FirstRock Capital Holdings



ANNUAL REPORT

2021

RESILIENCE

FirstRock

"On the other side of a storm is the strength that comes from having navigated through it. Raise your sail and begin."

Gregory S. Williams



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Mission

The Caribbean's most Shareholder-centric investment holding company.

Vision

To capitalize on investment opportunities, which will enable us to constantly increase Shareholder value and deliver above-average returns.

Performance Snapshot

NET PROFITS ATTRIBUTABLE TO SHAREHOLDERS

US $3M

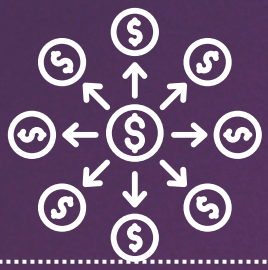
J $462 M



TOTAL ASSETS

US $45M

J $6.9B



SHAREHOLDERS' EQUITY

US $32.4M

J $5 B



EFFICIENCY RATIO

54%



RETURN ON AVERAGE EQUITY

9.6%



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 3rd Annual General Meeting of FIRST ROCK CAPITAL HOLDINGS LIMITED ("the Company") will be held in person and will also be Livestreamed using the Zoom Video Conferencing Platform on the 02nd day of June 2022 from Rodney Bay, Gros Islet, Saint Lucia at 9.30 am (AST/SLU) to consider, and if thought fit, to pass the following resolutions:

Ordinary Business: Resolutions 1-5

1. To receive the audited accounts for the year ended 31st December 2021

Resolution 1- Audited Accounts
"THAT the audited accounts for the year ended December 2021 together with the reports of the Directors and Auditors thereon be and are hereby adopted."

2. To ratify interim dividend payments and declare them final

Resolution 2- Interim Dividend
"THAT the interim dividends totaling US$371,833.00 paid in 2021, be and are hereby ratified and declared as final and that no further dividend be paid in respect of the year under review."

3. To elect Directors

The directors retiring by rotation pursuant to Article 101 of the Articles of Incorporation are Alton Morgan, Douglas Halsall and Kisha Anderson, all of whom being eligible offer themselves for re-election.

Resolution 3(i) - Re-election of Alton Morgan
"THAT the retiring Director, Alton Morgan be and is hereby re-elected as a Director of the Company."

Resolution 3(ii) - Re-election of Douglas Halsall
"THAT the retiring Director, Douglas Halsall be and is hereby re-elected as a Director of the Company,"

Resolution 3(iii) – Re-election of Kisha Anderson
"THAT the retiring Director, Kisha Anderson be and is hereby re-elected as a Director of the Company," and

Resolution 3(iv) – Ratification of Appointment of Dr. Michael Banbury
"THAT the recently appointed Director, Dr. Michael Banbury be and is hereby re-elected a Director of the Company."

4. To approve the remuneration of the directors

Resolution 4-Directors' Remuneration
"THAT the amount included in the Audited Accounts of the Company for the year ended 2021 as remuneration for their services as Directors be and is hereby approved."

5. To re-appoint Auditors and fix their remuneration

Resolution 5 – Re-Appointment and Remuneration of Auditors
"THAT Ernst and Young, Chartered Accountants having agreed to continue in office as Auditors, be and are hereby re-appointed Auditors for the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors of the Company".

Special Business: Resolution 6

6. To change the Company name

Resolution 6 – Change of Company Name
"THAT the Company's name be changed from First Rock Capital Holdings Limited to First Rock Real Estate Investments Limited."

Dated the 21st April, 2022
by Order of the Board

_____
Secretary
Finsec Limited

NOTES

This AGM is being held as a "hybrid" meeting and you may attend in person physically at the venue, or by electronic means or by proxy.

(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place. Such proxy could be chosen from the following list of Directors (and Company Secretary) who have indicated that they intend to attend the AGM:

(a) Norman Reid, Chairman
(b) Annalee Augustin, for Finsec Ltd., Company Secretary

or alternatively, a member may appoint a person of his/her choice who has been granted the right to attend the meeting physically after having been registered for attendance.

A corporate shareholder may, instead of appointing a proxy, appoint a corporate representative in accordance with Article 78 of the Company's Articles of Association.

(2) A member must complete and return his/her Form of Proxy to the Registrar of the Company, Sagicor Corporate Services ("SCS"), using one of the following methods, **not less than 48 hours before the Meeting**:

(a) by hand delivery to SCS at 17 Dominica Drive, Kingston 5, Jamaica, W.I.; or

(b) by post addressed to SCS at 17 Dominica Drive, Kingston 5, Jamaica, W.I.; or

(c) by email: to the Registrar at sbj_registrar@sagicor.com.

A suitable Form of Proxy is enclosed for your convenience.

Founders Report



Principals (L-R): Michael Banbury and Ryan Reid

The creation of an integrated group of companies spanning multiple industries has always been our primary objective. The First Rock Group of companies has two distinct strategies, Real Estate and Private Equity. First Rock Capital Holdings, which trades on the Jamaica Stock Exchange, is the platform for our Real Estate pursuits.

The financial year ended 2021 has exhibited that our strategy within the publicly traded company has been one of resilience and gumption. By any measure, we have performed.

The nature of business and the relentless pursuit of your goals may sometimes be accompanied by unwarranted inequities and iniquities, which one must never allow to be the engineer of derailment.

Therefore, cautious aggression, prudent decision making, diversification and risk mitigation has been our mainstay. First Rock Capital Holdings has a strong board which is married to governance and structure. The board enjoys the presence of leaders in multiple industries and the confidence of 3,000 shareholders.

The entrepreneurial approach towards these businesses which Dr. Banbury and I have started, is now reaping the benefits and First Rock Capital Holdings is not excluded. In 3 plus years, we have moved from US$0.00 in assets to US$45,000,000. At the First Rock Group, we have effectuated the operational structure to ensure that we are agile, lean and fit whilst never jettisoning our primary objective and obligation to the shareholders of First Rock Capital Holdings. The asset target for the company is to hit US$100,000,000 in the first five years.

To clearly delineate in the minds of all our stakeholders the various companies and their focus, a resolution will be put forward to the shareholders of First Rock Capital Holdings for its name to be change to “First Rock Real Estate Investments Limited”. We crave your support.

