SSL VENTURES

CAPITAL JAMAICA LIMITED

2020

ANNUAL REPORT

CONTENTS

WHO WE ARE

SSL Venture Capital Jamaica Limited is a publicly traded venture capital company, listed on theJamaica Stock Exchange.We believe that access to capital is what is needed for the entrepreneurial eco-system in Jamaica.

OUR APPROACH

We take a hands-on approach to venture capital investing; acting as business partners andguiding on corporate strategy, governance, financial controls and business development

VISION/MISSION STATEMENT

- To become a symbol of patriotism for entrepreneurship in Jamaica;
- To manifest the dreams of Jamaican business owners through equity capital and activist intervention;
- To find the "sweet spot" between being a local innovator and operating a scalable and sustainable company;
- To create a network of Jamaican businesses that blend competencies to maximize revenues for each other and grow the economy.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held ………………………………………………………………………………………… to consider and, if thought fit, the passing of the following resolutions:

1. To receive the Audited Financial Statements of the Company for the year ended June 30, 2020 and the Reports of the Directors and Auditors thereon.

   Resolution No. 1 – Audited Financial Statements, Directors and Auditors Reports

   > **THAT the Audited Financial Statements of the Company for the year ended June 30, 2020 and the Reports of the Directors and Auditors be and are hereby received.**

2. The Directors retiring by rotation pursuant to Article 97 of the Company's Articles of Incorporation are Messrs. Zachary Harding and Jeffrey Cobham. Being eligible, they have offered themselves for re-election.

   Resolution No. 2 – Re-election of Retiring Directors

   > **(a) THAT being eligible, Mr. Zachary Harding be re-elected a Director of the Company**.
   >
   > **(b) THAT being eligible, Mr. Jeffrey Cobham be re-elected a Director of the Company.**

3. To re-appoint the retiring auditors:

   Resolution No. 3 – Re-appointment of Auditors

   > **THAT** Baker Tilly Strachan Lafayette, Chartered Accountants of 14 Ruthven Road, Kingston 10, having signified their willingness to serve, will continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting and that their remuneration be agreed with the Directors.

4. To approve the remuneration of Directors:

   Resolution No. 4 – Directors' Remuneration

   > **THAT** the total remuneration of all the Directors combined, other than the Executive Director, as shown in the Company's Audited Financial Statements for the year ended June 30, 2020 be and is hereby approved.

BY ORDER OF THE BOARD

ANNA YOUNG
SECRETARY

Dated November 25, 2020

Note: Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy is prohibited to speak at the meeting unless he or she is also a member of the Company.
The attached proxy form must be completed, impressed with stamp duty of $100 (cancelled by the person signing the proxy for) and lodged at the offices of the Company's Registrar and Transfer Agents, the Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.

CORPORATE DATA

The Members of the Board of Directors as at June 30, 2020 are: -

Mr. Zachary Harding
Mr. Jeffrey Cobham
Mr. Brent Ciurlino
Ms. Christine Birch
Mr. John Jackson

Mrs. Anna Young – Company Secretary

Registered Office
Unit 15, Barbican Business Centre
88 Barbican Road
Kingston 6
St. Andrew
Jamaica

Tel.: (876) 665.4137
info@sslvcapital.com
www.sslvcapital.com

Bankers
Sagicor Bank Jamaica
17 Dominica Drive
Kingston 5
Jamaica

Auditors

Baker Tilly Strachan Lafayette
Accountants and Auditors
14 Ruthven Road
Kingston 10
St. Andrew
Jamaica

Tel.: (876) 906.1658
admin@bakertilly.com.jm
www.bakertilly.com.jm

Attorneys

Myers Fletcher & Gordon
21 East Street, Kingston Jamaica

Phone (876)922 5860

Registrar and Transfer Agent

Jamaica Central Securities Depository (“JCSD”)
40 Harbour Street
P.O. Box 1084
Kingston
Jamaica

Tel.: (876) 967.3271
Fax: (876) 924.9090
www.jamstockex.com

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

In 2018 SSL Venture Capital Jamaica Limited through a reverse takeover of the loss-making music publishing company C2W Music Limited, set out to assist the growing number of young, talented Jamaicans who increasingly are opting to bring their own ideas and plans to fruition rather than simply joining the workforce of already established companies. Certainly, there is nothing wrong with attempting to grow the pool of business activity in Jamaica, but in attempting to do so, SSL Ventures has had to acknowledge that the same fierce, independent spirit which drives young entrepreneurs, also tends to be impatient of the necessary discipline, rules, regulations and restrictions which all successful companies must adopt for long-term success. The process then, involves a period of education which has to be superimposed on the raw ideas, no matter how brilliant those ideas are.

The unprecedented challenge of the pandemic has been especially brutal on young companies which have not had the time to build up reserves, and certainly not enough to weather the extremes of the crushing effects of Covid-19 which have effectively reduced business activity in many enterprises to a trickle or to a total halt.

The Ministry of Finance's revision of the investment limits from 0% to 5% which enables pension funds to invest in venture capital enterprise is an encouraging signal of support for the development of business, even against the background of uncertainty which now faces Jamaica, and indeed, much of the world in the battle to overcome the Covid-19 devastation.

The directors and senior management of SSL Venture Capital Jamaica Limited are now in the process of carefully examining the path forward for the company while ensuring that the investors, many of whom were shareholders of the failed C2W Music Limited, are protected.

We value your vested commitment in SSL Venture Capital Jamaica Ltd., and we will share with you, our Shareholders, any decisions which result from our further examination of the possible courses before us. As a company, we continue to assiduously navigate the challenging currents in which we find ourselves. In the interim, from our VC family to yours, be safe, be well, and maintain positivity in these turbulent times.

Sincerely,

Jeffrey Cobham
Chairman

CEO'S MESSAGE TO SHAREHOLDERS

The financial year 2020 was a very eventful year for SSL Venture Capital. Like many early stage venture capital companies, we faced many challenges. Following the resignation of the previous board and management, we were forced to adapt quickly to stabilize the ship whilst continuing to remain focused on our vision. We were able to appoint a new board consisting of prominent professionals who devoted their time and energy to supporting the management which allowed the company to operate with very minimal disruption. During the year, we addressed the governance issues and financial management and control issues allowing us to improve efficiency across the group.

As we stabilized operations and look to capitalize on our improvements, COVID-19 was upon us, and we were again forced against headwinds that knew no boundaries. The onslaught of the COVID-19 pandemic will put the year 2020 in the history books as the worse pandemic to have graced mankind since World War II. Not only did this virus destroyed businesses, causing significant job losses and loss of life but it has shaped the way, mankind live, work and interact.

Our businesses were not spared from the wrath of COVID-19. With significant concentration in the liquor and beverage distribution sector, the closure of bars and places of entertainment had a significant impact on our business. This saw revenues declining by 65% from **$332.26 million** in 2019 to **$116.75 million** for the year ended June 2020. Revenue contribution from the distribution sector fell from a high of 83% in 2019 to 45% in 2020. During the financial year, we also took a strategic decision to exit our Data Analytics and Insights business, leaving just one active company in the portfolio.

Outlook

While the COVID-19 pandemic is the current reality, Jamaica and the rest of the Caribbean must figure out how to adapt, rebuild and grow. This will require serious thinking around strategy and potential pivoting in a post COVID-19 world. It will not be easy but if there is one thing as a people we know best, is how to pick up the pieces and move on. We are resilient and we will persevere.

Notwithstanding, we are in unprecedented times and this calls for new thinking and renewed focus.

We wish to thank our Parent Company, Stocks & Securities Limited for their continued financial support over the year and our Directors, Shareholders, Portfolio CEO's, Stakeholders, and everyone who continue to make SSL Venture's mandate to "Fund, Grow and Lead Jamaica" a reality.

Sincerely,

Zachary Harding
CEO

BOARD OF DIRECTORS

Mr. Zachary Harding
Executive Director & Group CEO

Zachary Harding is the Group CEO of the SSL Group with responsibility for SSL Growth Equity Limited, Stocks & Securities Limited and SSL Venture Capital Jamaica Limited. He is also the founder and chairman of Hyperion Equity, a private firm with investments in entertainment, biometric research, agriculture, fintech and traffic management. Over the years, Zachary has developed a solid reputation in senior management and strategic marketing roles enjoying stellar track records in positions including Chief Executive Officer, Head of Strategy and Director of Marketing at companies including ATL, Wisynco and Red Stripe. He has often been dubbed a “rain-maker” and “marketing guru” based on several successful brand campaigns and turnaround situations. From 2008 to 2010 he was seconded to the Tourism Ministry as Special Adviser to the Minister and Deputy Director at the Jamaica Tourist Board. Zachary serves on several boards and was named as one of the top “50-under-Fifty Business Leaders Shaping Jamaica’s Future” by the Private Sector Organization of Jamaica and The Gleaner Newspaper.

Mr. Jeffrey Cobham
Non - Executive Director & Chairman

Mr. Jeffrey Cobham serves as Non - Executive Chairman of the Board of Directors. He also sits on the boards of Sagicor Property Services Limited, Sagicor Life of the Cayman Islands Ltd., Sagicor Group Jamaica Limited, Sagicor Life Jamaica Limited and Pulse Investments Limited. Mr. Cobham chairs the board of Diverze Assets Inc., (parent company of Tropical Battery Company Ltd., Diverze Properties Ltd. and Chukka Cove Adventures Ltd.)

He is Chancellor’s representative to the UWI’s Mona Campus Council and sits on its Finance and General Purposes, and Audit Committees. Mr Cobham is an approved Mentor on the Mentor List for the Jamaica Stock Exchange.

A former Managing Director of National Commercial Bank Jamaica Limited, Mr. Cobham also served for 13 years as Chairman of the Edna Manley College of the Visual and Performing Arts. He has also chaired the board of the National Dance Theatre Company of Jamaica and the Montego Bay Little Theatre Movement and has been a director of the National Gallery of Jamaica.

Mr. Brent Ciurlino
Independent Director

Mr. Brent Ciurlino, currently serves as a Sr. Vice President, for Risk and Operation at Newtek Small Business Lending the 5th largest SBA lender. In addition, he is also Board Director and Chairman of the Compliance Committee for Patriot Bank, NA, a $1.0 billion community bank serving New York, Connecticut and the Northeast market with a 7a and 504 lending division. Mr. Ciurlino has led a series of specialized national risk management and regulatory practice initiatives serving as a Director at IvorHill Risk Advisors in Washington DC which also includes international bank regulatory and small business lending assignments with the FDIC, US Treasury, World Bank, IFC and IMF.

Prior to his regulatory and risk management appointments during this financial crisis, Mr. Ciurlino served as Managing Director/ CEO of UnionBank Holding Company and UnionBank a $2.0 billion international banking group, with 32 domestic and international branches and 2 international credit card processing centers. As a lender, he also served as the Director of Large Loans & Credit for the Farm Credit Banks of Spokane and St. Louis for 10 years, coordinated capital assistance with the Farm Credit Administration and served as Managing Director with the international accounting/consulting firm of RSM McGladrey , for the Banking and International Structured Finance practice leading projects for the World Bank-IFC, International Monetary Fund, The Department of Housing and Urban Development and the InterAmerican Development Bank. As well he served as the Deputy Director of Real Estate and Asset Disposition for the FDIC-RTC during the S & L Crisis of the 1990’s. Mr. Ciurlino attended University of Maine and Washington State University respectively for his undergraduate and graduate master’s studies in applied economics and finance.

Ms. Christine Birch
Independent Director

Christine Birch has an array of skills in executive management, brand development and marketing, consumer insights, creative strategy, talent development and business operations. She has earned industry honours and a well-deserved reputation for driving performance with compelling, creative and integrated campaigns that delight and excite consumers. She holds a Bachelor of Arts degree in English Language and Literature from Dartmouth College and is currently the Chief Executive Officer of ROYGBIV Collective, LLC., California, United States. Christine is a trailblazing entertainment marketer, a diversity pioneer, and dynamic thought leader.

Mr. John Jackson
Independent Director

John Jackson brings to the Board his experience in the financial services industry. He is the Chairman of the Audit and Finance Committee and Mentor to the Board. He is a Chartered Accountant and Financial Analyst.
He was a founder of the chartered accounting firm, Jackson Burnett Parkinson Jackson. John is a Director of Bridgeton Management Services Limited, a private investment and management company since 1974, and publisher of the financial website ICinsider.com. He chairs the boards of Jetcon Corporation Limited and Jamaica Deposit Insurance Corporation (JDIC).

