Wilson** | 2 | N/A | 2 |

**After almost 10 years of dedicated contributions, Tyrone Wilson has expressed his desire to step down from his role as Director. The board of directors accepted Mr. Wilson's resignation with gratitude for his service. The resignation was effective as of August 21, 2023.

Directors and Senior Managers Shareholding as at August 31, 2023

| 1. TOP TEN SHAREHOLDERS: | Shares Held | % of Issued Shares |
|--|----------------------|--------------------|
| Sagicor Life Jamaica Limited - Agent of the Sagicor SIGMA Fund (Sagicor Sigma Venture) | 300,250,000 | 15.8 |
| SOHO Investment Ltd | 262,921,851 | 13.84 |
| Ricardo Allen | 187,770,000 | 9.88 |
| John Bailey | 156,561,232 | 8.24 |
| Raby D. Williams | 145,065,850 | 7.63 |
| Cecil Boswell Facey Foundation Ltd. | 106,000,000 | 5.58 |
| Douglas R. Orane | 97,143,911 | 5.11 |
| Michael Bernard | 87,067,063 | 4.58 |
| PanJam Investment Limited | 72,500,000 | 3.82 |
| Conrod Vic Hanson | 57,300,000 | 3.02 |
| Total | 1,472,579,907 | 77.5 |
| Other Shareholders | 427,420,093 | 22.5 |
| Total Issued shares | 1,900,000,000 | 100 |

| 2. DIRECTORS & SENIOR OFFICERS: | Shares Held | % of Issued Shares |
|---|--------------------|--------------------|
| Directors: | | |
| Ricardo Allen | 187,770,000 | 9.88 |
| Ricardo Allen SOHO Investment Ltd. | 262,921,851 | 13.84 |
| John Bailey | 156,561,232 | 8.24 |
| Michael Bernard | 87,067,063 | 4.58 |
| Karen Vaz | 1,000,000 | 0.05 |
| Dr. Carol Grantson-Corcho | 367,153 | 0.02 |
| Mischa McLeod-Hines | 16,025 | 0.00 |
| Total Shares Held by Directors | 695,703,324 | 36.62 |
| Senior Officers: | | |
| Conrod Hanson (Consultant) | 57,300,000 | 3.02 |
| Jadelle Holder-Remy | 11,250,001 | 0.59 |
| Daniel Dawson | 6,895,167 | 0.36 |
| Mohan Brown | 6,802,167 | 0.36 |
| Donnisha Brooks | 1,298,340 | 0.07 |
| Dr. Ricardo Anderson | 1,198,338 | 0.06 |
| Brittany Williams | 1,084,318 | 0.06 |
| Juanita Neil | 1,104,062 | 0.06 |
| Kerry-Ann Kudo | 474,585 | 0.02 |
| Total Shares Held by Senior Managers | 87,406,977 | 4.60 |

Management Discussion & Analysis

The Management Discussion & Analysis (MDA) is to be read in conjunction with the audited financial statements for the period ending August 31, 2023. Management is responsible for the integrity and presentation of the Management Discussion and Analysis (MD&A). The financial information presented below is in Jamaican Dollars (JMD). The MD&A provides an analysis for the reporting period September 1 – August 31 which was prepared by management with consideration of relevance and materiality. The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Board of Directors of One on One Educational Services Limited is pleased to present its audited financial statements for the year ended August 31, 2023.

Profit & Loss Statement

At the end of the year, the company's revenues remained flat in line with the previous year. The revenue earned for the year was \$266.6 million compared to \$266.9 million at the end of 2022. Despite the revenue being flat year over year we had growth in the B2G business line, which benefited from increased revenues from existing government contracts.

Significant increase in expenses targeted at investing in the development and expansion of new products, and selling activities to increase awareness, led to an increase in operating expenses from \$171.5 million in 2022 to \$230.4 million for the comparative period in 2023. We realized a loss before tax for the year of \$32.8 million compared to profit before tax of \$15.9 million for 2022. A tax charge of \$4.9 million was recorded for the year due to deferred taxation movement. Consequently, the net loss for the year was \$37.8 million compared to a net profit of \$12.3 million for 2022.

For the fourth quarter, the company experienced a decline in revenues from \$72.5 million to \$44.3 million for the comparative period of 2023. This drop can primarily be attributed to the dip in non-recurring project revenues, as our strategic emphasis has increasingly shifted towards building sustainable, recurring business lines.

Consequently, the value of projects we undertook this period was less than comparative in 2022. While our operating expenses remained in line with Q4 2022, the net loss deepened to \$58.8 million, compared to the \$27.8 million net loss in the fourth quarter of the previous year. This heightened loss was influenced by a combination of adjustments, including those made for inventory deemed obsolete and non-cash adjustments in our accounts receivables for the expected credit loss provision, cumulatively contributing to a J\$21.9 million surge in expenses for the quarter.

Going forward, the company's primary focus is on bringing its significant recurring revenue generating projects on stream for 2023/2024 and beyond.

Balance Sheet Statement

The fiscal year 2023 has been a testament to One on One Educational Services Limited's strategic agility and foresight. While our total assets witnessed a reduction to \$514 million, down from \$580.7 million, this 11.5% decrease aligns with our focused redirection of resources towards long-term value creation. The augmentation of our non-current assets



by a remarkable 48% to \$307.6 million demonstrates our assertive investments in intangible assets like computer software, intellectual property, and ongoing content development, alongside a robust enhancement of our property, plant, and equipment. These investments are pivotal to our strategic growth, particularly within our digital transformation initiatives.

Current assets experienced a significant decline by 44%, primarily due to the strategic utilization of our cash and bank balances, which were directed towards servicing loan principal repayments and bolstering the working capital necessary for developing our recurring revenue

streams. This deliberate application of resources underscores our commitment to establishing a sustainable and lucrative business model, notably through our One Academy for Schools solution.

Our equity position ended the year at \$404.1 million, compared to \$414.8 million in 2022. The decrease in equity reflects the year's net loss, which we perceive not as a setback, but as an investment in the company's future capabilities. The losses are largely attributable to our proactive investments, which are poised to yield considerable returns through the expected significant recurring revenues from the One Academy initiative.

Significant Cash Investments in 2022/23:

The company's journey throughout this fiscal year has seen heavy investment in several areas to better position it for the future. Here's a breakdown of our key strategic investments:

| INVESTMENT | INVESTMENT DESCRIPTION |
|--|---|
| CONSTRUCTION AND RETROFITTING OF CONTENT STUDIO TOTAL INVESTMENT: J\$28 MILLION | To enhance the company's digital course offerings and capacity, the company made a substantial commitment to content creation. This state-of-the-art facility will now allow the company to support schools with daily live streams across Jamaica and the Caribbean. The project is about 90% completed and it is scheduled to be completed for operation by Q2 2023/24. |
| ACQUISITION OF EQUIPMENT FOR LEASING TOTAL INVESTMENT: J\$32 MILLION | A pivotal part of the company's strategy involves the acquisition of equipment crucial for the One Academy for Schools solution. This ensures that the company has the necessary infrastructure to support the ambitious rollout of the One Academy for Schools solution across the schools. |
| INVENTORY ACQUISITION TOTAL INVESTMENT: J\$38 MILLION | Throughout the year, the company acquired third-party licenses to use within the One Academy for School solution. This investment allows the company to distribute third-party content seamlessly across schools & companies (online and offline), ensuring a consistent and high-quality learning experience. This will also assist with delivering training to educators across institutions. |
| INVESTMENT IN LMS AND CONTENT DEVELOPMENT: TOTAL INVESTMENTS: J\$64 MILLION | The company's focus on digital learning is underscored by a significant outlay in the Learning Management System (LMS) and content. This facilitates continuous learning opportunities and efficient administrative management for content distribution. |

Management Discussion & Analysis

Breakdown of IPO use of funds:

The following breakdown is aimed at contextualizing the IPO proceeds and the investments made during the year.

IPO FUNDS ALLOCATION:

Total IPO Consideration: J\$380M

LESS: Non-Cash Debt Conversion: J\$108.75M (via loan converted arrangements with Sagicor and PanJam)

Cash Raised: J\$271.25M

LESS: IPO Estimated Expenses: J\$41.5M

Net Cash Proceeds from IPO (as of August 31, 2022): J\$229.75M

The company's commitment post-IPO was to channel the raised capital into three primary areas:

As per IPO Prospectus, 2022

1. **Next-Generation Learning Content:** The company's investment in this area is bearing fruit, with completion nearing 90% of the company's state of the art content studio.
2. **AI-Driven Adaptive Learning Technology:** The company has initiated investments in this technology for enhanced integration into the Learning Management System (LMS). While it is envisioned that further funding is needed to realize the full vision, some aspects have taken a backseat as management center their efforts on incorporating AI in the One Academy for Schools solution. The primary aim is leveraging AI in classrooms, assisting our facilitators and tailoring learning experiences for students.
3. **Capital Reserves for Operations:** Considering the strategic shift, the company has allocated funds to strengthen our company's capital foundation.