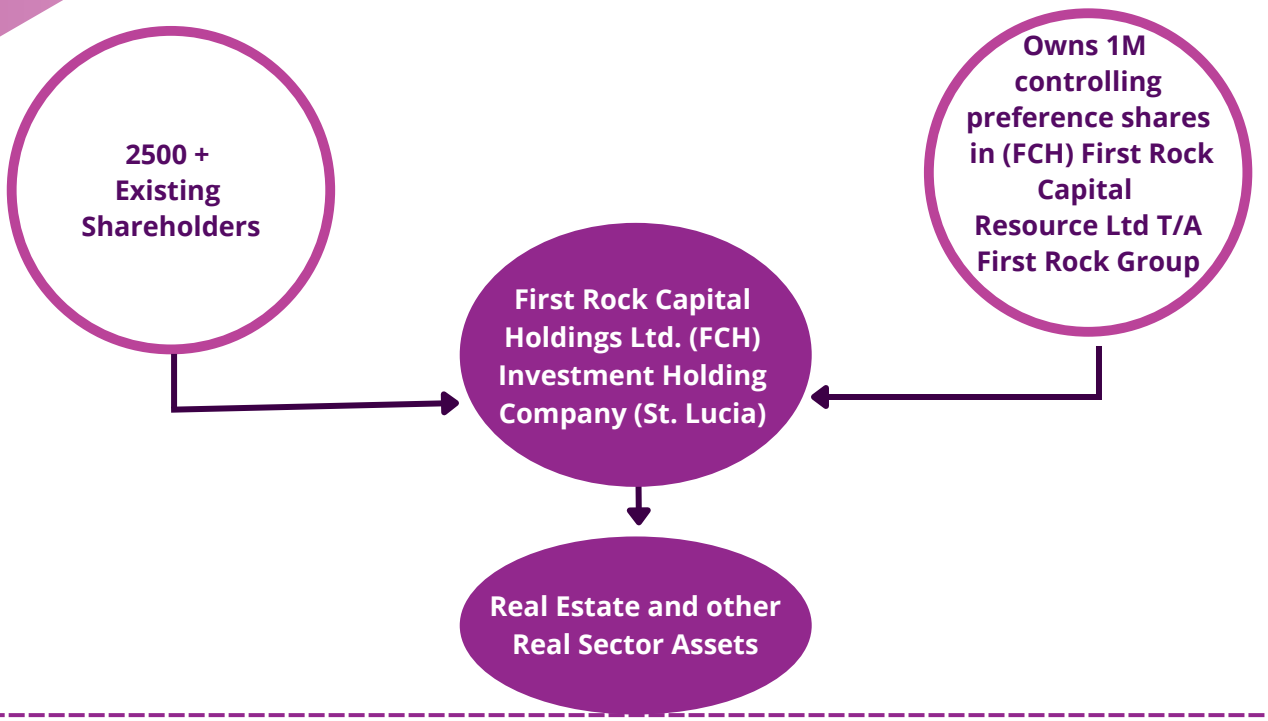
Finally, we would like to thank the board of First Rock Capital Holdings for the shepherding, its Shareholders who continue to exhibit confidence in the company and lastly, the Board and employees of the First Rock Group.

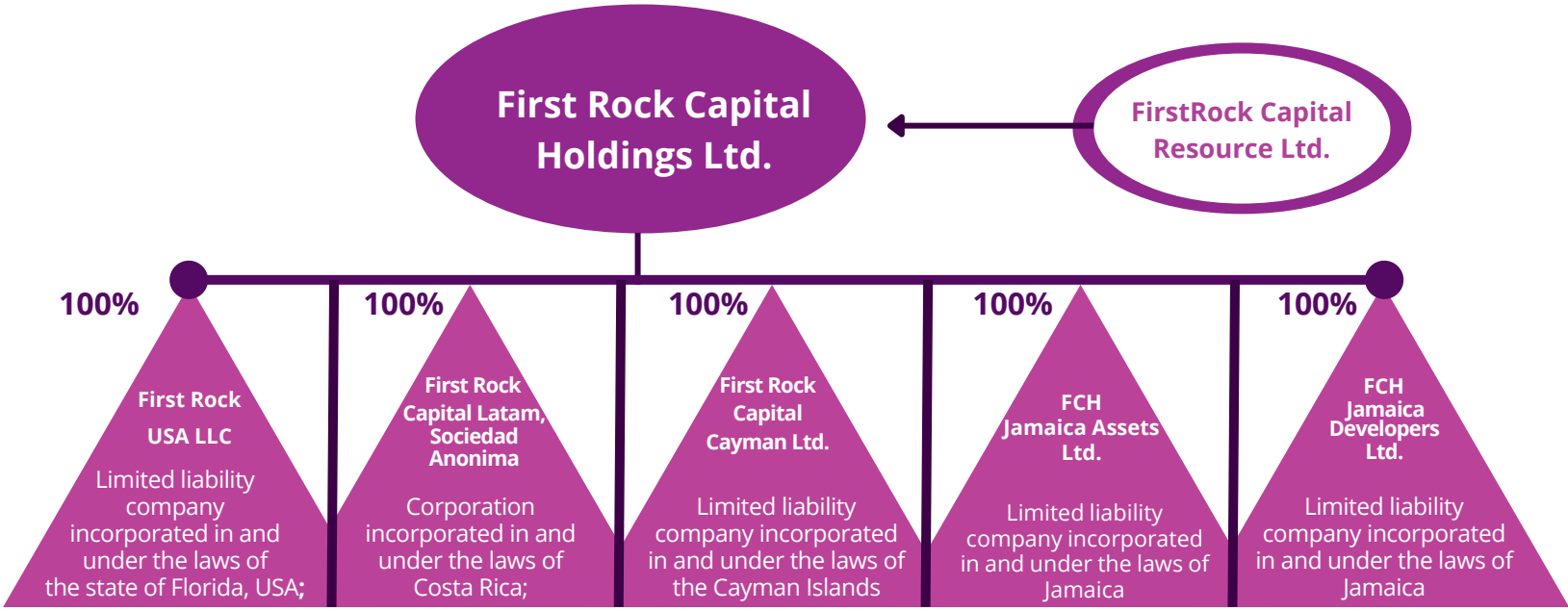
Ryan Reid
Chairman and Co-Founder

Michael Banbury
Deputy Chairman and Co-Founder

Corporate Structure

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





Business Brief

First Rock Capital Holdings, a real estate investment holding company, was incorporated in 2017 in St. Lucia as an International Business Company (IBC). The company operates under the International Business Companies Act and is listed on the Jamaica Stock Exchange (JSE). The main objective of the company is to pursue opportunities within the real estate sectors across the Caribbean and Latin American region.

The main income segments of its operations are:

- Real Estate Rental Income (Commercial and Residential)
- Real Estate Development (Commercial and Residential)
- Real Estate Capital Gains Transactions
- Real Estate Linked Instruments

The company has subsidiaries in the United States, Cayman Islands, Costa Rica, and Jamaica through which it holds its various real estate and liquid assets.

Chairman's Report



> *The financial performance for the financial year ended 2021 was nothing short of phenomenal; a year in which Covid-19 was in full bloom.*

Dear Stakeholders.

As Chairman of First Rock Capital Holdings (FRCH), I continue to be impressed and awed by our growth. This marks our third year of existence.

One cannot ignore the positive impact that FRCH is making within the jurisdictions it operates.

With operations in four jurisdictions, we continue to employ risk mitigation strategies through diversification. The financial performance for the financial year ended 2021 was nothing short of phenomenal; a year in which Covid-19 was in full bloom. Undoubtedly this affected both lives and livelihood creating an economic landscape fraught with challenges.

It was during this period that our resolve was truly tested and our business model became even more fortified. Given our strong sense of purpose, business acumen and leadership prowess we continued to soar.

Significant Quantitative hallmarks for 2021 include but not limited to the following:

- The net profit improved by 15% over prior year.
- In three years of existence the Total Assets of the company now stands at US$ 45million. This is phenomenal and is a clear indication that we are on a growth trajectory that will redound to the benefit of all stakeholders.
- The 20% reduction in total operating expenses clearly indicates that with profits going North and expenses going South in an inflationary environment, speaks to good management.

The board at the First Rock Group continues to manage our affairs in line with expectations and we expect to further execute our strategic objectives.

I applaud the team and support of our many stakeholders and the general synergistic aura that we have engendered.

On now to greater things.