Mr. Mark Croskery
Executive Chairman & CEO

Mark Croskery has been involved with SSL since 2006, and previously served as President and CEO of Stocks and Securities Limited (SSL), and Chairman and CEO of SSL Venture Capital Jamaica Limited until March 2018 and September 2019 respectively. He steered SSL into a leading investment bank with a brokerage distribution arm, that sells leading managed financial plans and brokerage accounts for Jamaicans. SSL manages in excess of US$260 million of Assets under Management and 7,000 investment accounts in 2018. Mr. Croskery specializes in providing growth equity, investment advice and other services to Companies and Families in Jamaica and the wider Caribbean. He received a M.Sc. in Global Financial Analysis and a dual B.Sc. in Corporate Finance/ Accounting from Bentley University in Boston, Massachusetts. He is also a Member of Young Presidents' Organization (YPO).

Mr. Croskery served on the board until September 13, 2019.

Mr. Gavin Valentine
Independent Non-Executive Director

Gavin Valentine is currently the former CEO for Select Private Services Limited (SPSL) a credit investment firm where he manages the current credit investment portfolio as well as oversees the growth of the core business of credit investment and is also instrumental in the raising of capital. He was appointed CEO in April 2018 based on his entrepreneurial background coupled with his over 10 years combined experience in Banking, Finance and Insurance. Mr. Valentine started his career at Scotiabank Jamaica where he spent over 8 years performing many different job functions ranging from Retail Support, Adjudication and Personal Banking. It is here that his love for the credit business developed and he honed his people skills. He also spent time with Sagicor Life and Caribbean Assurance Brokers.

Mr. Valentine served on the board until October 15, 2019.

Mr. Kadeen Mairs
Independent Non-Executive Director

Kadeen Mairs is CEO of Dolla Financial Services Limited and is responsible for the execution of the company's business strategy, operating guidelines, and internal controls. Mairs has a wealth of experience in the areas of change management, organizational restructuring, credit and risk administration, process efficiency, and human resource development. He also serves as director of Dolla Financial Inc, a subsidiary of Dolla Financial Jamaica. He has a BBA in Management from the Montego Bay Community College and an MBA in Marketing from the University of Technology, Jamaica.

Mr. Mairs served on the board until October 15, 2019.

<u>Ms. Annette Cecile Watson</u>
Independent Non-Executive Director

Cecile Watson is an entrepreneur and former banker with over 30 years in the banking and finance sectors. She has extensive experience as a manager in the private and public sectors and is celebrated for her expertise in customer service, corporate governance and strategy. Cecile currently serves on the board of the Development Bank of Jamaica and the National Health Fund. In May 2017 Cecile registered her business, ShredWIZ to satisfy the urgent need for companies to up level their defense against growing threats that seek to steal information by exploiting the vulnerabilities in their operations.

Ms. Watson served on the board until September 27, 2019.

<u>Dr. Germaine Spencer</u>
Independent Non-Executive Director

Germaine Spencer is a graduate of the University of the West Indies, where he earned MBBS and doctor of medicine degrees. He completed a gynae-oncology degree at TATA Memorial Hospital in Mumbai. In addition to his position at Baywest Wellness Clinic, he is also the owner and Director of Laser Vaginal Rejuvenation of Jamaica, the owner of 876 Legends Sports Bar, and a board member of the Montego Bay United Football Club.

Dr Spencer served on the board until October 15, 2019.

<u>Mr. Harry Abrikian</u>
Independent Non-Executive Director

Harry Abrikian was a senior lecturer in finance at the Mona School of Business and enjoyed a ten-year career at the University of the West Indies as an educator. During his tenure he developed, implemented, and coordinated the 'Career Development' programme in 2007. Successfully presented to the Part Time & Full-Time MBA classes, co-managed a joint Wharton Business School / Mona School of Business student consulting project in 2004/05 and was responsible for the Gilt-Edge 2004 & 2005 publication, a joint MSB/Daily Gleaner project. Prior to UWI he was the Business Support Manager at Desnoes and Geddes Limited and Chief Financial Officer of Jamaica Flour Mills. He holds an MBA in Financial/General Management from Stanford University and an MIA in International Economics from Columbia University.

Mr. Abrikian served on the board until August 1, 2019.

SENIOR MANAGEMENT

Mr. Anthony Dunn
Chief Operating Officer

Mr. Dunn is a Jamaican National and Chief Investment Officer of Delta Capital Partners as well as the COO of SSL Venture Capital Jamaica Limited. He joined the SSL group in 2019 after founding the Ostrich Private Equity Funds. A former Treasurer for Grace Kennedy and the national electricity provider, Jamaica Public Service Company Limited (JPS). He has detailed experience in Debt Structure and Financing, Strategic and Operational Management, Cash Management and Risk Management, Pensions, Banking and Agency Relationships. Mr. Dunn also conducted Financing negotiations with the US Exim Bank on behalf of Mirant Corp/JPS.

Ms. Kamille Martin
Vice President, Finance

Ms. Martin in her capacity as Vice President Finance oversees the financial operations of SSL Venture Capital Jamaica Limited. She has over twelve (12) years of Auditing and Accounting experience with over ten (10) years at supervisory and management level working in the insurance industry within the GraceKennedy Group. She has detailed experience in Financial and Management Reporting, Budgeting, Internal Process Improvement

Having completed an MBA in Management Information Systems and the Project Management Professional Certification (PMP), which she leverages to achieve greater efficiencies, Kamille has managed finance related projects which includes accounting software implementations, development of management report templates, testing and implementing solutions to integrate information from different sources in order to facilitate accurate financial and management reporting. She also holds a BSc. in Accounting and Management.

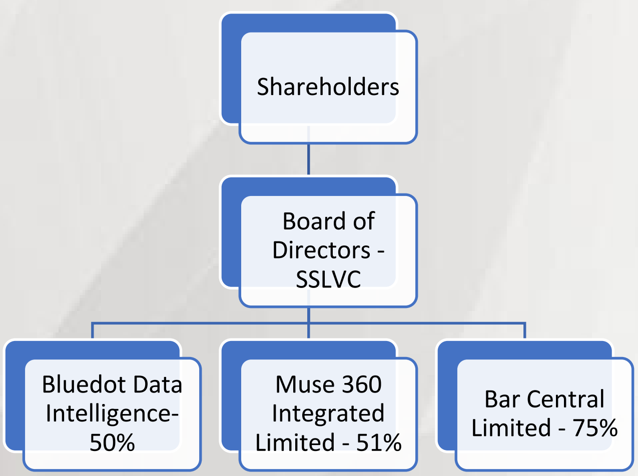
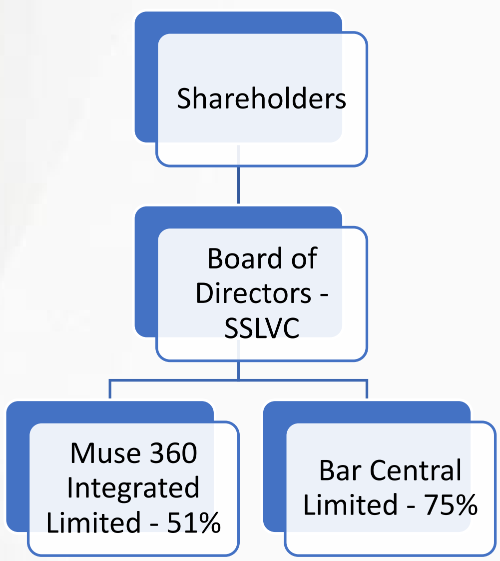
CORPORATE STRUCTURE

On August 8, 2018, C2W Music Limited's name was legally changed to SSL Venture Capital Jamaica Limited ("SSL Ventures"). This was done through a block transfer of 215,978,588 shares to SSL Ventures from C2W Music Limited, which allowed SSL Ventures owning 80% of C2W Music Limited.

Consequent to the transfer of ownership, the existing team and directors of C2W Music Limited retired, allowing Stocks and Securities Limited to utilize its own management team and Board of Directors. The vision of the new Board of Directors was to move away from the current business model and pursue a Venture Capital driven business model. Moreover, this was passed at an Extra-Ordinary General Meeting ("EGM") held on July 30, 2018, with regards to special resolutions passed to effectively change the name of the company from C2W Music Limited to SSL Venture Capital Jamaica Limited ("SSLVC") and to amend the Company's articles to enable it to operate as a Venture Capital Company.

SSLVC main purpose as the name suggests 'Venture Capital' is to take up equity stakes in promising Jamaican startups and Small to Medium Enterprises (SME's) with the aim of SSLVC realizing investments within a 3-5-year horizon. This was achieved through a capital injection of US$850,000.00 from Stock and Securities Limited which was used to complete SSLVC's initial equity investment in three (3) young companies.

On July 2, 2018, July 20, 2018 and August 7, 2018, SSL Ventures acquired majority shareholding in Bar Central Limited, Muse 360 Integrated Limited and Blue Dot Data Intelligence Limited. Below is the governance structure for SSLVC and its portfolio companies before March 28, 2020:

<table>
<tr><th>Before March 28, 2020</th><th>After March 28, 2020</th></tr>
<tr><td>
</td><td>
</td></tr>
</table>

SUMMARY ON PORTFOLIO COMPANIES

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued Share Capital held	Purchase Consideration	Date of Sale
July 2, 2018	Bar Central Limited	Distribution and Provision of Branding Services	75%	$5.9M	N/A
August 7, 2018	BlueDot Data Intelligence Limited	Marketing and Commercial Solutions	50%	$53.7M	March 28, 2020
July 20, 2018	Muse 360 Integrated Limited	Marketing and Commercial Solutions	51%	$26.3M	N/A

PORTFOLIO COMPANIES' PROFILE

Bar Central Limited:

A distribution and branding company that services the spirits and beverage industries having formed partnerships with one of the island's leading spirits company and beverage distributor to handle downstream activities in the bar market in selected parishes across Jamaica. The company is also involved in branding activities for the spirits and beverage industries and manages the relationship between manufacturers and distributors with the downstream bar market.

Blue Dot Data Intelligence Limited:

The Caribbean's leading data insights agency providing critical decision support services including qualitative and quantitative market research, data-driven strategy recommendations, social media optimization solutions and management consulting services. Blue Dot's data service business line uses private and public data to extract business insights such as trends, problems, solutions and opportunities. Blue Dot's market research line of business utilizes technology to transform the way companies conduct primary research, such as biometric testing, facial coding and eye tracking. The shopper and retail business line help our clients understand the consumers behavior and what drives their purchase patterns. Blue Dot works closely with some of the Caribbean's largest corporate organizations. With the passage of the Data Protection Bill, the company is looking to capitalize on the new industry that is expected to evolve from the passage of the bill and will be looking to partner with Data Protection Officers to expand its suite of services. With 2020 being an election year, the company is also poised to capitalize on opportunities for voter research and insights.

Muse 360 Integrated Limited:

A full-service marketing agency and content production company. Its range of services and creative development, project management, design, film production, photography, radio production and events management. Muse has utilized the "sharing economy model with regard to its creative talent which has proven to increase the quality of the world as well as contain fixed cost.

CORPORATE GOVERNANCE STRUCTURE

Our Board of Directors recognizes the importance of practicing effective Corporate governance to achieve success and long-term sustainability, to build trust and increase value to its shareholders and other stakeholders. The Board provides leadership and guidance to the senior management team and maintains oversight of the Company's overall operations to ensure the highest standards of governance are practised and maintained.

SSL Ventures is established under the Companies Act of Jamaica and is regulated by the Jamaica Stock Exchange in accordance with the Junior Market Rules. The directors and officers of the Company are also required to comply with section 51 of the Securities Act and the supplemental rules established by the JSE Model Code.

The Board of Directors

The Board currently (as at 30th June 2020) comprises five directors, the majority of whom are independent non-executive directors.