Upon reflection, the company's expenditures have primarily been invested in establishing Content Learning Studios, purchasing equipment and inventory for content distribution, and enhancing the online learning platform. Moreover, the company has been proactive in repaying significant loans to minimize long-term interest costs. This strategic approach is expected to generate not only revenue but also recurring business income critical to future growth. In total, the company has invested over J\$200M in these areas over the past year and anticipates beginning to see returns on these investments in the coming financial year.



Risk Management

Project Execution Risk: The One Academy for School Solution, a pivotal initiative by One on One Educational Services Limited, entails inherent risks associated with project execution. Acknowledging the rapid pace of technological advancement, we are dedicated to continuous innovation to stay at the forefront of the industry. We understand the critical nature of internet infrastructure and user engagement for the success of our solution, and thus, we have forged strategic partnerships to ensure robust connectivity and implemented dynamic feedback mechanisms to continuously refine user experience. Our approach is complemented by a comprehensive training program, ensuring all users have the necessary support to fully leverage our platform. We are steadfast in our commitment to data security and regulatory compliance to uphold trust and ensure a transformative educational experience.

Credit Risk: Our credit risk strategy involves a systematic and disciplined approach to extending credit, particularly considering our aging receivables which currently stand at 120 days on average. This includes managing timelines specific to large government contracts and business enterprise clients with varying payment schedules. We actively engage in strategies to optimize cash flow, including offering discounts for early payments. Additionally, with schools as our clients, we align our receivables with the periodic funding they receive from central government, projecting payment stretches to quarters. Our receivables also include J\$48M from COVID-era projects and J\$38M from sales of Classroom in a Box devices. We remain vigilant in monitoring these receivables to enhance our cash flow management.

Financing Risk: The company's liquidity has been impacted by the intensive capital needs of

the One Academy for School solution. With the repayment of a J\$50M DBJ Credit Enhancement Facility Loan and significant investments in our Content Studio and operational capital, our end-of-year debt stood at J\$50M. This includes a mix of credit facilities and a cash-backed credit line, which is anticipated to persist as the project completion and revenue generation phase nears. Our debt management strategy is under continuous review by the Audit committee and Board of Directors, who are actively exploring options for additional cost-effective financing. Despite these challenges, our debt to equity ratio has shown improvement, signalling our prudent leverage and a strong financial foundation.

Macroeconomic Overview and Context

As we reflect on the fiscal year 2022/2023, we see a Jamaican economy growing at 4.7%, an improved employment rate, and a solid macroeconomic foundation that promises to support advancements in education and technology. The growth in net international reserves to US\$4.21 billion signals an environment ripe for digital transformation, especially in the educational sector.

The global trajectory of online learning, which has seen an accelerated shift due to the pandemic, continues to thrive. In Jamaica and the wider Caribbean, this shift is mirrored by a growing adoption of technology in education, with significant implications for learning and development. As internet infrastructure expands and digital literacy initiatives gain momentum, the region is well-placed to harness innovative educational technologies.

Artificial Intelligence (AI) is emerging as a game-changer in this landscape, offering unprecedented personalization and efficiency in learning. The potential of AI to provide contextual and conversational training is poised to revolutionize corporate and academic learning environments alike. For One on One

Management Discussion & Analysis

Educational Services Limited, this represents an opportunity to integrate AI into our One Academy for School solution, enhancing the educational experience for students and teachers with tailored content that adapts to individual learning styles and needs.

In the retail sector, businesses are increasingly recognizing the need for AI-driven tools that offer localized training solutions, catering to the diverse cultural and linguistic landscape of the Caribbean. This approach not only elevates the learning experience but also aligns with consumer expectations for personalized services.

The robust performance of Jamaica's economy, along with our strategic focus on digital education, places One on One in an advantageous position. Our One Academy for School solution, underpinned by AI and other emerging technologies, is set to meet the growing demand for scalable, personalized, and engaging learning platforms. This aligns with our commitment to driving forward the region's educational offerings and supporting the digital transformation of government education management systems.

Looking ahead, as the economic indicators point towards a sustained digital upswing, One on One is dedicated to leveraging these macroeconomic trends to reinforce our leadership in the educational technology sector. We are poised to deliver solutions that not only meet the current demands but also anticipate future learning and development needs in Jamaica and the Caribbean.

2023/24 Outlook and Strategy

For the 2023/24 period, the company's strategy remains rooted in innovation and forward-thinking. A key initiative is the One Academy for Schools Solution, which is fundamental to growth and is one of many efforts propelling the company forward. The financial plan includes actively engaging with 25 schools and ambitiously expanding this number before the fiscal year's end. Significant

investments have been committed to this initiative, with the company expecting to see substantial returns and aiming to double its current monthly recurring revenue by year's end.

This year's decrease in profit is not indicative of decline but is considered a strategic recalibration. The company's history of profitability over the past three years supports its current strategy of diversifying product offerings toward a sustainable, recurring revenue model. This repositioning is part of setting the stage for growth in the post-COVID environment and ensuring reliable revenue streams. As the company enters this phase, it will focus on right-sizing and seeking additional funding at favourable rates to concentrate on core business activities and enhance operational efficiency, assuring shareholders of sustained profitability.



5-YEAR FINANCIAL POSITION

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|-----------------|------------------|------------------|------------------|------------------|
| BALANCE SHEET (\$'000) | | | | | |
| ASSETS | | | | | |
| Non-current Assets | | | | | |
| Intangible Assets | \$49,002 | \$77,381 | \$139,822 | \$202,693 | \$266,415 |
| Property, plant and equipment | \$3,441 | \$4,135 | \$5,674 | \$5,729 | \$31,548 |
| Right of use asset | - | \$1,110 | - | - | \$9,681 |
| Total Non-Current Assets | \$52,443 | \$82,626 | \$145,496 | \$208,421 | \$307,644 |
| Current Assets | | | | | |
| Due from Directors | \$3,391 | \$7,956 | \$14,515 | \$17,758 | \$22,023 |
| Inventory | \$375 | \$7,096 | \$14,939 | \$12,994 | \$30,743 |
| Accounts Receivable | \$3,858 | \$8,262 | \$114,215 | \$88,258 | \$97,016 |
| Cash & Equivalents | \$9,565 | \$24,387 | \$37,740 | \$253,311 | \$57,129 |
| Total Current Assets | \$17,188 | \$47,700 | \$181,408 | \$372,322 | \$206,912 |
| Total Assets | \$69,631 | \$130,326 | \$326,904 | \$580,743 | \$514,555 |

| | | | | | |
|---|-------------------|------------------|------------------|------------------|------------------|
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Issued share capital | \$84,600 | \$84,600 | \$84,600 | \$413,839 | \$413,839 |
| Retained Earnings | (\$107,112) | (\$51,712) | \$15,741 | \$28,004 | (\$9,760) |
| Total Equity | (\$22,512) | \$32,888 | \$100,341 | \$441,843 | \$404,079 |
| Non-current Liabilities | | | | | |
| Preference shares | \$5,000 | \$5,000 | \$5,000 | - | - |
| Long-term loan and convertible promissory notes | \$40,678 | \$45,074 | \$115,616 | \$37,261 | - |
| Deferred tax liability | \$8,716 | \$11,009 | \$12,490 | \$12,870 | \$19,103 |
| Right of use asset | - | - | - | - | \$8,312 |
| Total Non-Current Liabilities | \$54,394 | \$61,082 | \$133,106 | \$50,131 | \$27,415 |
| Total Liabilities | | | | | |
| Current Liabilities | | | | | |
| Current portion of lease liability | - | \$1,393 | - | - | \$1,824 |
| Current portion of long term loan | \$8,333 | \$3,763 | \$4,152 | \$33,758 | \$28,500 |
| Due to Directors | \$5,218 | \$2,319 | \$17,721 | - | - |
| Deferred income | \$7,864 | \$6,767 | \$8,320 | \$8,801 | \$8,198 |
| Trade and other payables | \$16,334 | \$22,114 | \$63,175 | \$46,211 | \$44,539 |
| Bank Overdraft | - | - | \$90 | - | - |
| Total Current Liabilities | \$37,749 | \$36,355 | \$93,457 | \$88,770 | \$83,061 |
| Total Liabilities | \$92,143 | \$97,438 | \$226,563 | \$138,900 | \$110,477 |
| Total Liabilities & Equity | \$69,631 | \$130,326 | \$326,904 | \$580,743 | \$514,555 |

| FINANCIAL POSITION RATIOS | | | | | |
|----------------------------------|------------|----------|----------|-----------|-----------|
| Current Ratio | 0.46 | 1.31 | 1.94 | 4.19 | 2.49 |
| Quick Ratio | 0.45 | 1.12 | 1.78 | 4.05 | 2.12 |
| Debt to Equity Ratio | (4.09) | 2.96 | 2.26 | 0.31 | 0.27 |
| Asset Turnover Ratio | (0.31) | 0.43 | 0.21 | 0.02 | (0.07) |
| Return on Equity (%) | N/A | 168% | 67% | 3% | -9% |
| Working Capital (\$) | (\$20,561) | \$11,344 | \$87,951 | \$283,552 | \$123,850 |