Norman Reid J.P.
Chairman

Board of Directors



Norman Reid J.P.
Chairman

Norman Reid is the Chairman of First Rock Capital Holdings. He is a career Banker and has served the Financial Services Sector for over 40 years. His expertise includes Risk Management, Leadership, Sales Management and Governance. He is the Chairman of Clarendon Alumina Production, National Education Trust and Sam Sharpe College and serves as Director of the EXIM Bank, Western Regional Health Authority; he also chairs the Sub-Committees of these Boards.

Mr. Reid holds a BA in Banking and Finance, a Diploma in Banking (ACIB) and a Diploma in Retail Banking from the BAI (BANK Administration Institute) USA. He is also a Fellow of the Institute of Banking and Financial services in the UK. Earlier this year, he was appointed as a mentor to the Emerging Leaders Initiative administered by the BAI.



Alton E. Morgan
Deputy Chairman

Mr. Alton E. Morgan is an Attorney- At-Law with over 35 years' experience. He is the Managing Partner for Alton E. Morgan & Company. The firm specializes in Real Estate Law, Property development, Business sales, Arbitration, Property Subdivisions.

Mr. Morgan is regarded as one of Jamaica's leading real estate Attorney and is a constant source for conveyancing and property development. He has acted on some of Jamaica's largest real estate transactions and serves on numerous private sector boards.



Douglas Halsall O.D.

Mr. Douglas Halsall, O.D has spent the last 40 years leading the development of Information Technology in Jamaica and has consequently been associated with many firsts such as implementing the first ATM in Jamaica, to computerizing many industries including Health Insurance, Credit Unions, Retail, Government Accounting and Hospitality & Tourism. Mr. Halsall founded AIS in 1987 and currently serves as its Chairman and CEO.

Mr. Halsall has amassed a wealth of experience leading cutting-edge technology companies across multiple industries. Before starting AIS, Mr. Halsall served as Chairman and CEO of National Cash Register (NCR) for 10 years where he was responsible for moving NCR Jamaica to the position of Leading country across Latin America and the Caribbean in performance and sales.

In 2005, the Government of Jamaica, supported by the Opposition, recognized his contribution to technology by conferring on him the prestigious Order of Distinction.



York Page Seaton C.D.

Mr. York Page Seaton is a qualified Engineer and Chairman and CEO for Y.P Seaton & Associates Company Limited. He founded this entity in 1969 and today it is regarded as the leading Construction, Development, Electrical and Mechanical Engineering Contracting company in Jamaica and the wider Caribbean.

Mr. Seaton has been conferred with the certificate of Distinction (CD) by the Government of Jamaica.



Kisha Anderson

Kisha began her tenure with JMMB Ltd. in 1996 and has since worked in several areas of the company's operations. Kisha up to recently served as Country Manager of JMMB's Jamaican based subsidiaries:

- Jamaica MoneyMarket Brokers (JMMB) Limited,
- JMMB Merchant Bank Limited,
- JMMB Insurance Brokers Limited,
- JMMB Fund Managers Limited and
- JMMB Securities Limited Jamaica).

She entered the field with a degree in Environmental Sciences from the UWI, Mona. In November 2015 she completed and graduated from a four (4) month Harvard Business School General Management Program She currently sits as a director on the Boards of JMMB Insurance Brokers Ltd., JMMB Fund Managers Ltd., JMMB Securities Limited, JMMB Money Transfer Limited, JMMB Ltd., JMMB Investments (T&T) and JMMB Securities (T&T). She is a Justice of the Peace for Kingston.



Michael Banbury

Dr. Banbury is the Chief Executive Officer of Medical Associates Hospital, where he also sits on the Board. He is a Medical Doctor with speciality in Primary Care and Diabetology. Dr. Banbury is a graduate of the University of the West Indies School of Medicine where he earned his Bachelor of Medicine and Surgery (M.B.B.S). He also studied at Wharton Business School with a focus on Distressed Asset Investing and the Harvard Business School with a focus on Creating Shareholder Value. He is also a Fellow of the Royal Society for Public Health (F.R.S.P.H).

Dr. Banbury serves at the Board level of various Private and Public sector entities and brings a wealth of management and business development experience. He is also a Co-founder of First Rock Capital Holdings Limited. Dr. Banbury also sits on the board of First Rock Global Holdings and First Rock Realty.



Natalie E. G. Augustin

Natalie, the Senior Practitioner of the firm, was called to the Bar in 1996 and commenced practice in Saint Lucia in 1997. In her 19 years of practice she has polished her skills and expertise in the areas of International Financial Services, structuring and registration of Condominiums and Private Developments, Mergers and Acquisitions, Company Formations, Conveyancing, Trusts, Wills and Administrations. Natalie is a member of the Society of Trust & Estate Practitioners (STEP) and a Committee member of the Bar Association of St. Lucia.

Board of Directors



Ryan Reid.

Chairman and CEO

Ryan Reid is the Co-Founder, President and CEO of First Rock Group. Mr. Reid brings 15 years of experience in the real estate and financial sectors, with eight at the executive level in the financial sector. Throughout his career, he has had responsibilities of leading sales, services, accounting, investments and corporate finance teams.

Mr. Reid studied at the University of the West Indies and the University of Wales where he pursued a Bachelor of Science in Banking and Finance and a Master's in Business Administration in General Management, respectively. He also studied at Wharton Business School with a focus on Distressed Asset Investing and the Harvard Business School with a focus on Creating Shareholder Value. He is a member of the First Angels Investor Group and the Young Presidents Organization (YPO). He is a director of multiple private and public sector companies. He is also a Justice of the Peace for the Parish of St. Andrew.



Michael Banbury

Deputy Chairman

Dr. Banbury is the Chief Executive Officer of Medical Associates Hospital, where he also sits on the Board. He is a Medical Doctor with speciality in Primary Care and Diabetology. Dr. Banbury is a graduate of the University of the West Indies School of Medicine where he earned his Bachelor of Medicine and Surgery (M.B.B.S). He also studied at Wharton Business School with a focus on Distressed Asset Investing and the Harvard Business School with a focus on Creating Shareholder Value. He is also a Fellow of the Royal Society for Public Health (F.R.S.P.H).

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Marjorie Seeberan

Marjorie Seeberan is a retired career Banker. She has a wealth of experience in banking and finance.Her most recent post was General Manager for Corporate Banking at National Commercial Bank Jamaica Limited. She was alsothe Executive Director for TheUniversity of the West Indies– May 1997 – November2002, and before that shewas the Senior Vice Presidentof JPMorgan Chase up untilNovember 1995.

Mrs. Seeberan studied at New York University as she pursued her Master of Business Administration (M.B.A.), Finance.



Edwin Wint

Edwin Wint is currently the Chairman & CEO at Better Homes and Gardens Real Estate Jamaica. He is a Real Estate executive with broad experience in real estate valuation, real estate investment consulting and real estate sales. His specialties are Facilities Management Consulting. He was a Director of Real Estate Board and Commission for Strata Corporations, up until May 2018. He has also served as the President of the Realtors Association of Jamaica.

Mr. Wint is the holder of a Master of Business Administration **(**MBA), Post Graduate Diploma Construction Project Management, Construction & Real Estate from **t**he University of Reading/College of Estate Management. He is a certified International Property Specialist, Real Estate and has a Diploma, Land Economy & Valuation Surveying from the University of Technology and a BA from The University of The West Indies.