- Jeffrey Cobham – Non- Executive Chairman
- Zachary Harding – Group Chief Executive
- Brent Ciurlino – Independent Director
- Christine Birch – Independent Director
- John Jackson - Independent Director

In keeping with the Company's governance policies which are based on local and international best practices, a director is not considered independent if he or she:

(a) has been an employee of the Company within the last five years;

(b) has been an employee or executive officer of the Company within the last three years;

(c) receives or have received additional remuneration from the Company outside of directors' fees or participates in the Company's share option plan or performance-related pay scheme or is a member of the Company's pension scheme;

(d) has close family ties with any of the Company's advisors, directors or senior employees;

(e) represents a significant shareholder.

The members of the Board together represent a wealth of knowledge and experience acquired through their involvement (past and current) in the local and international business environments. The directors also possess a diverse skill set which contributes to fulfilling their collective and individual responsibilities to the Company. The Board ensures that (i) the necessary resources are in place to enable the Company to meet its objectives and to measure its performance; (ii) that prudent and effective controls are in force to assess and manage risks; and (iii) that workforce policies and practices are consistent with the Company's values and support the success of the Company.

Attendance Register – Board Meetings

The Board meets quarterly in each financial year. However, there were more than four meetings in the reporting period due to the transitioning of the Board and the organisation structure of the Company:

Director	Meetings Attended	Director	Meetings Attended
Jeffrey Cobham	5	Mark Croskery (Resigned 13 Sep 2019)	2
Zachary Harding	8	Kadeem Mairs (Resigned 15 Oct 2019)	2
John Jackson	4	Gavin Valentine (Resigned 15 Oct 2019)	3
Christine Birch	4	Cecile Watson (Resigned 27 Sep 2019)	3
Brent Ciurlino	4	Germaine Spencer (Resigned 15 Oct 2019)	0
		Harry Abrikian (Resigned 1 August 2019)	0

Board Responsibility

The management of the Company undertakes the day-to-day functions of the Company's operations, it is the Board of Directors which remain ultimately accountable to the Company's stakeholders for the Company's performance and adherence to applicable laws and sound business practices.

The primary responsibilities of the Board include oversight for SSL VC and its portfolio companies, Bar Central Limited, Blue Dot Data Intelligence Limited and Muse 360 Integrated Limited:

- Approving and monitoring strategic plans,
- Reviewing, and approving annual performance targets, annual budget, quarterly financial statements, audited financial statements
- Approval of acquisitions and major capital expenditure;
- Oversight of parent and portfolio companies' operations including compliance with statutory requirements of the Companies Act of Jamaica 2004;
- Evaluating company performance against set financial targets;
- Monitoring the performance of the CEO and senior management relative to agreed performance metrics;
- Reviewing and monitoring risk management, adequacy of internal controls, compliance of management with the Codes of Conduct and regulatory compliance;
- Reviewing and approving company disclosures externally;
- Selecting and appointing suitably qualified directors to the Board.

The Board of Directors have access to independent professional advice at the Company's expense where it is deemed necessary to effectively execute its functions and responsibilities. This includes the appointment of attorney(s) to provide representation and advice.

Board Diversity

Our Directors have diverse skill sets, experience and backgrounds which include local and international expertise in general management, finance, risk management and Marketing.

Director	General Management	Risk Management	Finance & Accounting	Sales & Marketing
Jeffrey Cobham	X			
Zachary Harding	X			X
John Jackson	X	X	X	
Christine Birch	X			X
Brent Ciurlino	X	X		
Mark Croskery (Resigned 13 Sep 2019)	X			
Kadeem Mairs (Resigned 15 Oct 2019)	X			
Gavin Valentine (Resigned 15 Oct 2019)	X			
Cecile Watson ((Resigned 27 Sep 2019)	X	X		
Germaine Spencer (Resigned 15 Oct 2019)	X			
Harry Abrikian (Resigned 1 August 2019)	X		X	

Board Performance Evaluation

An evaluation of the performance of the Board, its committees, the chair and individual directors is done every two years to consider the composition, diversity, contribution of each director and the work done collectively to effectively achieve the Company's objectives. This evaluation is facilitated externally, and the results are used to strengthen any weaknesses identified.

Board Committees

The Board has constituted three (3) standing committees to which specific responsibilities of the Board have been delegated.

The Chairperson for each Sub-Committee is selected by the Board. These Committees are:

- Audit;
- Investments; and
- Compensation

There were no meetings of the subcommittees during the financial year. These Committees are Audit, Investment and Compensation.

1. Audit Committee

The main role and responsibilities of the Audit Committee include:

(1) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained in these statements;
(2) providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
(3) reviewing the Company's internal financial controls and risk management systems; monitoring and reviewing the effectiveness of the Company's internal audit function or, where there is not one, considering annually whether there is a need for one and put forward a recommendation to the Board;
(4) conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; reviewing and monitoring the external auditor's independence and objectivity;
(5) developing and implementing a policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence and taking into account the relevant regulations and ethical guidance in this regard; and
(6) reporting to the Board on the discharge of its responsibilities.
Although no formal meetings were held in the period, the members of the Committee have been actively involved in the review of the financial statements; monitoring the performance of the Company and having dialogue and meetings with the external auditors and management.

The members of the Audit Committee are John Jackson and Brent Cuirlino who are both independent non-executive directors.

2. Investment Committee

The role of the Investment Committee is to establish a formal process to manage the Company's investment strategy in line with the Company's investment objectives and established policies for investing. The Committee also assesses the performance of the Company's investment portfolio on a regular basis and make recommendations to the Board on future viable investments.

The members of the Investment Committee are John Jackson, Christine Birch and Brent Cuirlino.

3. Remuneration Committee

This Committee is responsible for setting the Company's remuneration policy and to determine the individual remuneration of each executive director and other key management personnel. It ensures that an appropriate reward policy is in force to attract and motivate executives to achieve the long-term interests of shareholders.

The members of the Remuneration Committee are Christine Birch and John Jackson.

DISCLOSURE OF SHAREHOLDINGS
AS AT JUNE 30, 2020

Ten Largest Shareholders as at June 30, 2020

Authorised Ordinary Share Capital	1,000,000,000	shares
Issued Ordinary Share Capital	400,000,000	shares

TOP TEN SHAREHOLDERS – ORDINARY			
Rank	**Shareholders**	**Shareholding**	**% of Issued Shares**
1	Stocks and Securities Ltd (Alpha)	316,329,891	79.08%
2	Mr. Kris Astaphan	20,000,000	5.00%
3	Drew Gray	8,000,000	2.00%
4	Gerald Wight	6,000,000	1.50%
5	Sheldon Powe & Mellissa Green-Powe	6,000,000	1.50%
6	Croskery Holdings Limited	5,967,100	1.50%
7	Nkrumah Wilson	4,570,860	1.14%
8	Alanah Jones	4,000,000	1.00%
9	Stocks and Securities Ltd. Managed A/C	3,756,000	0.94%
10	Derek Wilkie	3,694,412	0.92%
		378,318,263	**94.58%**

TOTAL ACCOUNT HOLDERS	
JCSD Register	**334**

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' SHAREHOLDINGS			
	Executive	**Shareholding**	**Connected Party**
	Jeffrey Cobham	NIL	
	Zachary Harding	NIL	
	Non-Executive Directors		
	Brent Ciurlino	NIL	
	John Jackson	NIL	
	Christine Birch	NIL	
SENIOR MANAGEMENT			
	Executive	**Shareholding**	**Connected Party**
	Kamille Martin	NIL	
	Anthony Dunn	NIL	

FINANCIAL RESULTS - MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis (MD&A) should be read in conjunction with SSLVC's audited financial statements. The MD&A was prepared by management to provide shareholders with additional insights into the operations and financial performance of the Company. It may contain forward-looking statements based on assumptions and predictions of the future which may be materially different from actual outcomes and from those projected.

SSL Ventures Consolidated Group

SSL Venture Capital Limited reported declining core revenues and core earnings, and significantly higher net losses for the financial year ended June 30, 2020.

SSLVC's results were severely impacted by the shuttering of one company, significant decline in revenues from the retail distribution and trading business resulting from the closure of bars and places of amusement due to COVID-19 plus the disposal of one entity before the end of the financial year under review. The impact of the global COVID-19 pandemic on SSLVC's business has been devastating and is an ongoing evaluation process as the crisis unfolds.

Operating Results

SSLVC's core revenue declined by 65% or $215.5 million to **$116.8 million** for the financial year ended June 30, 2020 (FYE June 2020). This compares with **$332.2 million** for the financial year ended June 30, 2019 (FYE June 2019).

Forty-five percent (45%) of core revenues were generated from the retail distribution segment for the year ended June 30, 2020 compared with 83% for the year ended June 30, 2019.

SSLVC's net operating loss grew by 220% or $92.8 million to a record $169.7 million for FYE June 2020, versus $76.9 million for FYE June 2019. The losses were impacted by significant impairments in goodwill and write-offs related to discontinued business and disposal of one portfolio company.

Net Loss attributable to shareholders was **$152.8 million** for FYE June 2020, significantly higher than the **$45.6 million** recorded for FYE June 2019 or a negative outturn of 335%.

Summary Results of Operations	Audited FYE June 2020 JA$	Audited FYE June 2019 JA$
Revenue	**116,756,540**	**332,267,569**
Cost of Sales	(105,121,032)	(275,867,539)
Gross Profit	**11,635,508**	**56,400,030**
Other Operating Income	42,821,734	20,100,728
Operating and Administrative Expenses	(139,692,325)	(147,161,660)
Loss on Disposal of Subsidiary	(13,065,240)	-
Goodwill Impairment	(53,812,657)	-
Impairment Losses on Financial Assets	(1,622,879)	(2,955,380)
Operating Loss	**(153,735,859)**	**(73,616,282)**
Finance Cost, Net	(16,024,651)	(3,272,475)
Loss for the Year	**(169,760,510)**	**(76,888,757)**
Taxation Credit	16,934,148	31,293,869
Loss Attributable to Shareholders	**(152,826,362)**	**(45,594,888)**
Loss Per Share	(0.35)	(0.09)

Earnings per share (EPS) was a negative 0.35 cents for FYE June 2020 versus a negative 0.09 cents for FYE June 2019.

Total Operating Expenses

Total Operating expenses decreased by $7.5 million, or 5.3% to $139.7 million for FYE June 2020, versus $147.1 million for FYE June 2019. This decrease was driven primarily by lower operational expenses brought about by efficiency improvements and improvements in governance and financial management. Staff costs, legal and professional fees were areas where the group made significant improvements in costs control and elimination.

Statement of Financial Position

At the end of FYE June 2020, SSLVC had **$118.3 million** in total assets, down $100.6 million or 54% over FYE June 2019, mainly comprising of $47.3 million in deferred taxes and $45.9 million in receivables. Total Liabilities at the end of FYE June 2020 was **$350 million** versus **$307 million** the prior year. The major component of the FYE June 2020 liabilities were **$270.9** million due to the parent companies, Stocks & Securities Limited and SSL Growth Equity.

Shareholders' Equity

Total shareholders' equity increased to a negative **$231.6 million** at the end of FYE June 2020, versus **$88.2 million** at the end of FYE June 2019.

COVID-19: Impact

The Caribbean region continues to reel from the effects of the global COVID-19 pandemic, with varying degrees of financial impact on the economies of the region and in particular Jamaica in which SSLVC portfolio companies operate.

The uncertainty from COVID-19 remains high even considering developments regarding the potential for a vaccine and this is likely to persist for some time. The support of the Parent company has been beyond spectacular in the last two years and without this continued support, the company will be challenged to meet existing obligations and to navigate these headwinds.

Outlook

The Board and Executive Management of SSLVC continue to review its relevance and future in light of the devastating financial impact on the business brought on by the COVID-19 Pandemic and as this situation evolves, shareholders will be updated on the decisions coming out of these deliberations.