5-YEAR PROFIT & LOSS STATEMENTS

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|------------|-----------|-----------|-----------|------------|
| PROFIT & LOSS (\$'000) | | | | | |
| Revenue | \$36,144 | \$140,339 | \$268,822 | \$266,911 | \$266,585 |
| Direct Cost | \$2,332 | \$7,906 | \$74,361 | \$61,622 | \$65,446 |
| Gross Profit | \$33,812 | \$132,433 | \$194,461 | \$205,289 | \$201,138 |
| Other income | \$504 | \$2,867 | \$2,119 | \$9,842 | \$10,931 |
| | \$34,316 | \$135,300 | \$196,580 | \$215,130 | \$212,069 |
| Administrative & Selling Expenses | \$44,459 | \$70,749 | \$114,279 | \$171,544 | \$230,410 |
| Operating (Loss)/Profit | (\$10,144) | \$64,551 | \$82,301 | \$43,586 | (\$18,340) |
| Finance Cost | \$6,712 | \$6,858 | \$13,654 | \$12,557 | \$4,776 |
| Expected Credit Losses | \$0 | \$0 | \$384 | \$15,167 | \$9,658 |
| (Loss)/Profit Before Tax | (\$16,855) | \$57,693 | \$68,935 | \$15,862 | (\$32,774) |
| Tax Expenses | \$4,602 | \$2,293 | \$1,482 | \$3,599 | \$4,990 |
| (Loss)/Profit After Tax | (\$21,458) | \$55,400 | \$67,453 | \$12,263 | (\$37,764) |

| | | | | | |
|---|------------|----------|----------|----------|------------|
| OTHER PROFITABILITY METRICS (\$'000) | | | | | |
| Earnings Before Interest , Tax, Depreciation & Amortization | \$16,791 | \$65,636 | \$82,690 | \$29,553 | (\$32,763) |
| Earnings Before Interest & Tax | (\$10,144) | \$64,551 | \$82,301 | \$43,586 | (\$18,340) |
| Earnings Before Tax | (\$16,855) | \$57,693 | \$68,935 | \$15,862 | (\$32,774) |
| Earnings After Tax | (\$21,458) | \$55,400 | \$67,453 | \$12,263 | (\$37,764) |

| | | | | | |
|---|---------|--------|--------|--------|---------|
| PROFITABILITY MARGINS & GROWTH RATES | | | | | |
| Revenue Growth Rate (%) | - | 288% | 92% | -1% | -0.0% |
| Operational Expense Growth (%) | - | 59% | 62% | 50% | 0.34% |
| Operational Profit Growth (%) | - | 736% | 27% | -47% | -1.42% |
| Net Profit Growth (%) | - | 358% | 22% | -82% | -4.08% |
| Gross Profit Margin (%) | 93.55% | 94.37% | 72.34% | 76.91% | 75.45% |
| Operating Profit Margin (%) | -28.06% | 46.00% | 30.62% | 16.33% | -6.88% |
| Net Income Margin (%) | -59% | 38.7% | 24.92% | 4.44% | -13.92% |



DIGITAL EMPOWERMENT IN ACTION



We are honoured to be chosen by Flow Foundation Jamaica to contribute to the vision of a digitally empowered Jamaica. Together, we are making strides toward a future where access to technology and courses are not just a privilege but a shared opportunity for all

Thank you for choosing One on One to be part of this meaningful journey.



**For more
information**

CORPORATE HEADQUARTERS

9th Floor, PanJam Building
60 Knutsford Blvd
Kingston, Jamaica

Telephone: +1 (876) 676-6631

Email: info@oneononelms.com

Website: www.oneononelms.com

BOARD OF DIRECTORS

Mr. Michael Bernard, Company Chairperson

Mr. Ricardo Allen, Managing Director

Mrs. Mischa McLeod-Hines

Mr. John Bailey

Mrs. Karen Vaz

Mrs. Carol Granston-Corcho

COMMITTEES

AUDIT COMMITTEE

Dr. Carol Granston-Crocho (Chairperson) Mr. Michael Bernard

Mr. John Bailey

HR & COMPENSATION COMMITTEE

Mrs. Karen Vaz (Chairperson) Mr. Tyrone Wilson (Resigned, August 21, 2023)

Mr. Michael Bernard

CORPORATE GOVERNANCE COMMITTEE

Mr. John Bailey (Chairperson) Dr. Carol Granston-Crocho

Ms. Mischa McLeod-Hines

COMPANY SECRETARY

Ms. Nicole Foga
Attorney-At-Law
Foga Daley - Attorneys-at-Law
7 Stanton Terrace, Kingston 6

SENIOR MANAGEMENT TEAM

Managing Director: Mr. Ricardo Allen
Financial Controller: Mrs. Donnisha Brooks
Chief Technical Officer (Consultant): Dr. Ricardo Anderson
Head of Sales & Marketing: Mr. Juanita Neil
Head of Enterprise Business: Mrs. Kerry Kudo
Chief Product Officer: Mrs. Jadelle Holder-Remy
Head of People: Mrs. Brittany Singh Williams

REGISTRAR AND TRANSFER AGENTS

Jamaica Central Securities Depository Ltd.
P.O Box 1084, 40 Harbour Street, Kingston

AUDITORS

CRICHTON MULLINGS & ASSOCIATES
Suite 27B, 80 Lady Musgrave Road, Kingston 10

BANKERS

- Sagicor Bank Jamaica Limited, 17 Dominica Drive, Kingston 5
- National Commercial Bank Jamaica Limited, 32 Trafalgar Road, Kingston 10
- Scotia Bank, New Kingston, 2 Knutsford Boulevard P.O. Box 307, Kingston



Academy

Our Mission

To help change the educational landscape by equipping schools with the resources needed for students, teachers and schools to achieve academic success.



Product Overview

01

 **Academy**
Students

Membership to access

Video tutorials
Pass papers solutions
Quizzes
Progress Reports

Exam Prep Workshops
Classes
Tutor Sessions

02

 **Academy**
Teachers

Earn

Selling courses
Tutor sessions
Classes
Ambassadors

Learn

Free Courses
Lesson Plans

03

 **Academy**
Schools

Classroom Solutions:

One on One Educational Services leverages teachers, in-class facilitators, technology and content to deliver an innovative approach to modern, engaging continuous learning in high schools and beyond, regardless of their geographical location.

Achieving Academic Success

POWERED BY



New



Academy
Teachers

Access On-Demand Online Courses for Teachers

With One on One's library
of **30,000+** courses,
you can upgrade your skills in:

- Classroom Management
- Leadership
- Online Teaching
- Managing Multiple Learning Styles
- + more

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CLASSROOM SOLUTIONS

Transforming education in the Caribbean
with innovative classroom solutions for schools



Tackling the teacher
shortage crisis



Ensuring uninterrupted,
high-quality education



Available to high schools
across Jamaica

**Empowering schools and students to achieve
academic success:**

Access

- Expert Teachers
- Learning Management System
- Cutting-edge Technology
- Classroom Facilitators
- Engaging Content
- After-School Programs



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information

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For more information www.oneacademy.com/schools



CORPORATE GOVERNANCE REPORT

Overview of the Corporate Governance Report:

One on One Educational Services Limited's governance structure is defined by a comprehensive framework that ensures the company is managed in a way that aligns with the best interests of its stakeholders. At the helm of this structure is the Board of Directors, a body comprised of individuals with a diverse range of skills and experiences, essential for insightful decision-making and strategic guidance. The Board is chaired by Mr. Michael Bernard and includes key members like Mr. Ricardo Allen (Managing Director), Mrs. Mischa McLeod-Hines, Mrs. Karen Vaz, Mr. John Bailey, and Mrs. Carol Granston-Corcho. Each member contributes unique expertise, crucial for the company's direction and success.

Additionally, the Board is supported by Mr. Douglas Orane, serving as the Board Mentor. His role, as per JSE Junior Market regulations, is to ensure that the Board's activities are compliant and align with industry standards. He offers guidance in governance but does not intervene in commercial business affairs. This structure fosters a balanced approach to decision-making, considering both long-term strategies and immediate operational needs.

Complementing the Board's efforts is our Company

Secretary, Ms. Nicole Foga, whose expertise in Intellectual Property Law is invaluable in safeguarding our software and technological innovations. Her role is integral to the protection and strategic use of our intellectual property, ensuring we maintain a competitive edge in the market.