Macro Economic and Real Estate Sector Overview

JAMAICA



After twenty-two months of a global financial downturn, the world, including Jamaica, can finally state, with confidence, that we are on the heels of economic recovery for 2022/2023.

According to the Jamaica Economic Panel (JEP) the Jamaican GDP declined by approximately 10% during 2020, which was one of the most deeply felt economic contractions. The IMF estimated that the Jamaican GDP would increase by 1.5% and 5.7% for the years 2021 and 2022, respectively. On the other hand, the Bank of Jamaica estimates GDP growth between 2% and 4% for the period 2021 to 2024.

It is reported that the Jamaican economy contracted by 5.7% between January and March 2021 (1st quarter) as a result of the continued negative impact of the novel coronavirus (COVID-19). Dr. Wayne Henry, director of the PIOJ stated that the downturn for the said period was largely due to an upsurge of positive COVID-19 cases in Jamaica. Positive cases were upward of 39,000 at the end of March 31, 2021, compared to 12,519 confirmed cases at the end of December 2020. Further, the impact of the pandemic extended to the entertainment and services industries as measures implemented to slow the spread of the virus in the form of lockdowns or enforcement of curfews, forced the entertainment and other services industries to contract, thereby reducing revenues.

By April 2021, however, we were able to see the proverbial light at the end of the tunnel, as according to the PIOJ, the Jamaican economy grew by 12.9% between April and June 2021, which showed a marked increase compared to the corresponding period in 2020. The impact on positive performance was reportedly the relaxation of globally and locally enforced measures to manage the COVID-19 pandemic. These included the roll out of vaccines and increased business operating hours which naturally, facilitated an increase in production levels in building and construction projects as well as other sectors. The PIOJ posited that the real value added for construction, increased by 1.7%, which mainly reflected growth in other construction and building construction components.

The Real estate market flourished in 2021 and saw an increase in the number of units being placed on the market. Mr. Edwin Wint, CEO of Better Homes confirmed that the residential and commercial properties market remained strong in 2021. Even though the residential market experienced some softening in the middle to upper class income end of the market, in Kingston, residential sales remained resilient in other parishes. Therefore, despite the increase in the cost of construction materials and difficulties experienced in the supply chain, the market has largely remained unabated even as the price points of units trend upwards.

For commercial developments, the real estate market has shown an increase in demand, especially for investment-worthy greenfield and brownfield properties in urban centers. There was also an increased demand for commercial properties outside the major city sites as more and more investors have started to look beyond the more populated and conventional areas with a view to expand development in more accessible areas. This trend has now extended to the development of the Morant Bay Urban Centre, and developments in Drax Hall, as opposed to Ocho Rios. With the expansion of the BPO sector as well as inclusion of corporate property developers, construction of commercial properties remains a lucrative option. Despite the negative impact following the pandemic, the year 2021 saw the real estate market as a steady and fairly safe investment in Jamaica with capital and income remaining high and therefore the growth of the real estate industry continues to be optimistic for 2022.

The demand for apartments in gated communities remains strong and has expanded to increase the effort to match the demands for the sector. It has been reported that sales for 2021 increased over the previous year and that the number of days properties remained on the market had been reduced. The aforesaid is a direct result of a real estate market that has a high demand and reflects high performance with the number of apartments increasing by 30% over 2020.

Reports are that housing priced at $25 Million dollars and below continues to be in high demand thus creating a seller's market, wherein, sellers are able to maintain high prices for a relatively small number of houses in comparison to a larger number of interested parties. Trending towards becoming a balanced market are houses being sold between $26 Million and $45 Million dollars. However, housing priced at $45 Million and above is slowly becoming a buyer's market, which is where sellers are forced to be more amenable to the negotiations of the buyers.

Jamaica's real estate market has the potential to continue on a trajectory of high performance and would benefit from a faster rebound in the tourism sector and other related sectors.

CAYMAN ISLANDS



The Cayman Islands is an international financial center, known for investment funds, banking, insurance and other financial services. The main industries are financial services, tourism, and real estate sales and development. Cayman's GDP increased by an estimated 2.4% during the second quarter of 2021, which was showed growth over the first quarter that featured an estimated growth of 0.4%. Cayman's economy is estimated to have expanded by 1.4% in the first 6 months of 2021 and thought it was estimated that the economy would have contracted by 7.2% due mainly to the effects of the COVID-19 pandemic.

The expansion for 2021 is said to reflect an increase across several sectors which includes construction, which increased by 13%, business services by 4.5%, producers of government services by 5.2% and real estate by 2.6%. According to the semi-annual economic report 2021, the largest contributors to Cayman's GDP, being financing and insurances services, expanded by 3.2% and was expected to continue to outweigh downward trends in the tourism and transportation industries. Conversely, despite the overall growth in the economy, Cayman's restaurant and hotel industry declined by 87%, due to the closure of borders. Other sectors that experienced notable contractions were transport, storage and communication which declined by 13.5%, electricity and water sectors declined by 2.6%, while other services declined by 11.2%. The reduced inflation rate reflects a deflation of 1.0% in the first quarter and inflation of 0.2% in the second quarter.

Real Estate activity expanded during the first half of 2021 compared to the same period in 2020. Measuring the real estate activity by the value and volume of traded properties, 2021 brought an increase by 122.1% and reflects expansions in the value of both freehold and leasehold transfers. Freehold transfers increased from 313.9 Million to 688.8 Million while leaseholds transfers increased from 11.6 Million to 34.1 Million. The significant increases across the real estate sector showed a significant rebound from the decline which resulted from the lockdown measures in 2020.

The outlook for Cayman's real estate market is positive as day-to-day life inches toward pre-pandemic conditions. One real estate agent predicts that with travel to Cayman becoming easier due to the relaxation of COVID-19 restrictions, Cayman's tourism and population will increase thereby fueling a demand for rental properties within the island. It is estimated that during 2022, rental rates will initially stabilize before increasing for key locations.

COSTA RICA



Costa Rica is considered an upper middle-income country and has seen steady economic growth for the past 25 years. Costa Rica is also described as a global leader in respect of environmental policies and accomplishments thus making Costa Rica the only tropical country in the world to have reversed deforestation.

However, despite fiscal and environmental accomplishments, Costa Rica faced challenges due to the COVID-19 pandemic which severely impacted the economy. It is also reported that the unemployment rate almost doubled that which was recorded in mid-2020. Family income declined despite the government's emergency response and thus lead to the poverty rate rising to 16.1%. However, spending discipline and overall strong economic performance during 2021 enabled Costa Rica's economy to swiftly rebound with an improvement in the labour market and social outcomes. It is reported that the GDP recovered by 7.6% in 2021, compared to 2020.

Costa Rica's GDP rose to above pre-COVID levels with a strong rebound in the manufacturing and services and agriculture sectors. The services industry and the tourism sector are expected to gain momentum and to add to the country's economic recovery in 2022 and in 2023 as the impact of the pandemic dissipates and the number of tourist arrivals increases. As it stands now, poverty rates as well as household income remains above pre-covid levels.

Costa Rica's real estate sector was not spared by the pandemic. However, it has been noted that there has been a shift in the needs of the final consumer. The final consumer now looks for a

'SPACE EQUIPPED WITH THE HIGHEST AND MOST SOPHISTICATED STATE OF THE ART TECHNOLOGY.'