Balance Sheet	Audited FYE June 2020 JA$	Audited FYE June 2019 JA$
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	12,813,696	18,499,874
Intangible Assets	62,688	2,645,479
Goodwill	-	112,013,299
Deferred Tax Asset	47,392,303	33,151,288
	60,268,687	**166,309,940**
Current Assets		
Inventories	2,176,841	6,707,076
Receivables	45,935,442	23,463,577
Directors' Accounts	3,390,301	-
Taxation Recoverable	3,161,539	1,471,114
Cash and Short-term deposits	3,443,572	21,055,955
	58,107,695	**52,697,722**
TOTAL ASSETS	**118,376,382**	**219,007,662**
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	111,880,297	111,880,297
Capital Reserves	294,881	294,881
Accumulated Deficit	(319,544,465)	(180,602,406)
	(207,369,287)	(68,427,228)
Non-Controlling Interest	(24,294,385)	(19,779,173)
	(231,663,672)	**(88,206,401)**
Non-Current Liabilities		
Directors' Accounts	-	2,110,620
Due to Related Companies	270,910,072	148,794,752
Long Term Loans	2,718,273	5,878,070
	273,628,345	**156,783,442**
Current Liabilities		
Payables	53,377,530	103,738,252
Short-term Loans	13,309,028	37,524,966
Current Portion of Long-term Loans	5,252,813	6,221,558
Taxation Payable	581,919	967,854
Bank Overdraft	3,890,419	1,977,991
	76,411,709	**150,430,621**
TOTAL EQUITY AND LIABILITIES	**118,376,382**	**219,007,662**

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Consolidated Financial Statements

30 June 2020

bakertilly

14 Ruthven Road
Kingston 10
Jamaica

T: 876 906 1658 9
F: 876 920 3226

admin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Report on the Audit of the Consolidated and Stand-Alone Financial Statements

Opinion

We have audited the separate financial statements of SSL Venture Capital Jamaica Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") set out on pages 1 – 62, which comprise the separate and consolidated statement of financial position as at 30 June 2020, and the separate and consolidated statement of comprehensive income, statement of changes in equity and 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 separate and consolidated financial statements give a true and fair view of the financial position of the Company and the Group as at 30 June 2020 and its separate and consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and the Jamaican Companies 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 2(c) in the financial statements which indicates that the Group and the company reported losses in 2020 of $152,826,362 (2019: $45,594,888) and $55,137,844 (2019: $23,374,004) respectively. The Group and the Company as at 30 June 2020 has accumulated deficit of $319,544,465 (2019: $180,602,406) and $222,553,282 (2019: $167,415,438) respectively. Further, as at 30 June 2020, the Group's current liabilities exceeded its current assets by $18,304,014 (2019: $97,732,899) and the Company's current liabilities exceeded its current assets by $41,933,477 in 2019. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 2

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Material Uncertainty relating to Going Concern (continued)

Until the Group and the Company are able to sustain profitable operations, they remain dependent on their ultimate parent (SSL Growth Equity Limited) for continued financial support. SSL Growth Equity Limited has indicated that it has the intent and ability to provide financial support to the Group and the Company for the foreseeable future. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the *Material Uncertainty Relating to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	*How our audit addresses the Key audit matter*
The carrying value of the Group's goodwill and intangible assets.	
The carrying value of the Group's goodwill and intangible assets may not be recoverable due to changes in the business and economic environment in which the subsidiaries operate. These factors create inherent uncertainty in forecasting and require significant judgement in estimating and discounting future cash flows that support the assessment of recoverability. See Note 8 of the financial statements.	We tested the reasonableness of the Group's forecast and discounted cash flows including: • The valuations of the companies. Historical data, was used to assess the reliability of these assumptions. • We reviewed the valuations of the companies presented by the client and reviewed the goodwill impairment tests conducted by the firm's specialists. • We found management's valuation of the carrying value of goodwill in these level 3 investments to be within an acceptable range of our estimation of fair value based on the outcome of our procedures.

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' 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 the matter to those charged with governance.

Responsibilities of Management and the Board of Directors 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 Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's and the Company's financial reporting process.

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 4

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' 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 auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the Members of
SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)
Page 5

Report on the Audit of the Consolidated and Stand-Alone Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group and 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 presents a true and fair view.

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.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examinations of those records, and the financial statements, which are in agreement therewith give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' opinion is Emile Lafayette.

Baker Tilly

Chartered Accountants
Kingston, Jamaica
28 September 2020

SSL Venture Capital Jamaica Limited

(formerly C2W Music Limited)

Consolidated Statement of Financial Position
As at 30 June 2020

	Note	2020	2019
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	5	12,813,696	18,499,874
Intangible assets	6	62,688	2,645,479
Goodwill	8	-	112,013,299
Deferred tax asset	10	47,392,303	33,151,288
		60,268,687	166,309,940
Current assets			
Inventories	11	2,176,841	6,707,076
Receivables	12	45,935,442	23,463,577
Directors' accounts	17	3,390,301	-
Taxation recoverable		3,161,539	1,471,114
Cash and short-term deposits	13	3,443,572	21,055,955
		58,107,695	52,697,722
TOTAL ASSETS		118,376,382	219,007,662
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	111,880,297	111,880,297
Capital reserves	15	294,881	294,881
Accumulated deficit		(319,544,465)	(180,602,406)
		(207,369,287)	(68,427,228)
Non-controlling interest	16	(24,294,385)	(19,779,173)
		(231,663,672)	(88,206,401)
Non-current liabilities			
Directors' accounts	17	-	2,110,620
Due to related companies	18	270,910,072	148,794,752
Long term loans	19	2,718,273	5,878,070
		273,628,345	156,783,442
Current liabilities			
Payables	20	53,377,530	103,738,252
Short term loans	21	13,309,028	37,524,966
Current portion of long-term loans	19	5,252,813	6,221,558
Taxation payable		581,919	967,854
Bank overdraft	22	3,890,419	1,977,991
		76,411,709	150,430,621
TOTAL EQUITY AND LIABILITIES		118,376,382	219,007,662

Approved for issue by the Board of directors on 28 September 2020 and signed on its behalf by:

Director
Jeffrey Cobham

Director
Zachary Harding

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Comprehensive Income
Year ended 30 June 2020

	Note	2020	2019
		$	$
Revenue	23	116,756,540	332,267,569
Cost of sales		(105,121,032)	(275,867,539)
Gross profit		11,635,508	56,400,030
Other operating income	24	42,821,734	20,100,728
Operating and administrative expenses	25	(139,692,325)	(147,161,660)
Loss on disposal of subsidiary	9b	(13,065,240)	-
Goodwill impairment	8	(53,812,657)	-
Impairment losses on financial assets	3a	(1,622,879)	(2,955,380)
Operating loss	26	(153,735,859)	(73,616,282)
Finance costs, net	28	(16,024,651)	(3,272,475)
Loss before taxation		(169,760,510)	(76,888,757)
Taxation	29	16,934,148	31,293,869
Loss after taxation, being total comprehensive loss		(152,826,362)	(45,594,888)
Net loss attributable to:			
Stockholders of the Company		(138,942,059)	(35,958,783)
Non-controlling interests		(13,884,303)	(9,636,105)
		(152,826,362)	(45,594,888)
Loss per stock unit	31	(0.35)	(0.09)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Changes in Equity
Year ended 30 June 2020

	Number of Shares	Share Capital	Capital Reserves	Accumulated Deficit	Total	Non-controlling Interest	Total Equity
		Equity Attributable to Stockholders of the Company					
		$	$	$	$	$	$
Balance at 30 June 2018	400,000,000	111,880,297	-	(144,041,434)	(32,161,137)	-	(32,161,137)
Adjustment on initial application of IFRS 9	-	-	-	(602,189)	(602,189)	(200,728)	(802,917)
Restated total equity at 1 July 2018	400,000,000	111,880,297	-	(144,643,623)	(32,763,326)	(200,728)	(32,964,054)
Non-controlling interest arising on acquisition of subsidiaries	-	-	-	-	-	(10,225,657)	(10,225,657)
Capital reserves	-	-	294,881	-	294,881	283,317	578,198
Total comprehensive loss	-	-	-	(35,958,783)	(35,958,783)	(9,636,105)	(45,594,888)
Balance at 30 June 2019	400,000,000	111,880,297	294,881	(180,602,406)	(68,427,228)	(19,779,173)	(88,206,401)
Elimination of non-controlling interest on disposal of Blue Dot Data Intelligence Limited	-	-	-	-	-	9,369,091	9,369,091
Total comprehensive loss	-	-	-	(138,942,059)	(138,942,059)	(13,884,303)	(152,826,362)
Balance at 30 June 2020	400,000,000	111,880,297	294,881	(319,544,465)	(207,369,287)	(24,294,385)	(231,663,672)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2020

	2020	2019
	$	$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Loss before taxation	(169,760,510)	(76,888,757)
Adjustments for:		
Amortisation	513,913	554,543
Amortisation of right-of-use assets	5,402,152	-
Impairment loss on financial assets	1,622,879	654,885
Depreciation	4,441,010	4,055,170
Foreign exchange losses	870,747	236,919
Goodwill impairment	53,812,657	-
Loss on disposal of subsidiary	13,065,240	-
Loss on disposal of plant and equipment	406,725	1,646,600
Lease interest expense	1,167,211	-
Interest expense	14,051,318	3,214,007
Interest income	(64,625)	(178,451)
	(74,471,283)	(66,705,084)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(28,693,733)	8,907,515
(Decrease)/increase in payables	(23,357,923)	9,183,502
Decrease/(increase) in inventories	4,530,235	(3,583,618)
Cash used in operating activities	(121,992,704)	(52,197,685)
Taxes paid	(2,268,010)	(1,064,580)
Lease interest paid	(1,167,211)	-
Interest paid	(13,267,256)	(3,214,007)
Interest received	64,625	178,451
Net cash used in operating activities	(138,630,556)	(56,297,821)
Investing Activities		
Acquisition of subsidiary, net of cash acquired	-	(88,705,888)
Purchase of property, plant and equipment	(2,671,750)	(7,773,165)
Purchase of intangible assets	-	(3,138,298)
Proceeds from disposal of plant and equipment	-	1,330,000
Proceeds from disposal of subsidiary, net of cash transferred	34,717,465	-
Net cash provided by/(used in) investing activities	32,045,715	(98,287,351)
Financing Activities		
Increase in related companies	118,725,019	148,794,752
Lease principal payment	(1,420,678)	-
Directors' accounts, net	(2,400,919)	(5,589,685)
Long term loans, net	(4,128,542)	9,965,358
Short term loans, net	(23,765,675)	19,918,885
Net cash provided by financing activities	87,009,205	173,089,310

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Consolidated Statement of Cash Flows
Year ended 30 June 2020

Net (decrease)/increase in cash and cash equivalents	(19,575,636)	18,504,138
Effect of exchange losses on cash and cash equivalents	50,825	540,315
Cash and cash equivalents at beginning of year	19,077,964	33,511
CASH AND CASH EQUIVALENTS AT END OF YEAR	(446,847)	19,077,964

	2020	**2019**
Represented by:		
Cash and short-term deposits	3,443,572	21,055,955
Bank overdraft	(3,890,419)	(1,977,991)
	(446,847)	19,077,964

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Comprehensive Income
Year ended 30 June 2020

	Note	2020	2019
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,295,655	858,511
Intangible assets	6	62,688	96,520
Investments in subsidiaries	7	32,365,577	86,070,182
Due from related companies	18	59,049,365	34,367,835
Deferred tax asset	10	9,096,057	3,778,713
		101,869,342	125,171,761
Current assets			
Receivables	12	43,218,615	2,827,327
Due from related companies	18	1,535,546	-
Taxation recoverable		3,079,391	1,471,114
Cash and short-term deposits	13	1,109,589	14,826,529
		48,943,141	19,124,970
TOTAL ASSETS		150,812,483	144,296,731
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	111,880,297	111,880,297
Accumulated deficit		(222,553,282)	(167,415,438)
		(110,672,985)	(55,535,141)
Non-current liability			
Due to related companies	18	243,248,818	138,773,425
		243,248,818	138,773,425
Current liabilities			
Payables	20	4,927,622	23,533,481
Short-term loans	21	13,309,028	37,524,966
		18,236,650	61,058,447
TOTAL EQUITY AND LIABILITIES		150,812,483	144,296,731

Approved for issue by the Board of directors on 28 September 2020 and signed on its behalf by:

Director
Jeffrey Cobham

Director
Zachary Harding

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Comprehensive Income
Year ended 30 June 2020