Our governance framework is further strengthened by various committees focused on specific areas such as Audit, HR & Compensation, and Corporate Governance. These committees play a critical role in overseeing executive compensation, director fees, enterprise risk management, and investor relations, ensuring that our practices not only align with regulatory requirements but also exceed stakeholder expectations.

Through this robust governance structure, One on One Educational Services Limited is committed to upholding the highest standards of responsibility, accountability, transparency, and fairness. Our approach ensures that we remain focused on our mission, adhere to ethical practices, and continue to build trust and value for our shareholders and the wider community.



Audit Committee

| MEMBERS | TERMS OF REFERENCE |
|---|---|
| <p>Dr. Carol Granston - Chairperson Mr. John Bailey Mr. Michael Bernard</p> | <p>On behalf of the Board, the Audit Committee shall:</p> <ul style="list-style-type: none"> ● Review the Company’s annual and interim financial statements and any accompanying reports or related policies and statements; ● Monitor and review the effectiveness of the Company’s internal audit function; ● Monitor and review the External Auditor’s independence, objectivity and effectiveness; Develop and implement policy on the engagement of the External Auditor to supply non-audit services; ● Approve the Company’s risk management policy which defines the Company’s risk appetite and level of risk tolerance; and ● Monitor the adequacy and effectiveness of the Company’s systems of risk management and control. |

Human Resources & Remuneration Committee

| MEMBERS | TERMS OF REFERENCE |
|---|---|
| <p>Mrs. Karen Vaz, Chairperson Mr. Michael Bernard Mrs. Mischa Mcleod-Hines</p> | <p>The Human Resources and Compensation Committee shall:</p> <ul style="list-style-type: none"> ● Review the performance of the CEO and the Senior Executives of the Company on at least an annual basis; ● Provide oversight on internal people audits for the effective functioning of the Organizational Chart; ● To determine the framework and policy on terms of engagement including the specific compensation of each member of the Senior Management Team of the company, including entitlements where applicable under any share incentive schemes and the pensions schemes and any compensation payments. ● To make recommendations to the board on suitable candidates for appointment as board directors and to make recommendations to the board as to the suitability of candidates for appointment as executive directors of the company. ● Report its findings during a regular Board Meeting periodically |



Corporate Governance Committee

MEMBERS

Dr. Carol Granston, Chairperson
Mrs. Mischa McLoed-Hines
Mrs. Karen Vaz

TERMS OF REFERENCE

The Human Resources and Compensation Committee shall:

This Committee comprises of two (2) Non Executive Directors and one Executive Director. The Committee is responsible for keeping under review the composition of the Board and succession to it. It makes recommendations to the Board concerning appointments to the Board of Non-Executive Directors, having regard to the balance and structure of the Board and the required blend of skills and experience.

The Committee has responsibility to:

- Nominate potential candidates and evaluate the suitability of those candidates for future Board membership;
- Propose suitable candidates to the Board for approval before approaching the candidate; and
- Approach the future candidate and, upon positive response, introduce the future Board Member to the Board.

Board and Senior Managers Compensation

The level of compensation of the Non-Executive Directors reflects the time commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The compensation is competitive and subject to regular review relative to what is paid in comparable situations elsewhere. The Board will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

Director's Fees

Board members receive an annual share payment; J\$600,000 for the Chair, J\$300,000 for Directors payable at the end of the year.

- Meeting attendance fees are J\$50,000 for the Chair, J\$25,000 for Directors.
- Sub-Committee meeting fees are J\$40,000 for the Chair, J\$20,000 for Sub-Directors.
- All compensation is subject to taxation as ordinary income.

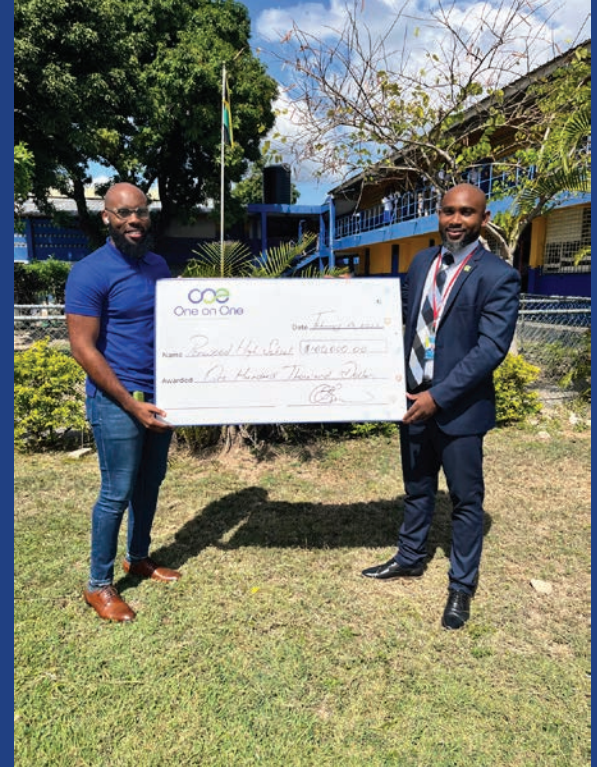


PHOTO HIGHLIGHTS





CORPORATE SOCIAL RESPONSIBILITY



One on One Educational Services recognised the pivotal roles played by economic growth and Corporate Social Responsibility (CSR) in Jamaica's ongoing development. Our firm was steadfast in its commitment to supporting students, teachers, and schools through a diverse range of initiatives.

STUDENT AND SCHOOL SUPPORT

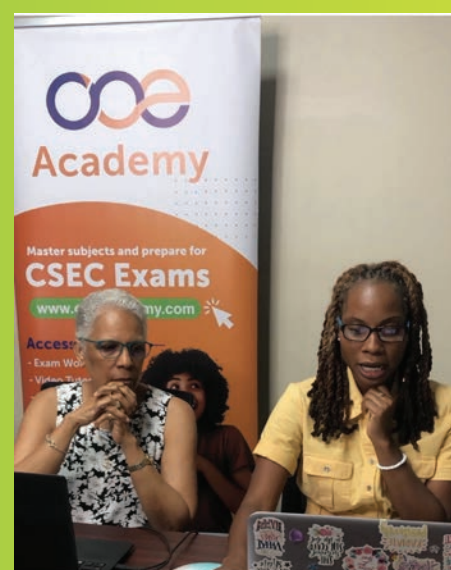
In the diligent execution of the GSS programme, upskilling 20,000 students in courses designed to enhance their readiness for the professional world, we embraced the opportunity to give back. Collaborating with The National Secondary Students' Council (NISSC) and various schools, we donated funds to assist them in achieving their objectives. Engaging with students and school bodies allowed us to gain insights into their challenges and identify ways in which we could offer assistance. Our contributions went to schools such as St. Jago and Penwood, among others.





FREE TEACHER WORKSHOPS

In our unwavering commitment to supporting and giving back to our teachers – the backbone of our future generations – we conducted free online workshops throughout the year. These sessions were designed to assist teachers in upskilling and addressing prevalent training needs. Our most sought-after course, "Differentiated Instruction," focused on equipping teachers to effectively manage student diversity in the classroom. Emphasising the recognition that students learn in diverse ways and at different paces, the workshop introduced the concept of differentiated instruction. It provided insights into how teachers could adapt their content, teaching methods, and learning environment to accommodate all students. The workshop also delved into practical strategies to enhance instructional delivery and meet the individual needs of students. Each workshop witnessed remarkable popularity, with over 500 registrations within 48 hours to attend the session.





SPORTS DAY

Encouraging our staff to contribute to the community is a core value. Our annual sports day goes beyond the field – it's an opportunity to give back. Whether it's donating backpacks, pens, toiletries, or financial aid, we come together to make a meaningful impact. We believe in creating positive change, one initiative at a time.

#ONEducationForAll





**ONE on ONE EDUCATIONAL
SERVICES LIMITED**

Audited Financial Statements

2023

YEAR ENDED 31 AUGUST 2023

ONE ON ONE EDUCATIONAL SERVICES LIMITED
FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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Leary Mullings
FCA, CPA, MBA
Senior Partner

Rohan Crichton
FCA, CPA MActg
Senior Partner

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Jamaica: (876) 946-1274
admin@crichtonmullings.com
<http://crichtonmullings.com/>

INDEPENDENT AUDITOR'S REPORT

To the members of

ONE ON ONE EDUCATIONAL SERVICES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of One on One Educational Services Limited (the "Company"), which is comprised of the statement of financial position as at August 31, 2023, 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 August 31, 2023, 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' 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 opinion.

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.