Costa Rica continues to be a growing market which includes digital nomads and retirees.

Long term renters, including young workers, have overtaken the real estate market in Costa Rica, seeking to escape the nine to five corporate lifestyles associated with city life. It is reported that Canadians were among the top buyers for properties in Costa Rica during 2021.

In recent years, Costa Rica, as well as other Central American countries, have seen an influx of major international companies such as Microsoft, and Hewlett Packard. This influx is associated with the high literacy seen throughout the countries and the availability of human resources. This is further enhanced by the government's efforts to create several tax benefits to overseas investors and the establishment of special economic zones. FirstRock's vision is to align itself with these major entities and and to unlock value that can be achieved from the real estate sector. As a result of this, we remain aggressive in our pursuit of good real estate investment opportunities within the country, with our primary target being centered around the commercial space.

FLORIDA/USA



Despite the challenges spurred from the impact of the pandemic, the US revenue soared and saw the largest increase in a one-year period, being 2021, in years. In 2021, revenues increased to $627 Billion and though there are towering budget deficits, the high revenue shows great promise for the US economy going forward. The GDP grew by 5.5% over the four quarters of 2021 and is attributable to increased inventory investment and increased service spending.

Florida's economy grew in the final quarter of 2021 and continues to perform well, with growth in the labour force and a decline in the unemployment rate compared to rates in 2020. Since April 2020, Florida implemented several successful policies which aimed to put the people of Florida and their businesses first. Florida thusly, as at October 2021, experienced 12 consecutive months of growth to the labour force and 18 consecutive months of private-sector job growth, which showed a 5.7% increase over 2020. Currently, the unemployment rate stands at 4.6%, which was reduced from the rate held in September 2021, by 0.2%. Florida's job market also continues to show great promise as over 518,000 jobs were posted online.

The real estate market in Florida performed well during 2021. The state of Florida, one of the top travel destinations in the world, was heavily impacted by the pandemic, as industries relying on travel and in- person contact such as leisure and hospitality, were dealt the greatest blow. However, reports have shown that there are 16,600 new jobs in the leisure and hospitality sector, since global travel has rebounded and with vaccinations being rolled out.

Florida is still regarded as one of the most in-demand real estate markets due to its favourable climate, tax regime and its proximity to the Gulf of Mexico and the Atlantic Ocean. The Miami Herald reported that Florida was the first choice for individuals and families relocating from outside of the state. In fact, the top 10 fastest growing places in the U.S in 2021 – 2022, are all located in Florida and may continue to see an increase over the next 10 years. This increase in population size bodes well for the real estate market as this will have a direct impact on home sale, prices and profitability within the market.

Low inventory and high demand have caused housing prices to rise, significantly within Florida's market. Cost of living is 2% below national levels and although Florida is said to have one of the least affordable housing markets among all states in the US, reports are that home buyers offering to make cash payments for single family homes, have increased by almost 50%.

Additionally, as at October 2021, Florida's rentals have increased by 24%. Due to the high levels of migration to Florida, landlords have been able to raise prices, with the median rent for a 3-bedroom home in Miami being $3,800.00 per month, while Tampa and Orlando have median rents of $2,250 and $2,150 respectively. Realtors in the market have stated that they expect continued growth of the renters market as currently 34% of housing in Florida are occupied by renters. They also expect that since inventory remains low, the market will continue to flourish in 2022.

Management Discussion & Analysis

The Management Discussion and Analysis ("MD&A") is intended to help shareholders to better understand the financial performance of the Group. The MD&A is provided as a supplement to and should be read in conjunction with the Audited Financial Statements of the Group and the accompanying notes.

OVERVIEW OF THE BUSINESS

First Rock Capital Holdings Limited (FirstRock or the Company) is an IBC incorporated in and under the laws of St. Lucia. FCH is an investment holding company, with a core focus on real estate investments. FCH deploys its capital for the ultimate benefit of its Shareholders.

The investment objective of the Company is to provide Shareholders with a tax-efficient vehicle, generate above-average risk-adjusted returns and preservation of capital through the diversification of assets. FirstRock invests primarily in real estate assets including income-generating investment properties, development projects (greenfield and brownfield) and real estate-linked financial instruments.

The Company's investment scope includes Jamaica, the wider Caribbean, North America, and Latin America. The Company has five subsidiaries and one associate which together form the Group:

- First Rock USA LLC which is a limited liability company incorporated in and under the laws of the State of Florida, USA and holds real estate and investment assets.
- First Rock Capital Latam, S.A. which is a corporation incorporated in and under the laws of Costa Rica and holds real estate and investment assets.
- First Rock Capital Cayman Limited which is a limited liability company incorporated in and under the laws of Cayman and holds real estate and investment assets.
- FCH Jamaica Developers Limited which is a limited liability company incorporated in and under the laws of Jamaica to execute real estate developments.
- FCH Jamaica Assets Limited which is a limited liability company incorporated in and under the laws of Jamaica and holds real estate and investment assets
- First Rock Global Holdings Limited (T/A First Rock Private Equity Limited) which is a limited liability company incorporated in and under the laws of Barbados and hold private equity investments

The Group's investment activities are managed by its Investment Manager, First Rock Capital Resource Limited (FCR). FCR is a limited liability company incorporated in and under the laws of Jamaica. FCR is a third-party asset management company engaged under contract by FirstRock, to achieve the goals and objectives of the Company, whilst adhering to the policies & guidelines determined by the Company, in accordance with all applicable laws.

Results of Operations

Change		(2021)	(2020)
13%	Net profit attributable to shareholders of the parent ($)	2,995,684	2,659,089
-20%	Total Expenses ($)	3,241,762	4,062,281
NA	Earnings per share ($)	0.01	0.01
25%	Total Assets ($)	45,041,511	35,891,128
9%	Shareholder Equity ($)	32,386,729	29,760,726

Net profit attributable to shareholders increased by 13%, or US$336 thousand, to US$3 million versus US$2.6 million for FYE December 2020. The results were mainly driven by the continued buoyancy in real estate values in the territories of operations, and earnings from the disposal of the Company's 75% shareholding in Dolla Financial Services Ltd. Net operating income decreased by 21%, or US$1.4 million, to US$5.3 million versus US$6.7 million for FYE December 2020. This was mainly driven by a reduction in net interest income due to the disposal of Dolla Financial, and the re-allocation of some investment funds from short term financial instruments into core greenfield investments, which have longer yield horizons. Total expenses decreased by 20%, or US$820 thousand, to US$3.2 million versus US$4 million for FYE December 2020. The decrease in expenses was driven by several cost containment measures implemented across the Group, as well as the derecognition of certain expenses due to the disposal of Dolla Financial.

Total assets amounted to US$45 million as at December 31, 2021, an increase of 25% or US$9 million over the US$35.8 million reported as at December 31, 2020. The growth was mainly driven by investment properties and development in progress assets which increased by US$2.2 million and US$12.3 million, respectively. Development in progress asset consists of construction costs as well as the carrying value of the development land. Total liabilities amounted to US$12.6 million as at December 31, 2021, an increase of 108% or US$6.6 million over the US$6 million reported as at December 31, 2020. The issue of a JMD secured fixed rate bond, and financing received from CIBC FirstCaribbean Cayman for property acquisitions in that territory, were the main drivers of the increase in liabilities.