	Note	2020	2019
		$	$
Revenue	23	1,914,187	9,889,432
Other operating income	24	17,078,447	10,453,660
Operating and administrative expenses	25	(55,100,736)	(46,268,993)
Loss on disposal of subsidiary	9b	(13,946,355)	-
Operating loss	26	(50,054,457)	(25,925,901)
Finance costs, net	28	(10,400,731)	(1,226,816)
Loss before taxation		(60,455,188)	(27,152,717)
Taxation	29	5,317,344	3,778,713
Loss after taxation, being total comprehensive loss		(55,137,844)	(23,374,004)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Changes in Equity
Year ended 30 June 2020

	Share Capital	Accumulated Deficit	Total
	$	$	$
Balance at 1 July 2018	111,880,297	(144,041,434)	(32,161,137)
Total comprehensive loss	-	(23,374,004)	(23,374,004)
Balance at 30 June 2019	111,880,297	(167,415,438)	(55,535,141)
Total comprehensive loss	-	(55,137,844)	(55,137,844)
Balance at 30 June 2020	111,880,297	(222,553,282)	(110,672,985)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Company Statement of Cash Flows
Year ended 30 June 2020

	2020	2019
	$	$
CASH RESOURCES WERE PROVIDED BY/(USED IN):		
Operating Activities		
Loss before taxation	(60,455,188)	(27,152,717)
Adjustments for:		
Amortisation and depreciation	254,513	78,766
Loss on disposal of plant and equipment	132,808	-
Loss on disposal of subsidiary	13,946,355	-
Foreign exchange losses	860,083	206,236
Interest expenses	9,543,676	1,121,452
Interest income	(3,028)	(100,872)
	(35,720,781)	(25,847,135)
Changes in operating assets and liabilities:		
Increase in receivables	(40,391,288)	(2,827,327)
(Decrease)/increase in payables	(18,605,859)	3,840,407
Cash used in operating activities	(94,717,928)	(24,834,055)
Taxes paid	(1,608,277)	(1,287,001)
Interest paid	(8,759,614)	(1,121,452)
Interest received	3,028	100,872
Net cash used in operating activities	(105,082,791)	(27,141,636)
Investing Activities		
Acquisition of subsidiaries	-	(86,070,182)
Proceeds from disposal of investment in subsidiary	39,758,250	-
Purchase of intangibles	-	(102,000)
Purchase of property, plant and equipment	(790,633)	(891,637)
Net cash provided by/(used in) investing activities	38,967,617	(87,063,819)
Financing Activities		
Related companies, net	78,258,317	104,405,590
Short-term loans, net	(25,910,908)	24,052,568
Net cash provided by financing activities	52,347,409	128,458,158
Net (decrease)/increase in cash and cash equivalents	(13,767,765)	14,252,703
Effect of exchange losses on cash and cash equivalent	50,825	540,315
Cash and cash equivalents at beginning of year	14,826,529	33,511
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,109,589	14,826,529
Represented by:		
Cash at bank	1,109,589	14,826,529

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

1. Identification and principal activities

The company was incorporated under the Companies Act of Jamaica on 24 November 2011. The registered office of the company is located at Unit 15, Barbican Business Centre, 88 Barbican Road, Kingston 10.

On July 1, 2018, the shareholders of Stocks and Securities Limited entered into a rescue plan to acquire the majority shares in C2W Music Limited in an effort to rescue the company from financial failure. The rescue of C2W Music Limited was approved by the Jamaica Stock Exchange and the Financial Services Commission.

The business model of the company was changed to specializing in investing in equity of companies that show great potential through sale to private parties. The company's income thereafter, consists mainly of management fees earned from its subsidiaries.

Effective August 8, 2018, C2W Music Limited's name was legally changed to SSL Venture Capital Jamaica Limited ("SSL Ventures"). The Company is listed as a member of the Junior Market of the Jamaica Stock Exchange.

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

Date of Acquisition	Subsidiaries	Principal Activities	Proportion of issued share capital held by company
July 2, 2018	Bar Central Limited	Distribution and provision of branding services	75% (2019:75%)
August 7, 2018	Blue Dot Data Intelligence Limited	Marketing and commercial solutions	Nil (2019:50%)
July 20, 2018	Muse 360 Integrated Limited	Marketing and commercial solutions	51% (2019:51%)

All of the company's subsidiaries are incorporated and domiciled in Jamaica.

The consolidated financial statements include the financial statements for the company and its subsidiaries. These financial statements are presented in Jamaican dollars, which is the functional currency.

On the 27th of March 2020, SSL Ventures sold its 50% stake in Blue Dot Data Intelligence Limited. Muse 360 Integrated Limited ceased operational activities as of August 31, 2019. Management has yet to decide on the future operation of Muse 360 Integrated Limited.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention, as modified by the valuation of certain items. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations

New standards impacting the company that have been adopted in the annual financial statements for the year ended 30 June 2020, and which have given rise to changes in the company's accounting policies are:

Amendments to IFRS 9 'Financial Instruments', 'Prepayment Features with Negative Compensation' (effective for annual periods beginning on or after 1 January 2019). Under the current IFRS 9 requirements, the solely for payments of principal and interest (SPPI) condition is not met if the lender has to make a settlement payment in the event of termination by the borrower (also referred to as early repayment gain). 'Prepayment Features with Negative Compensation' amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the company model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The final amendments also contain (in the Basis for Conclusions) a clarification regarding the accounting for a modification or exchange of a financial liability measured at amortised cost that does not result in the derecognition of the financial liability. The IASB clarifies that an entity recognises any adjustment to the amortised cost of the financial liability arising from a modification or exchange in profit or loss at the date of the modification or exchange. A retrospective change of the accounting treatment may therefore become necessary if in the past the effective interest rate was adjusted and not the amortised cost amount.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations (continued)

IFRS 16 'Leases', specifies how an IFRS reporter will recognise, measure, present and disclose leases. IFRS 16 was issued January 2016 and became effective 1 January 2019. It replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It resulted in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed.

Adoption of IFRS 16 resulted in the group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. The only exceptions are short-term (less than 12 months) and low-value leases. The company applied the standard from its mandatory adoption date of 1 April 2019. The company elected to adopt the modified retrospective approach and have not restated comparative amounts for the year prior to first adoption. Right-of-use assets were measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). Commitments relating to short-term leases and low value leases will continue to be recognised on a straight-line basis as expense in profit and loss.

For leases previously classified as operating leases, under previous accounting requirements the group did not recognise related assets or liabilities, and instead had spread the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

Under IFRS 16, instead of recognising an operating expense for its operating lease payments, the group has instead recognised interest on its lease liabilities and amortisation on its right-of-use assets. Operating cash flows increased, and financing cash flows decreased as repayment of the principal portion of the lease liabilities have been classified as cash flows from financing activities.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations (continued)

IFRIC 23, 'Uncertainty over income tax treatments' (effective for annual periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes' are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether the treatment will be accepted by the tax authority. The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty

- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored

- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment

- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and

- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the group's operations (continued)

Annual improvements to IFRS 2015 - 2017 Cycle – Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 (effective for annual periods beginning on or after 1 January 2019). The IASB issued its Annual Improvements to IFRSs 2015 -2017 cycle amending a number of standards:

- Amendments to IFRS 3 'Business combinations' which clarifies that an entity should remeasure its previously held interest in the joint operation at fair value when it obtains control of the business.
- Amendments to IFRS 11 'Joint arrangements' which clarifies that an entity should not remeasure its previously held interest in the joint operation at fair value when it obtains joint control of the business.
- Amendments to IAS 12 'Income Taxes' which clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- Amendments to IAS 23 'Borrowing costs' which clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of general borrowings and is included when calculating the capitalization rate on general borrowings.

The amendments did not result in any material effect on the group's financial statements.

Coronavirus (COVID-19)
The World Health Organisation declared the Coronavirus (COVID-19) outbreak a pandemic due to its rapid spread across the globe. Jamaica has been affected by the outbreak, which resulted in the Government of Jamaica declaring Jamaica a disaster area on March 13, 2020. This has disrupted business operations, caused a downturn in the economy and significantly increased economic uncertainty. However, the impact the pandemic has on the group's operations for audited period ended 30 June 2020 is still undergoing assessment due to the adverse effects it has on the various revenue streams for all companies.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the group

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the company has not early adopted. The company has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Definition of a Company – Amendments to IFRS 3 (effective for Company combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020). The amended definition of a company requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

Definition of Material (Amendments to IAS 1 and IAS 8) The amendments clarify the definition of ‘material’ and align the definition used in the Conceptual Framework and the standards. The amendment further clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses material in the context of the financial statements as a whole. The standard also states that the meaning of ‘primary users of general-purpose financial statements’ to whom those financial statements are directed, by defining this as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the group (continued)

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. These new standards include increasing the prominence of stewardship in the objective of financial reporting. It also includes changes in reinstating prudence as a component of neutrality. Further key changes include defining a reporting entity, which may be a legal entity, or a portion of an entity and revising the definitions of an asset and a liability as well as removing the probability threshold for recognition and adding guidance on de-recognition.

The standard further includes changes to adding guidance on different measurement basis and stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

The standard clarifies that no changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020.

IFRS 17, 'Insurance Contracts', (effective for annual periods beginning on or after 1 January 2021). In May 2017, the IASB issued IFRS 17 which replaces the current guidance in IFRS 4. Under IFRS 17, insurance liabilities are to be measured at a current fulfilment value. The standard also provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts

There are no standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the group.

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June 2020. A subsidiary is an entity controlled by the company. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee, if and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring its accounting policy in line with the group's accounting policy. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated in full on consolidation.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries
When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

2. Summary of significant accounting policies (continued)

(c) Going concern

The Group and the company reported losses in 2020 of $152,826,362 (2019: $45,594,888) and $55,137,844 (2019: $23,374,004) respectively. The Group and the Company as at 30 June 2020 has accumulated deficit of $319,544,465 (2019: $180,602,406) and $222,553,282 (2019: $167,415,438) respectively. Further, as at 30 June 2020, the Group's current liabilities exceeded its current assets by $18,304,014 (2019: $97,732,899) and the Company's current liabilities exceeded its current assets by $41,933,477 in 2019. This indicates the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The parent company has indicated that it has the intent and ability to provide financial support to the Group and the Company for the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of these financial statements.

The basis of preparation presumes that the company will be able to realize its assets and discharge its liabilities in the normal course of business.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

2. Summary of significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets:
Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the business and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(ii) Depreciation
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see below). Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their period of expected useful lives. The annual depreciation rates are as follows:

Camera equipment	10%
Computer equipment	25%
Furniture and fixtures	10%
Leasehold improvements	10%
Motor vehicles	20%
Office equipment	10%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)

(f) Financial Instruments

Classification

The group and company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group and company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

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

Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Summary of significant accounting policies (continued)

(f) Financial Instruments (continued)

Debt instruments
Subsequent measurement of debt instruments depends on the group's and company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group and company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

<u>Impairment</u>
The group and company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2. Summary of significant accounting policies (continued)

(g) Intangible assets

Items of intangible assets represent purchased computer software not integral to computer hardware, with finite useful lives that are acquired separately and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life of three years.

(h) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash-generating units).

(i) Inventories

Inventories are stated at the lower of cost and net realizable value, cost being determined on a first in first out basis. Net realizable value is the estimate of the selling price in the ordinary course of the business, less selling expenses.

(j) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables impairment provisions, the group and company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

Under the simplified approach within IFRS 9, the impairment provision is assessed using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. Summary of significant accounting policies (continued)

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and bank overdraft.

(l) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

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

(m) Interest bearing loans and borrowings

Borrowings are stated initially at cost, being the fair value of the consideration received, net of issue costs associated with the borrowings. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings.

(n) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the group has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

2. Summary of significant accounting policies (continued)

(o) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(p) Fair value of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include cash and cash equivalents and receivables. Financial liabilities consist of payables, long term loans, directors' loans, short term loans and due to related companies.

Generally financial instruments are recognized on the statement of financial position when the group becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each items.

The fair values of the financial instruments are discussed in Note 3(f).

(q) Related party transactions

Related parties:

A party is related to the group, if:

(i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the group (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the group that gives it significant influence over the group; or has joint control over the group;
(ii) the party is an associate of the group;
(iii) the party is a joint venture in which the group is a venturer;
(iv) the party is a member of the key management personnel of the group or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is the group 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); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the group, or of any company that is a related party of the group.