Independent Auditor's Report (cont'd)

To the members of

ONE ON ONE EDUCATIONAL SERVICES LIMITED

Key audit matters (cont'd)

| Key audit matters | How the matter was addressed in our audit |
|---|--|
| <p><u>1) Impairment assessment of intangible assets</u></p> <p>Included on the Statement of Financial Position is an intangible assets balance of \$266.4 million as of August 31, 2023, which relates to intellectual property, computer software and educational content development work-in-progress.</p> <p>The Company is required to, at least annually, perform impairment assessments of intangible assets that have an indefinite useful life. For intangible assets with finite useful lives, the Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.</p> <p>For the purpose of performing impairment assessments, all intangible assets have been allocated to a group of cash generating units (“CGUs”). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. Management concluded that the intangible assets including goodwill were not impaired as of August 31, 2023.</p> <p>We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.</p> | <p>Our audit procedures to address the key audit matter relating to the impairment assessment included the following:</p> <ul style="list-style-type: none"> - We understood, evaluated and validated management’s key controls over the impairment assessment process. - We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Company to best practice. - We obtained management’s future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and agreed them to the approved one-year financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management’s forecasts. - We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, gross profit margin, net profit margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management’s basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources, profiles and market information. - We evaluated management’s assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets. - We found the Company’s estimates and judgments used in the impairment assessment and review of useful lives of intangible assets to be supported by the available evidence. |

Independent Auditor's Report (cont'd)

To the members of

ONE ON ONE EDUCATIONAL SERVICES LIMITED

Key audit matters (cont'd)

| Key audit matters | How the matter was addressed in our audit |
|--|---|
| <p>2) <u>Allowance for expected credit losses</u></p> <p>As described in Notes 3 (m), 10, and 25, and in accordance with IFRS 9 – ‘Financial Instruments’, the Company applies the simplified approach to computing expected credit losses (‘ECLs’) on trade receivables and other related assets.</p> <p>The measurement of ECLs requires management to consider its historical credit loss experience and current business conditions, adjusted for forward-looking factors such as economic indicators, which may impact a debtor’s ability to pay. The ECLs being recorded are therefore considered to be highly subjective.</p> | <p>Our audit procedures to address the key audit matter relating to allowance for expected credit losses included the following:</p> <ul style="list-style-type: none"> - We evaluated the techniques and methodologies developed by the Company in order to estimate the ECLs, and assessed their compliance with the requirements of IFRS 9. - We assessed the reasonableness of the methodologies and assumptions applied, by validating the completeness of the inputs used to derive the loss rates, which are integral to the provision matrix used in determining the ECLs for trade receivables. - We corroborated management’s assumptions with data from external sources, particularly with respect to the determination of whether there has been a significant increase in credit risk, probabilities of default and loss given default rates. - We also assessed the adequacy of disclosures in the financial statements. <p>Based on the procedures performed, management’s assessment of expected credit losses appears reasonable.</p> |

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.

Independent Auditor's Report (cont'd)

To the members of

ONE ON ONE EDUCATIONAL SERVICES LIMITED

Responsibilities of management and those charged with governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the 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.

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 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.

Crichton Mullings & Assoc.
CrichtonMullings & Associates

Chartered Accountants

Kingston, Jamaica

October 27, 2023

Cont. /5

Independent Auditor's Report (cont'd)

To the members of ONE ON ONE EDUCATIONAL SERVICES 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.

Independent Auditor's Report (cont'd)

To the members of ONE ON ONE EDUCATIONAL SERVICES 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 to 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.

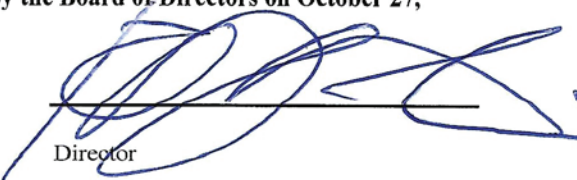
ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2023

| | <u>Notes</u> | 2023 | 2022 |
|---|--------------|--------------------|--------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Non-current Assets | | | |
| Intangible assets | 5 | 266,414,969 | 202,692,546 |
| Property, plant and equipment | 6 | 31,548,057 | 5,728,815 |
| Right-of-use asset | 7 | 9,680,716 | - |
| Total non-current assets | | <u>307,643,742</u> | <u>208,421,361</u> |
| Current Assets | | | |
| Due from directors | 8 | 22,022,574 | 17,758,190 |
| Inventories | 9 | 30,743,378 | 12,994,334 |
| Trade and other receivables | 10 | 97,016,296 | 88,258,387 |
| Cash and bank balances | 11 | 57,129,431 | 253,311,225 |
| Total current assets | | <u>206,911,679</u> | <u>372,322,136</u> |
| Total Assets | | <u>514,555,421</u> | <u>580,743,497</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Issued share capital | 12 | 413,838,628 | 413,838,628 |
| Accumulated (deficit) / surplus | | (9,759,955) | 28,004,424 |
| | | <u>404,078,673</u> | <u>441,843,052</u> |
| Non-current Liability | | | |
| Long-term loan and convertible promissory notes | 13 | - | 37,260,640 |
| Deferred tax liability | 14 | 19,102,791 | 12,870,160 |
| Right-of-use asset | 7 | 8,312,492 | - |
| | | <u>27,415,283</u> | <u>50,130,800</u> |
| Current Liabilities | | | |
| Current portion of lease liability | 7 | 1,824,184 | - |
| Current portion of long term loan | 13 | 28,500,000 | 33,758,135 |
| Deferred income | 15 | 8,198,470 | 8,800,641 |
| Trade and other payables | 16 | 44,538,811 | 46,210,869 |
| Total current liabilities | | <u>83,061,465</u> | <u>88,769,645</u> |
| Total Equity and Liabilities | | <u>514,555,421</u> | <u>580,743,497</u> |

The financial statements on pages 7 to 33 were approved for issue by the Board of Directors on October 27, 2023 and signed on its behalf by:



 Director



 Director

The accompanying notes form an integral part of the financial statements

ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
THE YEAR ENDED AUGUST 31, 2023

| | <u>Notes</u> | 2023 \$ | 2022 \$ |
|--|--------------|----------------------------|---------------------|
| Revenues from contracts with customers | 4 | 266,584,552 | 266,910,874 |
| Direct cost | 17 | <u>(65,446,369)</u> | <u>(61,621,984)</u> |
| Gross profit | | 201,138,183 | 205,288,890 |
| Other income | | <u>10,931,154</u> | <u>9,841,522</u> |
| | | 212,069,337 | 215,130,412 |
| Administrative expenses | 18 | (195,475,353) | (149,093,143) |
| Selling expenses | 19 | <u>(34,933,802)</u> | <u>(22,451,062)</u> |
| Operating (loss) / profit | 20 | (18,339,818) | 43,586,207 |
| Expected credit losses | | (9,658,306) | (12,556,944) |
| Finance costs | 21 | <u>(4,776,041)</u> | <u>(15,166,823)</u> |
| (Loss) / Profit before taxation | | (32,774,165) | 15,862,440 |
| Taxation charge | 22 | <u>(4,990,214)</u> | <u>(3,599,165)</u> |
| Net (loss) / profit, being total comprehensive (expense) / income for the year | | <u>(37,764,379)</u> | <u>12,263,275</u> |
| (Loss) / Earnings per share for the (loss) / profit attributable to the equity holders of the Company during the year | 23 | <u>\$ (0.02)</u> | <u>0.01</u> |

The accompanying notes form an integral part of the financial statements

ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
THE YEAR ENDED AUGUST 31, 2023

| | Share Capital | Accumulated | Total |
|--|----------------------|----------------------------|--------------------|
| | \$ | (Deficit) / Surplus | \$ |
| | \$ | \$ | \$ |
| Balance at August 31, 2021 | 84,600,000 | 15,741,149 | 100,341,149 |
| Issue of share, net of transaction cost (note 12) | 329,238,628 | - | 329,238,628 |
| Net profit, being total comprehensive income for the year | - | 12,263,275 | 12,263,275 |
| Balance at August 31, 2022 | 413,838,628 | 28,004,424 | 441,843,052 |
| Net loss, being total comprehensive expense for the year | - | (37,764,379) | (37,764,379) |
| Balance at August 31, 2023 | 413,838,628 | (9,759,955) | 404,078,673 |