As at December 31, 2021 Shareholder Equity attributable to equity holders of the company stood at US$32.4 million, an increase of 9% or US$2.6 million.

INVESTMENT ACTIVITIES

The Company, through its wholly owned subsidiary FCH Jamaica Developers limited, commenced construction of its premier US$16 million luxury residential development, Hambani Estates, located in Kingston 6 Jamaica. The development consists of 12 standalone 4bdr and 5bdr villas ranging from 8,150 sqft to 8,600 sqft and is slated for completion in Q4 2022. At the end of the financial year, the development was already 50% presold.

Development lands at Seaview Avenue in Kingston Jamaica, along with two other parcels located in Kingston Jamaica acquired during the financial year, are in advanced conceptual and approval stages, and are slated for ground-breaking in 2022-2023.

The Group undertook a strategic realignment of its investment property portfolio during the financial year, disposing of most of its holdings of short term residential rental properties, and re-deploying proceeds into longer term commercial rental properties. This was done to stabilize earnings, and to ensure that the portfolio was less vulnerable to external shocks, as experienced with the Covid-19 pandemic.

The Company sold its 75% shareholding in Dolla Financial Services Ltd, a micro-financing entity domiciled in Jamaica, in March 2021 to FirstRock Private Equity Ltd, for a gain of US$800 thousand. The disposal was in line with the Group's revised strategy, which is to focus on its core investment activities, which is real estate.

The Company acquired a 15% shareholding in First Rock Global Holdings Limited (T/A First Rock Private Equity Limited) in December 2021. Management considers that the investment meets the criteria of IAS 28 Investment in Associates due to the significant influence that the Company exercises over the investee.

FINANCING ACTIVITIES

The Group successfully raised J$700 million through the issue of a JMD secured 7.5% fixed rate medium-term bond. The issue was arranged by Sygnus Capital Limited and was taken up by several institutional investors. Proceeds were used to further the Group's regional investment activities, and to pay the costs of the issue.

Approval was received for a **US$10 million** construction loan facility from Sagicor Bank, for the Hambani Estates luxury residential development. The drawdown on the facility is slated to commence in Q1 2022.

The Group's first cross-border financing arrangement was successfully completed during the year, with receipt of a USD medium term facility from CIBC FirstCaribbean Cayman Ltd for the acquisition of five units in the Grove.

These and other financing arrangements have contributed to the sizeable growth in the balance sheet and will provide shareholders with increased leveraged returns.

Risk Management Report

The Group's risk management policy has been developed and implemented to identify, mitigate, and monitor the major risks which may threaten the operations and management of the business. The risk management policy is therefore designed to analyse exposure to these risks, to set appropriate risk limits and to implement appropriate systems and controls.

Given the nature of the Group's primary activities, investments in real estate, there is the risk of exposure to the following risks which the Group seeks to mitigate to preserve capital and achieve an optimal risk adjusted return on assets.

MARKET RISK

Market Risk is the risk that the fair value or future cash flows of an asset will fluctuate as a result of changes in market prices, whether caused by macroeconomic factors affecting all assets traded in the market or specific to the individual asset. These arise mainly from changes in interest rate, foreign currency rate, consumer purchasing power, and will affect the Group's income or the value of its asset holdings.

The assets acquired by the Group will be exposed to changes in value. The following strategies are used to minimize the impact of market risk on the assets held:

(i) strong governance framework to enforce risk limits based on risk appetite;

(ii) portfolio diversification to minimize overall risk exposure;

(iii) periodic reporting on risk affecting the various assets; and

(iv) sensitivity analysis of the impact of changes in market variables on the Group's assets carried out periodically.

(v) acquisition of assets at a discount to market value.

CREDIT RISK

Credit risk is the risk that a debtor fails to meet its obligations in accordance with the terms of the contract. The Group's operations will expose it to credit risk due to the provision or holding of debt instruments. The following strategies are used to mitigate the impact of credit risk:

(i) thorough analysis of counterparty credit position;

(ii) stress testing of the Group's portfolio to assess the impact of creditor default;

(iii) requiring suitable collateral security;

(iv) imposition of a maximum exposure limit per creditor;

(v) diversification of holdings of the Group in several different geographies throughout the region; and

(vi) low debt/EBITDA ratio.

LIQUIDITY RISK

Liquidity risk is the risk that the Group is unable to meet its financial obligations in a timely manner. Liquidity risk may result from an inability to convert assets into cash, without incurring a loss of principal or interest during the process. The following strategies are used to mitigate against liquidity risk:

(i) establishment of policies and procedures to ensure sufficient liquidity; comprehensive assessment of projected liquidity arising from asset/liability cash flows over varying periods of time;

(ii) development of a contingency funding plan for periods of reduced market liquidity;

(iii) conducting stress tests of liquidity to determine potential areas of liquidity strain;

(iv) maintaining access to various funding sources for diversification and ability to raise funds in a timely manner; and

(v) monitoring statement of financial position liquidity ratios against internal requirements. The most important of these is the ratio of net liquid assets to current liabilities.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of the company's assets will fluctuate due to changes in foreign exchange rates. The Group's functional currency is the United States dollar and therefore transactions that are denominated in currencies other than the functional currency will give rise to foreign currency risk. The movement in the exchange rate will be mitigated by converting United States dollars into Jamaican dollars, Cayman Islands dollars and Costa Rican colons. The Group will also seek to mitigate this risk by:

(i) Matching foreign currency assets with foreign currency liabilities, to the extent practicable; and ;

(ii) Locking into forward contracts to protect against foreign exchange fluctuations.

OPERATIONAL RISK

The Group is subject to the risk of loss resulting from disruptions to its business, or inadequate or failed internal processes, people and systems, or from external events (including severe weather, other acts of God and social unrest) affecting any of the companies within the Group. This definition also includes systemic risk (including the risk of accounting errors, failure to procure appropriate insurance coverage, and compliance failures), legal risk and reputation risk.

This catch-all category of risks also includes employee errors, computer and manual systems failures, security failures, fire, floods or other losses to physical assets, and fraud or other criminal activity or any other risk that affects the volume of visitor arrivals to the jurisdictions of operations. The Directors consider that the businesses are prudent and that each insures itself substantially against these risks. It may not be feasible for the businesses to insure against all the risks mentioned, because coverage may not be available, or it may not be economical to do so. For instance:

(i) the insurers could delay settlement or deny liability in respect of a claim which could delay or prevent the repair or reinstatement of the real estate asset with consequential loss of rental income and exposure to increased costs of repairs or reinstatement;

(ii) an insurer or reinsurer could become insolvent or otherwise be unable to fulfill their obligation under the policy of insurance;

(iii) loss of rent is not covered under the insurance policy; and

(iv) after a loss, the existing tenant may elect to relocate to other premises or to close operations in the leased premises and management may be unable to promptly find a suitable replacement tenant.

The following strategies are used to mitigate the impact of Operational Risk:

(i) Establishment of company manuals and procedures to guide employees;

(ii) Installation of security systems to safeguard the Group's assets from theft;

(iii) Utilizing reputable software, hardware and IT service providers; and

(iv) A comprehensive Business Continuity Plan, which is revised on an ongoing basis, is in place for entities within the Group.