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

2. Summary of significant accounting policies (continued)

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable of goods and customer acceptance or performance of service. Revenue is shown net of General Consumption Tax, returns, rebates and discounts. Revenue is recognized as follows:

i) Sales of goods

Sales of goods are recognized upon the delivery of goods and acceptance or performance of services.

ii) Interest income

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

2. Summary of significant accounting policies (continued)

(s) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred taxes are recognized as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

(i) Current taxation

Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable and tax losses in respect of previous years.

(ii) Deferred income taxes

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realized or the liability will be settled based on enacted rates.

Current and deferred tax assets and liabilities are offset when the legal right of offset exists.

(t) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the statement of financial position date; that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains or losses arising from fluctuations in the exchange rates are reflected in the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

(u) Lease Liabilities and Right-of-use assets

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(i) Leases of low value assets; and
(ii) Leases with a duration of 12 months or less.

IFRS 16 was adopted 1 July 2019 without restatement of comparative figures. The following policies apply subsequent to the date of initial application, 1 July 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(i) amounts expected to be payable under any residual value guarantee;
(ii) the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
(iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the group:

(i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
(ii) makes adjustments specific to the lease, e.g. term, currency and security.

2. Summary of significant accounting policies (continued)

(u) Leases Liabilities and Right-of-use assets (continued)

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(i) lease payments made at or before commencement of the lease;
(ii) initial direct costs incurred; and
(iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US$5,000 or less when new. The group has no short-term leases or leases for low valued assets at this time.)

Extension and termination options
Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate.

2. Summary of significant accounting policies (continued)

(u) Leases Liabilities and Right-of-use assets (continued)

- applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

3. Financial risk management

The group’s activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group’s financial performance.

The group’s risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the group’s risk management framework. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables from credit sales.

Risk management

Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

3. Financial risk management (continued)

(a) Credit risk (continued)

Credit risk (continued)

Management determines concentrations of credit risk by monitoring the credit-worthiness rating of existing customers and through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval.

Security

The group does not hold any collateral as security.

Impairment of financial assets

The group has one type of financial asset that is subject to the expected credit loss model:

- trade receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2019 or 1 July 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group and company has identified the GDP, inflation and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

3. Financial risk management (continued)

(a) Credit risk (continued)

On that basis, the loss allowance as at 30 June 2019 and 30 June 2020 was determined as follows for trade receivables:

Group:

30 June 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	44.00%	45.16%	70.00%	100%	93.36%
Gross carrying amount – trade receivables	137,956	279,146	145,212	3,560,243	4,122,557
Loss allowance	60,701	126,051	101,649	3,560,243	3,848,644

30 June 2019	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	13.57%	12.06%	12.06%	12.73%	12.66%
Gross carrying amount – trade receivables	2,638,370	3,557,680	2,073,013	14,974,214	23,243,277
Loss allowance	358,029	429,137	250,052	1,906,522	2,943,740

The closing loss allowances for trade receivables as at 30 June 2020 reconcile to the opening loss allowances as follows:

	Trade receivables 2020	**Trade receivables 2019**
	$	**$**
30 June 2019 calculated under IFRS 9; (1 July 2018 calculated under IAS 39)	2,943,740	-
Amounts restated through opening retained earnings	-	802,917
Opening loss allowance as at 1 July 2019; (1 July 2018 calculated under IFRS 9)	2,943,740	802,917
Increase in loss allowance recognised in profit or loss during the year	1,622,879	2,955,380
Bad debts recovered during the year	(717,975)	(814,557)
Closing balance at end of year	3,848,644	2,943,740

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and company, and a failure to make contractual payments for a period of greater than 90 days past due.

3. Financial risk management (continued)

(a) Credit risk (continued)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 30 June 2020 trade receivables had lifetime expected credit losses of $3,724,234 (2019: Nil).

Net impairment losses on financial assets recognised in profit or loss
During the year, the following losses were recognised in profit or loss in relation to impaired financial assets:

	2020	**2019**
	$	**$**
Impairment losses		
- movement in loss allowance for trade receivables	1,622,879	2,955,380
Net impairment losses on financial assets	1,622,879	2,955,380

3. Financial risk management (continued)

(b) Liquidity risk (continued)

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process includes:

(i) Monitoring future cash flows and liquidity on a daily basis;
(ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
(iii) Maintaining a committed line of credit;
(iv) Optimising cash returns on investment.

Undiscounted cash flows of financial liabilities

The maturity profile of the group's financial liabilities at year end on contractual undiscounted payments was as follows:

The Group:

	1 to 3 months	3 to 12 months	1 to 5 Years	Contractual cashflows	Carrying amount
			2020		
	$	$	$	$	$
Due to related companies	-	-	270,910,072	270,910,072	270,910,072
Long term loans	2,216,773	4,904,318	1,089,848	8,210,939	7,971,086
Payables	53,377,530	-	-	53,377,530	53,377,530
Short-term loans	-	14,093,120	-	14,093,120	13,309,028
Bank overdraft	3,890,419	-	-	3,890,419	3,890,419
	59,484,722	18,997,438	271,999,920	350,482,080	349,458,135
			2019		
Due to related companies	-	-	148,794,752	148,794,752	148,794,752
Directors' accounts	-	-	2,110,620	2,110,620	2,110,620
Long term loans	2,311,900	4,133,858	6,392,630	12,838,388	12,099,628
Payables	103,738,252	-	-	103,738,252	103,738,252
Short-term loans	-	40,809,028	-	40,809,028	37,524,966
Bank overdraft	1,977,991	-	-	1,977,991	1,977,991
	108,028,143	44,942,886	157,298,002	310,269,031	306,246,209

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and guarantee from the ultimate parent company.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

3. Financial risk management (continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities (continued)
The maturity profile of the company's financial liabilities at year end on contractual undiscounted payments was as follows:

The Company:

	1 to 3 months	3 to 12 months	1 to 5 Years	Contractual cashflows	Carrying amount
			2020		
	$	$	$	$	$
Due to related companies	-	-	243,248,818	243,248,818	243,248,818
Payables	4,927,622	-	-	4,927,622	4,927,622
Short-term loans	-	14,093,120	-	14,093,120	13,309,028
	4,927,622	14,093,120	243,248,818	262,269,560	261,485,468
			2019		
	$	$	$	$	$
Due to related companies	-	-	138,773,425	138,773,425	138,773,425
Payables	23,533,481	-	-	23,533,481	23,533,481
Short-term loans	-	40,809,028	-	40,809,028	37,524,966
	23,533,481	40,809,028	138,773,425	203,115,934	199,831,872

Assets available to meet all of the liabilities and to cover financial liabilities include Cash at bank and in hand and guarantee from the ultimate parent company.

(c) Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in interest rates (see 3 (e)) and foreign currency exchange rates (see 3 (d)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk exposures are measured using sensitivity analysis. There has been no significant change in exposure to market risks or the manner in which it manages and measures the risk.

3. Financial risk management (continued)

(d) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The group is primarily exposed to such risks arising from foreign currency translation in relation to cash at bank and in hand, payables and short term loans.

The group and company statement of financial position at 30 June 2020 includes aggregate foreign assets of approximately \$1,525,575 and \$97,599 respectively and liabilities of \$745,700 for the group in 2019, in respect of transactions arising in the ordinary course of business.

The following tables indicate the currency to which the group had significant exposure on its monetary assets and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in the foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for changes in foreign currency rates as indicated in the table below. The sensitivity of the surplus was as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in each variable; variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	2020	**2020**	**2019**	**2019**
	$	**$**	**$**	**$**
	Effect on Profit and loss and equity			
	Revaluation	Devaluation	Revaluation	Devaluation
	2%	-6%	4%	-6%
The Group				
Currency:				
JMD	30,512	(91,535)	29,828	(44,742)
The Company				
Currency:				
JMD	1,952	(5,856)	-	-

3. Financial Risk Management (continued)

(e) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the group to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's interest rate risk mainly arises from cash and cash equivalents and long term loans. This risk is managed by analysing the economic environment and obtaining fixed rate loans when interest rates are expected to rise and floating rate loans when interest rates are expected to fall. It also manages the maturities of interest-bearing financial assets and interest-bearing financial liabilities. At 30 June 2020, the Group had no significant exposure to variable rate interest rate risk.

(f) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The amount included in the financial statements for cash at bank and in hand, receivables, payables, short term loans and bank overdraft reflect their approximate fair values because of the short-term maturity of these instruments.

The fair value of long-term loans approximates amortised costs.

The fair values of directors' account and due to related companies could not be reasonably assessed as there are no set repayment terms.

4. Critical accounting estimates and judgments in applying accounting policies

The group and company makes estimates, assumptions and judgements that affect the reported amounts of, and disclosures relating to, assets, liabilities, income and expenses reported in these financial statements. Amounts and disclosures based on these estimates assumptions and judgements may be different from actual outcomes, and these differences may be reported in the financial statements of the next financial year. Estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

(i) Impairment of financial assets
The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group and company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group and company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Income taxes
Estimates and judgements are required in determining the provision for income taxes. The tax liability or asset arising from certain transactions or events may be uncertain in the ordinary course of business. In cases of such uncertainty, the group and company recognises liabilities for possible additional taxes based on its judgement. Where, on the basis of a subsequent determination, the final tax outcome in relation to such matters is different from the amount that was initially recognised, the difference will impact the current and deferred income tax provisions in the period in which such determination is made.

(iii) Depreciable assets
Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The group and 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.

(iv) Recognition and measurement of intangible assets
The recognition and measurement of intangible assets, other than goodwill, in a business combination, involve the utilization of valuation techniques. These intangibles may be market related, consumer related, contract based or technology based. For significant amounts of intangibles arising from a business combination, the group and company has utilized independent professional advisors to assist management in determining the recognition and measurement of these assets.

4. Critical accounting estimates and judgments in applying accounting policies (continued)

(v) Valuation of financial instruments

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the group and company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premium used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

5. Property, plant and equipment

The Group:

	Leasehold Improvements	Computer Equipment	Furniture & Fixtures	Office Equipment	Motor Vehicles	Total
	$	$	$	$	$	$
Cost -						
1 July 2018	-	1,901,302	-	240,010	-	2,141,312
Acquisition of subsidiaries	-	1,924,425	419,470	-	14,501,475	16,845,370
Revaluation	-	-	-	-	294,881	294,881
Additions	1,584,285	5,035,388	769,322	962,368	-	8,351,363
Disposals	-	-	-	-	(3,720,750)	(3,720,750)
30 June 2019	1,584,285	8,861,115	1,188,792	1,202,378	11,075,606	23,912,176
Additions	266,960	221,508	1,746,416	436,866	-	2,671,750
Disposal of subsidiary	(1,584,285)	(2,550,248)	(309,123)	-	-	(4,443,656)
Disposals	-	(2,489,322)	(106,000)	(132,808)	-	(2,728,130)
30 June 2020	266,960	4,043,053	2,520,085	1,506,436	11,075,606	19,412,140
Depreciation -						
1 July 2018	-	1,901,173	-	200,109	-	2,101,282
Charge for the year	68,440	1,081,755	219,537	67,087	2,618,351	4,055,170
Relieved on disposals	-	-	-	-	(744,150)	(744,150)
30 June 2019	68,440	2,982,928	219,537	267,196	1,874,201	5,412,302
Charge for the year	25,951	1,495,027	186,112	115,569	2,618,351	4,441,010
Relieved on disposal of subsidiary	(68,440)	(843,421)	(21,602)	-	-	(933,463)
Relieved on disposals	-	(2,321,405)	-	-	-	(2,321,405)
30 June 2020	25,951	1,313,129	384,047	382,765	4,492,552	6,598,444
Net book value -						
30 June 2020	241,009	2,729,924	2,136,038	1,123,671	6,583,054	12,813,696
30 June 2019	1,515,845	5,878,187	969,255	935,182	9,201,405	18,499,874

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

5. Property, plant and equipment

The Company:

	Computer Equipment	Camera Equipment	Office Equipment	Leasehold Improvements	Total
	$	$	$		$
Cost -					
1 July 2018	1,901,302	95,695	144,315	-	2,141,312
Additions	301,401	590,236	-	-	891,637
30 June 2019	2,202,703	685,931	144,315	-	3,032,949
Additions	132,808	390,865	-	266,960	790,633
Disposals	(1,897,022)	(132,808)	-	-	(2,029,830)
30 June 2020	438,489	943,988	144,315	266,960	1,793,752
Depreciation -					
1 July 2018	1,901,173	55,795	144,314	-	2,101,282
Charge for the year	21,575	51,581	-	-	73,156
30 June 2019	1,922,748	107,376	144,314	-	2,174,438
Charge for the year	120,976	73,755	-	25,950	220,681
Relieved on disposals	(1,897,022)	-	-	-	(1,897,022)
30 June 2020	146,702	181,131	144,314	25,950	498,097
Net book value -					
30 June 2020	291,787	762,857	1	241,010	1,295,655
30 June 2019	279,955	578,555	1	-	858,511

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

6. Intangible assets

The Group:

	Computer Software	Total
	$	$
Cost -		
1 July 2018	2,302,184	2,302,184
Acquisition of subsidiaries	61,594	61,594
Additions	3,138,298	3,138,298
1 July 2019	5,502,076	5,502,076
Disposal of subsidiary	(3,282,673)	(3,282,673)
30 June 2020	2,219,403	2,219,403
Amortization -		
1 July 2018	2,302,054	2,302,054
Charge for year	554,543	554,543
30 July 2019	2,856,597	2,856,597
Relieved on disposal of subsidiary	(1,213,795)	(1,213,795)
Charge for year	513,913	513,913
30 June 2020	2,156,715	2,156,715
Net book value		
30 June 2020	62,688	62,688
30 June 2019	2,645,479	2,645,479

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

6. Intangible assets (continued)

The Company:

	Computer Software	Total
	$	$
Cost -		
1 July 2018	2,302,184	2,302,184
Additions	102,000	102,000
1 July 2019	2,404,184	2,404,184
30 June 2020	2,404,184	2,404,184
Amortization -		
1 July 2019	2,302,054	2,302,054
Charge for the year	5,610	5,610
1 July 2019	2,307,664	2,307,664
Charge for the year	33,832	33,832
30 June 2020	2,341,496	2,341,496
Net book value -		
30 June 2020	62,688	62,688
30 June 2019	96,520	96,520

7. Investments in subsidiaries

The Company

		2020	2019
		$	$
Investments at cost:			
Muse 360 Integrated Limited	(a)	26,368,577	26,368,577
Blue Dot Data Intelligence Limited	(b)	-	53,704,605
Bar Central Limited	(c)	5,997,000	5,997,000
		32,365,577	86,070,182

(a) Effective 20 July 2018 the company acquired 51% of the issued share capital of Muse 360 Integrated Limited (MUSE). The principal activities of MUSE are marketing and commercial solutions.

(b) Effective 7 August 2018 the company acquired 50% of the issued share capital of Blue Dot Data Intelligence Limited (Blue Dot). The principal activities of Blue Dot are marketing and commercial solutions. The company disposed of its 50% shareholding in Blue Dot Data Intelligence Limited during the year. See Note #9 (Disposal of subsidiary) for the net liabilities disposed.

(c) Effective 2 July 2018 the company acquired 75% of the issued share capital of Bar Central Limited. The principal activities of Bar Central Limited are distribution and provision of branding services.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

8. Goodwill

	Muse 360 Integrated Limited	Bar Central Limited	Blue Dot Data Intelligence Limited	Total
	$	$	$	$
Goodwill:				
Opening balance as at 1 July 2019	24,106,398	29,706,259	58,200,642	112,013,299
Disposal of subsidiary	-	-	(58,200,642)	(58,200,642)
Less: Impairment provision	(24,106,398)	(29,706,259)	-	(53,812,657)
Closing balance as at 30 June 2020	-	-	-	-

Provision estimate: Muse 360 Integrated Limited-100%
Bar Central Limited-100%

	Muse 360 Integrated Limited	Bar Central Limited	Blue Dot Data Intelligence Limited
	$	$	$
Year ended 30 June 2020			
Revenue	7,477,005	56,166,487	53,113,048
Loss	(1,077,114)	(33,933,854)	(9,746,109)

9. Disposal of Subsidiary

On 27th March 2020, the company entered into an agreement for the sale of its 50% shareholdings in Blue Dot Data Intelligence Limited for a cash consideration of US$300,000 or JA$39,758,250.

(a) Analysis of Assets and Liabilities disposed of:

	2020
	$
Cash and cash equivalents	5,040,785
Assets	61,273,422
Debt financing	(2,147,802)
Other liabilities	(78,912,648)
	(14,746,243)
SSL Ventures - 50% Shareholdings	(7,373,122)

(b) Loss on disposal of subsidiary

	Group	Company
	$	$
Consideration	39,758,250	39,758,250
Net liabilities disposed of	14,746,243	-
Elimination of investment in subsidiary	-	(53,704,605)
Non-controlling interest	(9,369,091)	-
Less: Goodwill at acquisition (Note 8)	(58,200,642)	-
Loss on disposal of subsidiary	(13,065,240)	(13,946,355)

(c) Net Cash flow on disposal of subsidiary (Blue Dot):

	2020
	$
Total consideration at 27 March 2020	39,758,250
Less: cash and cash equivalent from subsidiary	(5,040,785)
Disposal of subsidiary, net of cash	34,717,465

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

10. Deferred tax asset

Deferred tax asset is calculated in full on all temporary differences under the liability method using the applicable tax rate.

Deferred tax assets recognised on the statement of financial position are as follows:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Deferred tax asset	47,392,303	33,151,288	9,096,057	3,778,713

The movement on the net deferred tax asset balance is as follows:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Net assets at beginning of year	33,151,288	-	3,778,713	-
Transferred on acquisition	-	1,111,986	-	-
Elimination on disposal of subsidiary	(3,215,053)	-	-	-
Deferred tax credited to profit and loss (Note 29)	17,456,068	32,039,302	5,317,344	3,778,713
Net assets at end of year	47,392,303	33,151,288	9,096,057	3,778,713

Deferred tax asset is attributable to the following items:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Deferred tax asset:				
Property, plant and equipment	261,906	82,120	(60,052)	324,372
Unutilized tax losses	47,130,397	33,069,168	9,156,109	3,454,341
Net assets at end of year	47,392,303	33,151,288	9,096,057	3,778,713

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

10. Deferred tax asset (continued)

The amounts shown in the statement of financial position include the following:

	The Group		The Company	
	2020	2019	2020	2019
	$		$	$
Deferred tax asset to be recovered:				
- after more than 12 months	47,392,303	33,151,288	9,096,057	3,778,713
- within 12 months	-	-	-	-
	47,392,303	33,151,288	9,096,057	3,778,713

11. Inventories

	The Group	
	2020	2019
	$	$
Liquor	1,527,914	4,880,287
Beverages	504,802	1,718,950
Other	144,125	107,839
	2,176,841	6,707,076

For the years ended 30 June 2020 and 2019 there were no provisions for obsolescence.

12. Receivables

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Trade	4,122,557	23,243,277	-	-
Other	45,661,529	3,164,040	43,218,615	2,827,327
	49,784,086	26,407,317	43,218,615	2,827,327
Less: Provision for impairment	(3,848,644)	(2,943,740)	-	-
	45,935,442	23,463,577	43,218,615	2,827,327

13. Cash and short-term deposits

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Cash at bank	1,303,370	19,005,283	1,109,589	14,826,529
Short-term deposits	2,130,202	2,048,750	-	-
Cash in hand	10,000	1,922	-	-
	3,443,572	21,055,955	1,109,589	14,826,529

Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica. The rate of interest earned on the group's and company's savings accounts range from 0.05% - 0.07% for accounts that are denominated in United States Dollars, and 0.35% for those denominated in Jamaican Dollars.

14. Share capital

	2020	2019
	No. of shares	No. of shares
Authorised-		
Ordinary shares of no-par value	1,000,000,000	1,000,000,000

	2020	2019
	$	$
Issued and fully paid:		
400,000,000 Ordinary shares of no par value	111,880,297	111,880,297

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

15. Capital reserves

	The Group	
	2020	**2019**
The movements during the year were as follows:	**$**	**$**
Balance at beginning	294,881	-
Revaluation gains on plant and equipment	-	294,881
Balance at end of the year	294,881	294,881

Certain items of motor vehicle were professional valued as at June 2019.

16. Non-controlling interest

	The Group	
	2020	**2019**
	$	**$**
Balance at beginning of year	(19,779,173)	-
Balance at beginning of year-IFRS 9 adjustment	-	(200,728)
Capital reserves	-	283,317
Share of loss for the year	(13,884,303)	(9,636,105)
Non-controlling interest arising on acquisition of subsidiaries	-	(10,225,657)
Elimination of non-controlling interest on disposal of Blue Dot Date Intelligence Limited	9,369,091	-
Balance at end of year	(24,294,385)	(19,779,173)

17. Directors' accounts

This balance, which relates to amounts owed by/to the Directors, is unsecured, interest free and has no fixed repayment terms.

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

18. Due from/(to) related companies

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Due from:-				
Blue Dot Data Intelligence Limited	-	-	-	982,804
Bar Central Limited	-	-	59,049,365	31,313,109
Muse 360 Integrated Limited	-	-	1,535,546	2,071,922
	-	-	60,584,911	34,367,835
Due to:-				
Stocks and Securities Limited	(111,576,708)	(138,773,425)	(111,576,708)	(138,773,425)
Select Private Services Limited	(10,021,327)	(10,021,327)		-
SSL Growth Equity Limited	(149,312,037)	-	(131,672,110)	-
	(270,910,072)	(148,794,752)	(243,248,818)	(138,773,425)
	(270,910,072)	(148,794,752)	(182,663,907)	(104,405,590)

These companies are related by common shareholders and directors. The balances are unsecured and have no fixed repayment terms.

19. Long term Loans

		The Group	
		2020	2019
		$	$
Simpson Finance Jamaica Limited	(a)	1,046,913	1,366,922
Simpson Finance Jamaica Limited	(b)	2,761,898	3,518,059
Sagicor Bank Limited	(c)	2,660,501	5,548,647
Carbyne Capital Investments Limited	(d)	1,501,774	1,666,000
		7,971,086	12,099,628
Less: Current portion		(5,252,813)	(6,221,558)
		2,718,273	5,878,070

(a) This loan, which was received November 16, 2017, attracts interest at 12.99% per annum.
(b) This loan, which was received November 16, 2017, was restructured in May 2020. This loan attracts interest at 8.98% per annum and is repayable over 60 monthly instalments of $60,351.
(c) This loan which was received April 3, 2019 attracts interest rate of 11% per annum and is repayable over 24 monthly equal installments.
(d) This loan which was received December 19, 2019 attracts interest of 3.5% per month and is repayable over 12 equal monthly installments.

These loans are substantially secured by the following:
i. Bill of sale over 2014 Suzuki APV (3764HQ and 2015 Mitsubishi Pajero (3736HQ)
ii. Hypothecation/assignment of 15,000,000 units of Everything Fresh Company Limited shares valued at $12,000,000 in the name of Stocks and Securities Limited.

20. Payables

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Trade payables	11,726,565	36,025,229	766,818	4,308,709
Accrued charges	3,770,329	5,450,877	-	-
Payroll liabilities	15,175,942	15,540,470	764,176	240,626
General Consumption Tax	15,031,516	11,930,861	-	-
Other	7,673,178	34,790,815	3,396,628	18,984,146
	53,377,530	103,738,252	4,927,622	23,533,481

21. Short-term loans

		The Group		The Company	
		2020	2019	2020	2019
		$	$	$	$
Alydar Investment Limited	(a)	7,370,451	6,922,416	7,370,451	6,922,416
Gerald Hadeed	(a)	5,938,577	5,602,550	5,938,577	5,602,550
Tweedside Holdings Limited	(b)	-	25,000,000	-	25,000,000
		13,309,028	37,524,966	13,309,028	37,524,966

(a) These amounts were disbursed on July 1, 2013 and evidenced by Promissory Notes. The loans were for a period of 1 year (repayable June 30, 2015 – the "repayment date") at a rate of 8% per annum on the outstanding balances compounded quarterly. The lenders were not entitled to require repayment of the principal or interest before the repayment date, however the company at its option could have repaid the principal with interest accrued prorated up to the date of payment without penalty.