The accompanying notes form an integral part of the financial statements

ONE ON ONE EDUCATIONAL SERVICES LIMITED
STATEMENT OF CASH FLOWS
THE YEAR ENDED AUGUST 31, 2023

| | <u>Notes</u> | 2023 \$ | 2022 \$ |
|---|--------------|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net (loss) / profit for the year | | (37,764,379) | 12,263,275 |
| Adjustment for items not affecting cash resources: | | | |
| Amortisation on intangible assets | 5 | 232,003 | 55,215 |
| Depreciation charge on property, plant and equipment | 6 | 2,069,702 | 924,892 |
| Expected credit loss provision | | (9,658,306) | (12,556,944) |
| Depreciation charge on right-of-use asset | 7 | 1,328,142 | - |
| Gain on disposal fixed assets | | - | (12,903) |
| Taxation | 22 | 4,990,214 | 3,599,165 |
| Lease interest expense | 21 | 625,740 | - |
| Interest expense | 21 | 4,837,140 | 12,806,817 |
| | | <u>(33,339,744)</u> | <u>17,079,517</u> |
| (Increase) / decrease in operating assets: | | | |
| Inventories | | (17,749,044) | 1,944,304 |
| Trade and other receivables | | 2,279,523 | 38,513,619 |
| Due from related parties | | (4,264,384) | (20,964,783) |
| Increase / (decrease) in operating liabilities: | | | |
| Trade and other payables | | 1,547,380 | (20,183,112) |
| Deferred income | | (602,171) | 480,812 |
| Cash (used in) / provided by operating activities | | <u>(52,128,440)</u> | <u>16,870,357</u> |
| Taxation paid | | <u>(3,356,148)</u> | <u>-</u> |
| Net cash (used in) / provided by operating activities | | <u>(55,484,588)</u> | <u>16,870,357</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Disposal of preference shares | | - | (5,000,000) |
| Acquisition of intangible assets | 5 | (63,954,426) | (62,925,756) |
| Acquisition of property, plant and equipment | 6 | (27,888,944) | (1,030,595) |
| Proceeds from sale of assets | | - | 64,200 |
| Net cash used in investing activities | | <u>(91,843,370)</u> | <u>(68,892,151)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Lease liability payments, net | | (1,497,921) | - |
| Issued share capital, net | | - | 329,238,628 |
| Proceeds from loan and convertible promissory note | | 28,500,000 | 30,000,000 |
| Repayment of loans | | (71,018,775) | (78,748,637) |
| Interest paid | 21 | (4,837,140) | (12,806,817) |
| Net cash (used in) / provided by financing activities | | <u>(48,853,836)</u> | <u>267,683,174</u> |
| NET (DRECREASE) / INCREASE IN CASH AND BANK BALANCES | | (196,181,794) | 215,661,380 |
| OPENING CASH AND BANK BALANCES | | 253,311,225 | 37,649,845 |
| CLOSING CASH AND BANK BALANCES | | 57,129,431 | 253,311,225 |

The accompanying notes form an integral part of the financial statements

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

1. IDENTIFICATION

One on One Educational Services Limited is a limited liability Company incorporated in Jamaica under the Jamaican Companies Act (the "Act"). The registered office of the Company is 9th Floor, PanJam Building, 60 Knutsford Boulevard, Kingston 5.

The principal activities of the Company are the provision of personalized online learning solutions and off-the-shelf content.

The Company became listed on the Junior Market of the Jamaica Stock Exchange on September 1, 2022.

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 the relevant requirements of the Act.

The financial statements have been prepared under the historical cost convention 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 year in which the estimate is revised, if the revision affects only that year, or in the year of revision and future years, if the revision affects both current and future years.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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 16 'Property, Plant and Equipment - Proceeds before Intended Use', issued May 2020*
Effective for periods commencing on or after 1 January 2022.
- *IAS 37 'Onerous Contracts — Cost of Fulfilling a Contract- Amendment', issued May 2020.*
Effective for periods commencing on or after 1 January 2022.
- *Reference to the Conceptual Framework in IFRS - Amendments', 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

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 '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 2021*
Effective for annual periods commencing on or after 1 January 2023.
- *IAS 12 'International Tax Reform — Pillar Two Model Rules- Amendment', issued May 2023.*
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 annual periods commencing on or after 1 January 2023.
- *IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information', issued June 2023.*
Effective for annual periods commencing on or after 1 January 2024.

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

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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

(c) Use of estimates and judgements:

The preparation of the financial statements to conform with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and 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 could differ from those 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 and future periods if the revision affects both current and future periods.

Judgements made by management in the application of International Financial Reporting Standards (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) Impairment assessment of intangible assets

The Company tests annually whether intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 3(a). 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 rate. Any changes in these variables would impact the value in use calculations.

(b) Allowance for expected credit loss (ECL) on trade receivables

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also makes estimates of the likely estimated future cash flows of impaired receivables, as well as the timing of such cash flows recoverable on the financial assets in determining loss given default. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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

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

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

(c) 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.

(d) Provision for obsolescence of inventory

Estimates of provision for obsolescence of inventory are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. Estimates of provision for obsolescence also take into consideration the purpose for which the inventory is held.

(e) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, 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. Therefore, the IBR used by the Company is the lending rate offered by its banker for similar secured borrowing.

(ii) Key assumptions and other sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(a) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The company's equities are the only financial instrument that is carried at fair value, also where fair value of financial instruments approximates carrying value, no fair value computation is done.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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 (cont'd)

(a) Fair value estimation (cont'd)

IFRS requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, loan, trade and other payables, due to director and related parties.

The carrying values of long term liabilities approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.

(b) Allowance for expected credit loss

The Company establishes a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The determination of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of the 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.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Intangible assets

This represents the costs of software and educational content development, which include costs incurred to bring to use the specific software, video content and certain acquired computer software licences. These intangible assets are identified separately and reported at cost less accumulated amortisation and accumulated impairment losses. The costs of the computer software are amortised over their estimated useful life of five years. The costs of the intellectual property are determined to have an indefinite useful life and are assessed annually for impairment.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in the estimate accounted for on a prospective basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(b) 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 profit and loss 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:

| | |
|------------------------|-----|
| Leasehold improvement | 10% |
| Furniture and fixtures | 10% |
| Office equipment | 10% |

(c) Inventories

Inventories comprising past examination papers are valued at the lower of cost and net realizable value, determined principally using average cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

(d) Trade and other receivables

Trade and other receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(e) Cash and bank balances

Cash comprises of cash in hand and cash at bank.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

(f) Revenues from contracts with customers

The Company provides online learning resources to different markets. Customers include corporate contracts, partnerships with government ministries and individual clients.

Revenue comprises the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts.

The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the company; and when specific criteria have been met for each of the entity's activities.

(g) Taxation

Income tax expense represents the sum of current income tax and deferred tax.

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates in effect for the reporting year.

(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.

(h) 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.

(i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(j) Borrowing costs

Borrowing costs are recognized in the the statement of comprehensive income in the year in which they are incurred.

(k) Trade and other payables

Trade and other payables are stated at amortized cost.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) 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.

(m) Financial instruments

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

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

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

Financial assets

Initial recognition and measurement

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

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 rate (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.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 year of twelve (12) months and the corresponding historical credit losses experienced within this year. 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.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

4. REVENUES

Revenue comprises income from online learning solutions and off the shelf content which is stated net of discounts and allowances.

5. INTANGIBLE ASSETS

Intangible assets comprise of computer software, intellectual property and content development work-in-progress. Computer software has an estimated useful life of five years. Intellectual property is determined to have an indefinite useful life, which is assessed annually for impairment.

| | Computer Software | Intellectual Property | Content Development Work In Progress | Total |
|-----------------------------------|----------------------|--------------------------|---|--------------------|
| At Cost | | | | |
| Balance at August 31, 2021 | 7,827,310 | 133,866,733 | 5,734,703 | 147,428,746 |
| Additions | - | 57,744,399 | 5,181,357 | 62,925,756 |
| Balance at August 31, 2022 | 7,827,310 | 191,611,132 | 10,916,060 | 210,354,502 |
| Additions | 1,548,980 | 57,265,232 | 5,140,214 | 63,954,426 |
| Transfers | 1,407,533 | 5,734,702 | (7,142,235) | - |
| Balance at August 31, 2023 | 10,783,823 | 254,611,066 | 8,914,039 | 274,308,928 |
| Accumulated Amortisation | | | | |
| Balance at August 31, 2021 | 7,606,741 | - | - | 7,606,741 |
| Charge for the period | 55,215 | - | - | 55,215 |
| Balance at August 31, 2022 | 7,661,956 | - | - | 7,661,956 |
| Charge for the period | 232,003 | - | - | 232,003 |
| Balance at August 31, 2023 | 7,893,959 | - | - | 7,893,959 |
| Carrying Value | | | | |
| Balance at August 31, 2021 | 220,569 | 133,866,733 | 5,734,703 | 139,822,005 |
| Balance at August 31, 2022 | 165,354 | 191,611,132 | 10,916,060 | 202,692,546 |
| Balance at August 31, 2023 | 2,889,864 | 254,611,066 | 8,914,039 | 266,414,969 |

6. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold Improvements \$ | Furniture and Fixtures \$ | Office Equipment \$ | Total \$ |
|-----------------------------------|---------------------------------|---------------------------------|---------------------------|-------------------|
| At Cost | | | | |
| Balance at August 31, 2021 | - | 972,206 | 7,853,473 | 8,825,679 |
| Additions | - | - | 1,030,595 | 1,030,595 |
| Disposal | - | - | (55,974) | (55,974) |
| Balance at August 31, 2022 | - | 972,206 | 8,828,094 | 9,800,300 |
| Additions | 12,354,456 | 937,818 | 14,596,670 | 27,888,944 |
| Balance at August 31, 2023 | 12,354,456 | 1,910,024 | 23,424,764 | 37,689,244 |
| Accumulated Depreciation | | | | |
| Balance at August 31, 2021 | - | 420,588 | 2,730,682 | 3,151,270 |
| Charge for the year | - | 97,221 | 827,671 | 924,892 |
| Disposal | - | - | (4,677) | (4,677) |
| Balance at August 31, 2022 | - | 517,809 | 3,553,676 | 4,071,485 |
| Charge for the period | 514,702 | 131,160 | 1,423,840 | 2,069,702 |
| Balance at August 31, 2023 | 514,702 | 648,969 | 4,977,516 | 6,141,187 |
| Net Book Value | | | | |
| Balance at August 31, 2020 | - | 551,618 | 5,122,791 | 5,674,409 |
| Balance at August 31, 2021 | - | 454,397 | 5,274,418 | 5,728,815 |
| Balance at August 31, 2023 | 11,839,754 | 1,261,055 | 18,447,248 | 31,548,057 |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

7. RIGHT-OF-USE ASSET \ LEASE LIABILITY

The operating lease was recognised by the Company as a right-of-use asset with a corresponding lease liability. The liability was measured at the present value of the remaining lease payments, discounted using the lessee's annual incremental borrowing rate of 10%.

| | <u>Building</u> |
|--|---------------------------------|
| | <u>\$</u> |
| At Valuation | |
| Balance at September 1, 2022 | - |
| Additions | 11,008,858 |
| Balance at August 31, 2023 | <u>11,008,858</u> |
| Depreciation charge of right-of use asset | |
| Balance at September 1, 2022 | - |
| Charge for year | 1,328,142 |
| Balance at August 31, 2023 | <u>1,328,142</u> |
| Net Book Value | |
| Balance at 31 August 2023 | <u><u>9,680,716</u></u> |
| Lease Liability: | |
| | 2023 |
| | <u>\$</u> |
| Net present value of lease liability | 11,634,597 |
| Less: Lease payment | <u>(1,497,921)</u> |
| Balance at 31 August 2023 | <u><u>10,136,676</u></u> |
| Non-current lease liability | <u>8,312,492</u> |
| Current lease liability | <u>1,824,184</u> |
| Balance at 31 August 2023 | <u><u>10,136,676</u></u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

8. DUE FROM DIRECTORS

| | 2023 | 2022 |
|--------------------|-------------------|-------------------|
| | \$ | \$ |
| Due from directors | <u>22,022,574</u> | <u>17,758,190</u> |

The amounts due from the directors of the Company are unsecured, with a 5% interest per annum and have five (5) year repayment terms.

9. INVENTORIES

Inventories comprise of content licenses for professionals and perpetual licenses for classroom-in a box devices.

| | 2023 | 2022 |
|--------------------|-------------------|-------------------|
| | \$ | \$ |
| Content licences | 16,623,239 | 12,994,334 |
| Perpetual licences | 14,120,139 | - |
| | <u>30,743,378</u> | <u>12,994,334</u> |

10. TRADE AND OTHER RECEIVABLES

| | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Trade receivables | 83,975,713 | 83,206,635 |
| Less: Expected credit losses | <u>(23,024,804)</u> | <u>(13,366,498)</u> |
| Net trade receivables | 60,950,909 | 69,840,137 |
| Salary advance | - | 66,667 |
| Withholding tax receivable | 1,465,945 | 159,748 |
| Prepayments | 2,338,838 | 2,749,870 |
| Deposit on fixed assets | 31,541,645 | - |
| Deposit on inventory | - | 15,440,932 |
| Other receivables | 718,959 | 1,033 |
| | <u>97,016,296</u> | <u>88,258,387</u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

11. CASH AND BANK BALANCES

| | 2023 | 2022 |
|--|-------------------|--------------------|
| | \$ | \$ |
| Certificate of deposits | 44,277,312 | 31,958,364 |
| Sagicor Bank (Jamaica) Limited (USD) | 9,009,841 | 7,552,739 |
| Sagicor Bank (Jamaica) Limited (JMD) | 2,569,970 | 205,027,442 |
| National Commercial Bank (Jamaica) Limited (USD) | 177,594 | 899,383 |
| National Commercial Bank (Jamaica) Limited (JMD) | 921,336 | 7,710,868 |
| Scotiabank (Jamaica) Limited (USD) | 149,506 | 136,864 |
| Scotiabank (Jamaica) Limited (JMD) | 23,872 | 25,565 |
| | <u>57,129,431</u> | <u>253,311,225</u> |

12. ISSUED SHARE CAPITAL

| | 2023 | 2022 |
|----------------------------------|--------------------|--------------------|
| | \$ | \$ |
| <u>Authorized share capital:</u> | | |
| 100,000,000,000 | | |
| <u>Issued and fully paid:</u> | | |
| 1,900,000,000 | <u>413,838,628</u> | <u>413,838,628</u> |

- (a) On April 13, 2022, at an extraordinary general meeting of the Company, by an ordinary resolution, the authorized share capital of the Company was increased from 50,000,000 to 100,000,000,000.
- (b) On July 18, 2022, at an extraordinary general meeting of the Company, by an ordinary resolution, amounts due and owing by the Company were converted to ordinary shares totalling 5,890,949, resulting in the issued shares increasing to 41,890,949.
- (c) On July 18, 2022, at an extraordinary general meeting of the Company, by an ordinary resolution, issued and fully paid shares of 41,890,949 were subdivided into 26.5 shares for every existing share, resulting in the issued shares increasing to 1,110,110,149.
- (d) On July 18, 2022, at an extraordinary general meeting of the Company, by an ordinary resolution, 409,889,851 were allotted to key partners, resulting in the issued shares increasing to 1,520,000,000 prior to the initial public offering (“IPO”).
- (e) On August 19, 2022, 380,000,000 new shares were offered to the general public in the IPO, resulting in the issued shares increasing to 1,900,000,000.
- (f) The proceeds from the issuance of shares amounted to \$358,250,000 less transaction costs of \$41,517,095.
- (g) On September 1, 2022, the company was listed on the Jamaica Stock Exchange Junior Market.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

13. LONG TERM LOAN AND CONVERTIBLE PROMISSORY NOTES

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | <u>\$</u> | <u>\$</u> |
| (i) Sagicor Bank (Jamaica) Limited | <u>28,500,000</u> | <u>71,018,775</u> |
| | 28,500,000 | 71,018,775 |
| Less: Current portion of long-term loan | <u>(28,500,000)</u> | <u>(33,758,135)</u> |
| Non-current portion of long term loan | <u>-</u> | <u>37,260,640</u> |
| (i) The loan is scheduled to be repaid over a period of twelve (12) months beginning April 2023. Interest is charged at the rate of 8.50% per annum. | | |

14. DEFERRED TAX LIABILITY

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

| | 2023 | 2022 |
|------------------------|---------------------|---------------------|
| | <u>\$</u> | <u>\$</u> |
| Deferred tax liability | <u>(19,102,791)</u> | <u>(12,870,160)</u> |

Deferred tax liabilities are attributable to the following:

| | 2023 | 2022 |
|-------------------------------|---------------------|---------------------|
| | <u>\$</u> | <u>\$</u> |
| Property, plant and equipment | (21,459,647) | (16,296,585) |
| Trade and other receivables | 2,242,866 | 3,426,425 |
| Right-of-use asset | <u>113,990</u> | <u>-</u> |
| | <u>(19,102,791)</u> | <u>(12,870,160)</u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

14. DEFERRED TAX LIABILITY (CONT'D)

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

| | 2023 | 2022 |
|--------------------------------------|----------------------------|----------------------------|
| | \$ | \$ |
| Balance at the beginning of the year | (12,870,160) | (12,490,434) |
| Movement during the year | <u>(6,232,631)</u> | <u>(379,726)</u> |
| Balance at the end of the year | <u><u>(19,102,791)</u></u> | <u><u>(12,870,160)</u></u> |

15. DEFERRED INCOME

| | 2023 | 2022 |
|-----------------|-------------------------|-------------------------|
| | \$ | \$ |
| Deferred income | <u><u>8,198,470</u></u> | <u><u>8,800,641</u></u> |

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

16. TRADE AND OTHER PAYABLES

| | 2023 | 2022 |
|-------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Trade payables | <u>16,774,863</u> | <u>29,156,370</u> |
| Accruals | <u>23,445,274</u> | <u>13,552,705</u> |
| Payroll tax liabilities | <u>4,318,674</u> | <u>3,501,794</u> |
| | <u><u>44,538,811</u></u> | <u><u>46,210,869</u></u> |