ACQUISITION RISK

There are risks associated with real estate acquisition. Some of these risks are as follows:

(i) the inability of one or more parties to complete the acquisition after making a non-refundable deposit and incurring other related costs;

(ii) the actual costs of repositioning, redeveloping, retrofitting or maintaining the acquired real estate asset may exceed initial estimates;

(iii) the acquisition agreement may contain conditions of completion that may become onerous due to changing circumstance that are not within the Group's control, which may not be satisfied; and

(iv) the Group may acquire properties subject to liabilities and without any recourse, or with only limited recourse against prior owners or other third parties with respect to unknown liabilities. Therefore, if a liability were asserted against the Group based upon ownership of those real estate asset, the Group might face substantial sums to settle or contest it, which could adversely affect its operations and cash flow. Unknown liabilities with respect to acquired real estate assets might include:

A. liabilities for clean-up of undisclosed environmental contamination;
B. claims by tenants, vendors or other persons against the former owners of the properties; and
C. liabilities incurred in the ordinary course of business .

CONSTRUCTION RISK

The Group is subject to the risk of delays, cost overruns or even the inability to complete real estate development projects. As third party contractors are hired to undertake construction, there is a performance risk associated with these contractors. There is also the risk of disruptions to the supply chain through which materials and equipment are procured. These risks have been mitigated by performing thorough due diligence during the process of selection of contractors, and monitoring throughout the project. Supply chain risk is mitigated by implementing advanced ordering and procurement methods.

LESSEE'S RISK

Although management exercises its due diligence in selecting reputable tenants for the real estate assets of the Group, changes in the financial circumstances of a tenant could affect their creditworthiness and business practices. Rental income could therefore be affected by counter-party risk under the relevant leases – this risk arises if a tenant is unable or unwilling to pay their rent when it becomes due. This risk has been mitigated by requiring tenants to place a security deposit of a minimum of one month's rent.

RISK OF CATASTROPHIC EVENTS

Property damage and business interruption arising out of natural disasters and other catastrophes, may have a significant impact on the results of the operations and financial condition of the Group. Natural disasters and other catastrophes can be caused by various events including, but not limited to, hurricanes, earthquakes, tornadoes, wind, hail, fires and explosions, and the incidence and severity of natural disasters and other catastrophes are inherently unpredictable. Most natural disasters and other catastrophes are localized; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

Management mitigates this risk by conducting a thorough geographic assessment of property locations prior to acquisition. Geographic areas which are along active fault lines or are within common hurricane paths will be avoided. Further mitigation will be the implementation of adequate insurance coverage so that in the event of a catastrophic event, the Group can recover as much of the market value of its assets as possible.

NEW ACCOUNTING RULES OR STANDARDS

The Group may become subject to new accounting rules or standards that differ from those that are currently applicable. Such new accounting rules or standards could require significant changes in the way the Group and/or investee companies report its financial position, operating results, or cash flows.
Such changes could be applied retrospectively. This risk is common to companies that apply International Financial Reporting Standards (IFRS).

Corporate Governance

Corporate Governance forms the fulcrum of the company's undertaking. We employ the strictest corporate governance practices. The board undergoes corporate governance training the first of which took place just prior to our listing on the Jamaica Stock Exchange in February 2020. The corporate governance committee meets 4 times per year as per the Corporate Governance committee charter and has as its membership, four independent members from the Board of Directors.

BOARD EXPERTISE TABLE

The Board of Directors represents individuals whose expertise spans the following disciplines:

- Real Estate Development
- Finance
- Governance
- Investments
- Banking
- Entrepreneurship
- Technology

Name	Appointed to Board	Board	Audit	Corporate Governance	Remuneration
# of Meetings		4	5	4	1
Norman Reid	2018	4	5	N/A	1
Douglas Halsall	2018	2	4	2	N/A
Alton Morgan	2018	4	N/A	4	1
Fay Hutchinson [1]	2020	1	1	N/A	N/A
Kisha Anderson	2019	3	N/A	4	1
York Seaton	2018	1	N/A	N/A	N/A
Natalie Augustin [2]	2021	3	4	N/A	N/A
Michael Banbury [3]	2021	1	N/A	N/A	N/A

1. Resigned on March 17, 2021
2. Appointed on April 28, 2021
3. Appointed on November 1, 2021

BOARD ACTIVITIES & REMUNERATION

Non-Executive Directors of the board are compensated with an appropriate remuneration package which should attract, motivate, and retain members based on their qualifications and experience needed to promote the growth of the company. The appropriate level of compensation to be paid to directors' accounts for factors such as: :

- Time commitment to execute duties of the company
- Costs required to effectively satisfy relevant roles
- Market rates and rising costs of environment
- Qualification and expertise introduced to the board

FOR THE 2021 FY, THE DIRECTORS' FEES TOTALED USD $59,500.00.

Board members are currently compensated with a USD $1,500 fee per quarter which includes a USD $750 retainer. Each board meeting and subcommittee board meeting results in a US $500 fee per appearance for any member. There is no share compensation package nor retirement plan afforded to directors of the board for their role as a Director.

DIVIDEND POLICY

FRCH has a dividend policy which stipulates that a minimum of 50% of the company's profits to shareholders in the form of cash dividends (United States Dollars which is the company's functional currency) to be paid on a quarterly basis, subject to the board's discretion in balancing capital management needs and returning capital to shareholders. The company can elect to pay out special dividends based on realized gains arising from transactions such as the disposal of a subsidiary or realised gains from sale of a property or financial instrument.

FRCH paid its first dividend in October 2019 and made pay-outs in June and December 2021.

A total of $371,833.00 or US 0.0014 per share was paid out in the 2021 FY.

This resulted in a dividend yield of 2.15% based on the closing market price of US $0.06.

SHAREHOLDER ENGAGEMENT & COMMUNICATION

In the interest of transparency and shareholder interests, the Board of Directors maintains a central policy of communicating with all stakeholders such as shareholders, regulators, financiers, and prospective investors. The main channels of communication include the company's website (firstrock.com), our quarterly and annual reports, notices made in a daily newspaper and disclosures posted on the Jamaica Stock Exchange's website.

As a St. Lucian IBC, our annual general meetings (AGM) are held in St. Lucia with a satellite location in Jamaica or facilitated via electronic mediums as permitted by St. Lucian law. Due to the COVID-19 pandemic, the company encourages shareholders to join future AGM's or meetings on the virtual platform in use for the meeting. AGM's offer shareholders the opportunity to share their interests and concerns with the Board and Management of the company. Shareholders have a critical role in the company's operations as they elect directors, approve the audited financials, select the auditor and confirm dividend payments as final for a specific timeline.

Minutes of the AGM will be made available to shareholders at subsequent AGM's or upon request via email to info@firstrock.com. This email also acts as a medium for shareholders to send queries or potential resolutions for the board or respective subcommittee to consider. We value the interest of all shareholders and encourage persons to write to the company secretary at First Rock Capital Holdings Limited, Bourbon House, 1 Bourbon Street, Castries, St. Lucia.