Provided the loans were still outstanding on the repayment date, the lenders had the option to convert the loans and the interest thereon into shares in the company at a price agreed between the parties not exceeding the price at which the company's shares were being publicly traded on the Jamaica Stock Exchange as at the repayment date. The lenders were required to notify the company of their intention to exercise the option at least 14 days before the repayment date.

In respect of the loan with Alydar Investment Limited, the company was not notified by the lender of its intention to take up the equity option. The loan was not repaid and to date no notice of demand for repayment by the lender has been served on the company. The company is currently pursuing negotiations with the lender for the extension of the loan under the same terms and condition. However as at 30 June 2020, the negotiations were not yet finalised.

In respect of the loan with Gerald Hadeed, the lender decided not to exercise the equity option and agreed to extend the loans under the same terms and conditions.

At 30 June 2020, interest payable included in the above balance amounted to $4,325,655 (30 June 2019: $3,541,593).

(b) This amount was advanced to the company and was repaid during the year.

22. Bank overdraft

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Bank overdraft	3,890,419	1,977,991	-	-

Bank overdraft represents cheques drawn at year end, not yet presented to the bank.

23. Revenue

Revenue represents the price of goods sold or services rendered to customers, and management fees and is stated net of discounts and allowances and General Consumption Tax.

24. Other operating income

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Payables write off	42,821,734	10,453,660	17,078,447	10,453,660
Incentive income	-	4,200,000	-	-
Other income	-	5,447,068	-	-
	42,821,734	20,100,728	17,078,447	10,453,660

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

25. Expenses by nature

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Accounting fee	3,768,687	3,620,217	-	1,779,213
Advertising and promotions	647,216	4,223,974	346,890	1,858,255
Adjustment write off	16,472,274	-	-	-
Asset tax	-	101,789	-	101,789
Audit fee	4,200,300	4,972,500	1,421,102	1,890,000
Bad debt expense/(recoverable)	1,068,945	(2,300,495)	-	-
Bank charges	727,336	1,230,521	94,265	96,847
Bearer service	20,000	-	-	-
Business permits and licenses	-	1,013,817	-	1,013,817
Company secretary	2,029,128	2,915,117	2,029,128	2,915,117
Casual labour	25,000	20,000	25,000	20,000
Depreciation and amortisation	4,954,923	4,609,713	254,513	78,766
Depreciation on right-of- use assets	5,402,152	-	-	-
Directors fees	592,373	6,835,611	-	420,000
Donations	8,000	1,330,208	-	-
Dues and subscriptions	2,248,522	1,262,500	17,502	932,000
Equipment rental	948,659	540,650	-	-
Insurance	508,813	362,128	-	-
Legal and professional fees	25,978,464	19,552,008	24,491,943	10,231,840
Loss on disposal of property, plant and equipment	406,725	1,646,600	132,808	-
Miscellaneous	517,888	2,919,167	496,855	-
Motor vehicle expense	3,531,385	406,449	160,910	146,376
Office expenses	1,894,444	7,544,223	677,752	3,066,879
Printing and reproduction	-	842,567	-	842,567
Staff costs (Note 27)	53,566,992	67,908,545	21,848,947	15,263,023
Security	259,104	422,842	-	-
Rent	4,534,244	7,540,681	1,866,412	3,398,140
Registration fees	732,750	767,296	732,750	767,296
Repairs and maintenance	1,896,380	1,861,357	-	-
Travelling and entertainment	433,864	1,739,403	21,459	870,044
Training	-	174,750	-	174,750
Utilities	2,317,757	3,097,522	482,500	402,274
	139,692,325	147,161,660	55,100,736	46,268,993
Impairment loss on financial assets	1,622,879	2,955,380	-	-
Finance costs, net (Note 28)	16,024,651	3,272,475	10,400,731	1,226,816
Cost of sales	105,121,032	275,867,539	-	-
	262,460,887	429,257,054	65,501,467	47,495,809

26. Operating loss

In arriving at the operating loss, the following have been charged: -

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Auditors' remuneration	4,200,300	4,972,500	1,421,102	1,890,000
Increase in loss allowance	1,662,879	2,955,380	-	-
Impairment of goodwill	53,812,657	-	-	-
Loss on disposal of subsidiary	13,065,240	-	13,946,355	-
Loss on disposal of property, plant and equipment	406,725	1,646,600	132,808	-
Depreciation and amortization	10,357,075	4,609,713	254,513	78,766
Directors' emoluments:				
- Fees	592,373	6,835,611	-	420,000
- Management remuneration (included in staff costs)	9,824,507	18,928,841	-	-
Staff costs (Note 27)	53,566,992	67,908,545	21,848,947	15,263,023

27. Staff costs

	The Group		The Company	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Wages and salaries	46,581,268	57,669,758	20,096,014	12,794,973
Statutory contributions	6,632,995	7,761,778	1,752,933	1,910,894
Staff welfare	352,729	368,440	-	-
Sub-contractors	-	1,512,523	-	-
Casual labour	-	596,046	-	557,156
	53,566,992	67,908,545	21,848,947	15,263,023

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

28. Finance costs, net

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Interest income	(64,625)	(178,451)	(3,028)	(100,872)
Foreign exchange gains	(196,778)	(575,062)	(9,219)	(568,679)
	(261,403)	(753,513)	(12,247)	(669,551)
Interest expense	14,051,318	3,214,007	9,543,676	1,121,452
Foreign exchange losses	1,067,525	811,981	869,302	774,915
Lease interest expense	1,167,211		-	-
	16,286,054	4,025,988	10,412,978	1,896,367
	16,024,651	3,272,475	10,400,731	1,226,816

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

29. Taxation

Taxation is computed on the loss for the year adjusted for taxation purposes and comprises:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Income tax at 25%	521,920	745,433	-	-
Deferred tax asset (Note 10)	(17,456,068)	(32,039,302)	(5,317,344)	(3,778,713)
	(16,934,148)	(31,293,869)	(5,317,344)	(3,778,713)

Entities listed on the Junior Stock Exchange in Jamaica benefit from tax incentives of tax rates of 0% in years 1-5, and 50% of regular tax rates in years 6-10.

Subject to agreement with the Commissioner, Taxpayer Audit and Assessment, the group and the company have tax losses of approximately $166,948,116 (2019: $87,164,039) and $87,195,121 (2019: 27,634,730) respectively that can be carried forward indefinitely for offset against future taxable profits.

The taxation charged in the statement of comprehensive income differs from the theoretical amount that would arise using the appropriate income tax rate:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Loss before taxation	(169,760,510)	(76,888,757)	(60,455,188)	(27,152,717)
Tax calculated at the appropriate rate	(28,266,800)	(15,828,100)	(7,556,898)	(3,394,090)
Adjusted for the effects of: -				
Expenses not allowed for tax purposes	9,640,682	825,568	1,743,293	-
Other charges and allowances	1,691,970	(16,291,337)	496,261	(384,623)
	(16,934,148)	(31,293,869)	(5,317,344)	(3,778,713)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

30. Segment financial information

	2020				
	Management Services	Retail and Distribution	Marketing and Advertising	Eliminations	Group
	$	$	$		$
Gross Revenue	1,914,187	56,166,487	60,590,053	-	118,670,727
Inter-segment revenue	(1,914,187)	-	-	-	(1,914,187)
Revenue from external customers	-	56,166,487	60,590,053	-	116,756,540
Segment results	(113,386,629)	(45,644,190)	(10,729,691)	-	(169,760,510)
Loss before income tax					(169,760,510)
Taxation					16,934,148
					(152,826,362)
Total segment assets	150,812,483	46,548,514	13,965,873		211,326,870
Total segment liabilities	261,485,468	117,948,502	31,191,095		410,625,065
Depreciation	220,683	3,574,472	645,855		4,441,010

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

30. Segment financial information (continued)

	2019				
	Management Services	**Retail and Distribution**	**Marketing and Advertising**	**Eliminations**	**Group**
	$	**$**	**$**		**$**
Gross Revenue	9,889,432	226,657,528	104,376,832	-	340,923,792
Inter-segment revenue	(8,656,223)	-	-	-	(8,656,223)
Revenue from external customers	1,233,209	226,657,528	104,376,832	-	332,267,569
Segment results	(27,152,717)	(21,079,613)	(28,656,427)		(76,888,757)
Loss before income tax					(76,888,757)
Taxation					31,293,869
					(45,594,888)
Total segment assets	144,296,731	42,434,333	42,605,039		229,336,103
Total segment liabilities	199,831,872	79,900,468	63,753,281		343,485,621
Other segment items					
Depreciation	73,156	3,210,145	771,869		4,055,170

31. Loss per stock unit

Loss per stock unit ("LPS") is computed by dividing the loss attributable to stockholders of the parent of $138,942,059 (2019: $35,958,783) by the weighted average number of ordinary stock units in issue during the year, numbering 400,000,000 (2019: 400,000,000)

SSL Venture Capital Jamaica Limited
(formerly C2W Music Limited)

Notes to the Financial Statements
30 June 2020

32. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

(a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or

(b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the company.

The following was (credited)/debited to the statement of comprehensive income:

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Management fees	-	-	(1,914,187)	(8,656,223)
Directors' fees	592,373	6,835,611	-	420,000
Management remuneration	9,824,807	18,928,841	-	-

As at the statement of financial position date the following balances were outstanding: -

	The Group		The Company	
	2020	2019	2020	2019
	$	$	$	$
Due from:-				
Blue Dot Data Intelligence Limited	-	-	-	982,804
Muse 360 Integrated Limited	-	-	1,535,546	2,071,922
Bar Central Limited	-	-	59,049,365	31,313,109
	-	-	60,584,911	34,367,835
Due to:-				
Stocks and Securities Limited	(111,576,708)	(138,773,425)	(111,576,708)	(138,773,425)
Select Private Services Limited	(10,021,327)	(10,021,327)	-	-
SSL Growth Equity Limited	(149,312,037)	-	(131,672,110)	-
	(270,910,072)	(148,794,752)	(243,248,818)	(138,773,425)
	(270,910,072)	(148,794,752)	(182,663,907)	(104,405,590)

FORM OF PROXY

I/We………......of
……..

being member/members of **SSL Venture Capital Jamaica Limited** ("SSL Ventures") hereby appoint.…….of
……..or
failing him………………………………………………………………………………………….………………….of
……………………………………………………as my/our proxy vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on………………………………………………………..and at any adjournment thereof.

Please indicate with an X in the space provided how you wish your proxy to vote on the Resolution referred to. Unless otherwise indicated, the proxy will vote as he thinks fit.

RESOLUTIONS	FOR	AGAINST
1. AUDITED FINANCIAL STATEMENTS & REPORTS		
THAT the Audited Financial Statements of the Company for the year ended June 30, 2020 and the Reports of the Directors and Auditors be and are hereby received.		
2. RE-ELECTION OF RETIRING DIRECTORS		
Resolution 2(a) THAT being eligible, Mr. Zachary Harding be re-elected a Director of the Company.		
Resolution 2(b) THAT being eligible, Mr. Jeffrey Cobham be re-elected a Director of the Company.		
3. APPOINTMENT OF AUDITORS & REMUNERATION		
THAT Baker Tilly Strachan Lafayette, Chartered Accountants of 14 Ruthven Road, Kingston 10, having signified their willingness to serve, continue in office as Auditors of the Company, until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors.		
4. DIRECTORS' REMUNERATON		
THAT the total remuneration of all the Directors combined, other than the Executive Director, as shown in the Company's Audited Financial Statements for the year ended June 30, 2020 be and is hereby approved.		

Signed this day of 2020

Signature: ___________________________________

Notes:

1. This Form of Proxy must be lodged at the office of the Company's Registrar and Transfer Agents, the Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, not less than forty-eight (48) hours before the time appointed for holding the meeting.
2. Any alterations in this Form of Proxy should be initialed.
3. In the case of joint holders, the signature of one holder will be sufficient but the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders, seniority being determined by the order in which the names stand on the register.
4. If the appointer is a Corporation, this Form of Proxy must be executed under its common seal or under the hand of an Officer or Attorney duly authorized.
5. An adhesive stamp of $100.00 must be affixed to the Form of Proxy.