17. DIRECT COST

| | 2023 | 2022 |
|--------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Hosting fees | <u>33,906,378</u> | <u>33,306,114</u> |
| Project implementation | <u>4,902,675</u> | <u>12,201,260</u> |
| Content development | <u>3,051,325</u> | <u>5,572,564</u> |
| Cost of inventories sold | <u>19,151,880</u> | <u>1,754,472</u> |
| Other direct costs | <u>4,434,111</u> | <u>8,787,574</u> |
| | <u><u>65,446,369</u></u> | <u><u>61,621,984</u></u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

18. ADMINISTRATIVE EXPENSES

| | 2023 | 2022 |
|------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Salaries and related charges | 116,126,627 | 92,523,179 |
| Contracted workers | 38,858,231 | 32,888,522 |
| Subscriptions and donations | 575,728 | 324,065 |
| Licence fees | 13,099,467 | 8,036,030 |
| Legal and professional fees | 3,775,527 | 4,352,350 |
| Office expense | 107,779 | 485,843 |
| Office rental | 662,115 | 659,893 |
| General insurance | 1,582,597 | 390,006 |
| Courier services | 174,476 | 147,069 |
| Telephone and internet | 3,054,354 | 1,215,328 |
| Directors' fee | 3,240,000 | - |
| Audit fees | 1,650,000 | 1,500,000 |
| Amortisation | 232,003 | 55,215 |
| Depreciation | 2,069,703 | 924,892 |
| Depreciation on right-of-use asset | 1,328,142 | - |
| Penalties and interest | 696,182 | 855,606 |
| Travel and accommodation | 4,387,218 | 1,666,291 |
| Repairs and maintenance | 231,217 | 117,788 |
| Gain on disposal of fixed assets | - | (12,903) |
| Group life and health insurance | 1,557,428 | 832,602 |
| Staff training and welfare | 1,334,553 | 1,160,200 |
| Bank charges | 675,755 | 949,118 |
| Security expense | 56,251 | 22,049 |
| | 195,475,353 | 149,093,143 |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

19. SELLING EXPENSES

| | 2023 | 2022 |
|------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Salaries and related charges | 15,579,555 | 9,394,573 |
| Meal and entertainment | 1,443,476 | 1,243,382 |
| Advertising and promotion | 17,910,771 | 11,813,107 |
| | <u>34,933,802</u> | <u>22,451,062</u> |

20. OPERATING (LOSS) / PROFIT

| | 2023 | 2022 |
|---------------------------|---------------------|-------------------|
| | \$ | \$ |
| Operating (loss) / profit | <u>(18,339,818)</u> | <u>43,586,207</u> |

Stated after charging the following:

| | | |
|--|-----------|-----------|
| Auditor's remuneration | 1,650,000 | 1,500,000 |
| Amortisation on intangible assets | 232,003 | 55,215 |
| Depreciation charge on property, plant and equipment | 2,069,702 | 924,892 |
| Depreciation on right-of-use asset | 1,328,142 | - |

21. FINANCE COSTS

| | 2023 | 2022 |
|--------------------------------|------------------|-------------------|
| | \$ | \$ |
| Foreign exchange (gain) / loss | (686,839) | 1,148,756 |
| Commitment fees | - | 1,211,250 |
| Right of use interest expense | 625,740 | - |
| Loan interest | 4,837,140 | 12,806,817 |
| | <u>4,776,041</u> | <u>15,166,823</u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

22. TAXATION CHARGE

- a) Income tax charge is computed based on the profits for the financial year ended August 31, 2023. The Company's enlistment on the Jamaica Stock Exchange Junior Market effective September 1, 2022 entitles the Company to a 100% remission of income tax for the first five (5) years and fifty percent (50%) remission for the following five (5) years, providing that it adheres to the rules and regulations of the Jamaica Stock Exchange Junior Market.

Deferred tax is computed at 25% for the year based on the applicable income tax rate for unregulated companies.

The taxation charge is made up as follows:

| | 2023 | | 2022 | |
|---|---------------------|------|-------------------|-----|
| | \$ | | \$ | |
| Current: | | | | |
| Provision for charge on current profit | - | | 3,219,439 | |
| Overprovision of prior year tax | (1,242,417) | | - | |
| Deferred: | | | | |
| Origination and reversal of temporary differences | <u>6,232,631</u> | | <u>379,726</u> | |
| | <u>4,990,214</u> | | <u>3,599,165</u> | |
| b) Reconciliation of effective tax rate and charge: | | | | |
| | 2023 | | 2022 | |
| | \$ | % | \$ | % |
| (Loss) / Profit before taxation | <u>(32,774,165)</u> | | <u>15,862,440</u> | |
| Computed tax charge | - | 0% | 3,965,610 | 25% |
| Taxation differences between profit for financial statements and tax reporting purposes on: | | | | |
| Depreciation and capital allowances | 5,163,063 | -16% | (46,184) | 0% |
| Unrealized exchange losses | 458,899 | -1% | 458,897 | 3% |
| Right of use | (113,990) | 0% | 227,930 | 6% |
| Tax allowance claimed | - | 0% | (1,103,017) | -7% |
| Items not allowable for tax purposes | 724,659 | -2% | 95,929 | 1% |
| Overprovision of prior year tax | <u>(1,242,417)</u> | 4% | <u>-</u> | 0% |
| Actual tax rate | <u>4,990,214</u> | -19% | <u>3,599,165</u> | 21% |

23. (LOSS) / EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after taxation and the weighted average number of shares in issue during the year.

| | 2023 | 2022 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Net (loss) / profit attributable to stockholders | <u>(37,764,379)</u> | <u>12,263,275</u> |
| Weighted average number of ordinary stock units | <u>1,900,000,000</u> | <u>1,044,602,740</u> |
| Basic (loss) / profit per stock unit (¢ per share) | <u>(0.02)</u> | <u>0.01</u> |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

24. RELATED PARTIES TRANSACTIONS

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

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Transactions with key management personnel: | | |
| Senior management | <u>47,199,234</u> | <u>27,318,220</u> |
| Directors' remuneration | <u>23,490,000</u> | <u>23,000,030</u> |

25. 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.

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

25. 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 August 31, 2023 and 2022:

| | 2023 | | |
|----------------------------|----------------------------------|--------------------------|-------------------|
| | Weighted average loss rate | Gross carrying amount | Loss allowance |
| | | \$ | \$ |
| Current (not past due) | 5% | 297,160 | 296,284 |
| 31-60 days past due | 31% | 22,659,550 | 1,001,803 |
| 61-90 days past due | 51% | - | - |
| More than 91 days past due | 100% | 61,019,003 | 21,726,717 |
| | | 83,975,713 | 23,024,804 |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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

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

(i) Credit risk (cont'd):

Trade receivables (cont'd):

| | 2022 | | |
|----------------------------|----------------------------------|-------------------|-------------------|
| | Weighted average loss rate | Gross amount | Loss allowance |
| | | <u>\$</u> | <u>\$</u> |
| Current (not past due) | 6% | 7,316,337 | 1,494,189 |
| 31-60 days past due | 23% | 15,689,436 | 3,277,691 |
| 61-90 days past due | 23% | 6,028,060 | 1,406,835 |
| More than 91 days past due | 100% | 54,172,802 | 7,187,783 |
| | | <u>83,206,635</u> | <u>13,366,498</u> |

(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 liabilities 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 <u>\$</u> | Contractual cash flows <u>\$</u> | Within 3-12 months <u>\$</u> | Over 12 months <u>\$</u> |
|-----------------------------------|--------------------------------|--|------------------------------------|--------------------------------|
| August 31, 2023: | | | | |
| Current portion of long term loan | 28,500,000 | 28,500,000 | 28,500,000 | |
| Trade and other payables | 44,538,811 | 44,538,811 | 44,538,811 | - |
| Deferred income | 8,198,470 | 8,198,470 | 8,198,470 | - |
| | <u>81,237,281</u> | <u>81,237,281</u> | <u>81,237,281</u> | - |
| | | | | |
| | Carrying value <u>\$</u> | Contractual cash flows <u>\$</u> | Within 3-12 months <u>\$</u> | Over 12 months <u>\$</u> |
| August 31, 2022: | | | | |
| Current portion of long term loan | 33,758,135 | 33,758,135 | 33,758,135 | |
| Trade and other payables | 46,210,869 | 46,210,869 | 46,210,869 | - |
| Deferred income | 8,800,641 | 8,800,641 | 8,800,641 | - |
| | <u>88,769,645</u> | <u>88,769,645</u> | <u>88,769,645</u> | - |

ONE ON ONE EDUCATIONAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR ENDED AUGUST 31, 2023

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

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

(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 markets are to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk:

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

The Company materially contracts financial liabilities at 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 August 31, 2023, 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 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 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.



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