Corporate Data

REGISTERED OFFICE
Bourbon House
1 Bourbon Street
Castries, St. Lucia

MANAGERS
First Rock Group
14 Canberra Crescent
Kingston, Jamaica

SUBSIDIARIES
First Rock USA LLC
515 Southwest 1st Avenue
Fort Lauderdale, Florida USA

First Rock LATAM S.A.
Oficentro Forum 2, Edificio A, Piso 4,
Santa Ana, San José, Costa Rica

First Rock Capital Cayman Ltd
Cayman Islands Office Harbour Place, 2nd Floor
PO Box 472, 103 South Church Street,
Grand Cayman

FCH Jamaica Assets Ltd.
14 Canberra Crescent
Kingston, Jamaica

FCH Jamaica Developers Ltd.
14 Canberra Crescent
Kingston, Jamaica

ASSOCIATE
First Rock Private Equity
14 Canberra Crescent
Kingston, Jamaica

AUDITORS
Ernst & Young (St. Lucia)
Mardini Building
Rodney Bay
P.O. Box BW 368
Gros Islet, St.Lucia

REGISTRAR & TRANSFER AGENTS
Jamaica Central Securities Depository,
40 Harbour Street
Kingston, Jamaica

PRINCIPAL BANKERS
Sagicor Bank Jamaica Limited
Dominica Drive
Kingston, Jamaica

ATTORNEYS
Matthew Hogarth & Company
Barbados Avenue
Kingston, Jamaica

Shelards Attorneys-at-law
Stanton Terrace
Kingston, Jamaica

Shareholders Information

AGGREGATE TOP TEN SHAREHOLDERS

AS AT DECEMBER 31, 2021

	Name	Volume	%
1.	David Chin	19,350,000	6.77
2.	JCSD Trustee Services Ltd - Sigma- Sigma Equity	15,400,000	5.38
3.	NMIA Airports Limited	14,259,000	4.99
3.	Airport Authority of Jamaica	14,259,000	4.99
4.	Sagicor Pooled Equity Fund	13,746,000	4.81
5.	MF&G Asset Management Ltd - Jamaica Investment Fund	10,400,000	3.64
5.	National Insurance Fund	10,000,000	3.50
6.	TJBK Investments Limited	10,000,000	3.50
7.	Ryan Kwesi Reid	5,370,000	1. 88
8.	Phillip Martin	5,000,000	1.75
9.	Barita Investments Limited- Long A/C (Trading)	4,629,000	1.62
10.	Wildelle Limited	4,000,000	1.40
10.	Saleem Mahfood	4,000,000	1.40

AGGREGATE ISSUED SHARE CAPITAL	286,025,318

DIRECTORS OWNERSHIP (COMBINED HOLDINGS)
AS AT DECEMBER 31, 2021

Name of Director	Connected Parties	Combined Shareholdings
Norman Reid	Pauleen Reid*	14,000
	Ryan-Kwesi Reid	5,370,000
Douglas Halsall	Gloria Marjorie	Nil
	Stacey Peart*	924,000
	Advanced Integrated Systems Limited	Nil
	Qmall Limited	Nil
	Health Administration Systems Limited	3,852,000
York Page Seaton	Claudette Seaton*	4,779,158
	Y.P. Seaton Associates Limited	Nil
Alton Morgan	Peggy Myers-Morgan	Nil
	Dionne Morgan	Nil
	Nicholas Morgan	Nil
	Legisperitus Limited	Nil
Kisha Anderson	Kurt Anderson*	100,000
	Daniel Anderson	Nil
	Matthew Anderson	Nil
	Elizabeth Ann Marie Thompson & Rebekah Ruth Hoilett Duncan*	25,000
Michael Anthony Banbury		2,750,000
Natalie E.G. Augustin (Company Secretary)		Nil

*Joint ownership with director

Corporate Social Responsibility

In 2021, with COVID-19 restrictions still in effect, the need for Corporate Social Responsibility was even more acute. Families suffered a loss of income, and the majority of those were in the lower socio-economic bracket. We are proud that we could answer the call to provide assistance.



EDUCATION

We worked with the Ministry of Education to offer tertiary scholarships and secondary grants for students in need.The primary objective is to stimulate and develop student interest in the field of education, primarily entrepreneurship, and assist in acquiring educational materials, books, equipment, and computers for schools and other learning institutions.Getting the ministry's approval of our plan took some time. However, we were finally able to cut through the red tape and put our plan into effect.

TERTIARY SCHOLARSHIP

The tertiary scholarship offered one applicant $500,000.00 towards tuition and other educational expenses, renewable on the basis of performance. The requirements stated that the student must provide the following:

- Applicants must be registered full-time with an accredited institution at the undergrad level.
- Applicants should not be older than 25 in the year of the award.
- Applicants must maintain no less than a "B" average throughout the duration of the course.
- Applicants must submit verifiable documentary evidence of financial need and academic qualifications.
- Applicants must provide references from members of their community and participate in activities in which they reside.

The foundation's educational committee met in September 2021 to review the 30 potential applicants. After much deliberation, Mr. Tavoy Barrett was awarded a scholarship to the University of Technology where he will be pursuing a Bachelor of Science in Entrepreneurship.

SECONDARY GRANT

The foundation wanted to offer four (4) grants of $150,000.00 each. The requirements are very similar to those for the tertiary scholarship.However, because schools had not been in session, the responses were lacking. The plan is to advertise in the local newspapers and to contact the school administrators and guidance counsellors. The expectation is to have the said grants disbursed by the Fall of 2022

NUTRITIONAL PROGRAM

The foundation aims to introduce a nutritional program in schools that brings awareness to young children about their long-term health care. This program would include information on avoiding smoking, drug use, alcohol and healthy eating as overindulgence in fast food and sugary drinks can lead to diabetes, heart problems and other complications in the future. To efficiently achieve this goal, we would incorporate parents into our plan as a healthy lifestyle starts at home. The foundation is again working with the Ministry of Education to formalize the program and to have it implemented by Fall 2022. So, as 2021 ended, we looked forward to achieving these goals for the upcoming year.

Joyce Chin
Chairperson- First Rock Foundation

Audited Financials

Building a better working world

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of First Rock Capital Holdings Limited and its subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of First Rock Capital Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("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.

Other Matter
The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11 May 2021.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
Allowance for expected credit losses	
As at 31 December 2021, the Group's investments measured at amortised cost totalled $5.913 million. Overall, the above exposure represents 13% of total assets in aggregate. The impairment recorded under the IFRS 9 expected credit loss (ECL) impairment model amounted to $0.977 million (Note 20). Management utilised an expert to assist in determining the ECLs. IFRS 9 introduced an expected credit loss ("ECL") model to record allowances for debt securities and other financial assets at amortized cost. This is a key audit matter as the estimation of ECLs is inherently uncertain and requires the application of judgment and use of subjective assumptions by management. Further, models used to determine credit impairment for corporate and sovereign bonds could be complex. Under the general approach, judgment was used in determining the criteria for significant increases in credit risk, the probability of default (PD) and loss given default (LGD).	As per of our audit procedures we have: - placed reliance on the external consultant's determination of ECL and therefore assessed the external consultant's qualifications (i.e. professional certification, membership in an appropriate professional body), experience and reputation in the field. - assessed the external consultant's objectivity and with the assistance of EY specialists, evaluated the modelling techniques and methodologies developed in order to estimate ECLs, and assessed their compliance with the requirements of IFRS 9 as well as with ISA 620 "Using the Work of an Expert"; - tested the completeness and accuracy of input data to the models used to determine the ECLs. We assessed the reasonableness of the methodologies and assumptions applied in determining the 12 month and lifetime probabilities of default (PD), loss given default (LGD), exposure at default (EAD) and staging, including consideration of the impact of the COVID-19 pandemic. - assessed external source data and assumptions, particularly with respect to forward looking information (FLI) by referencing independent sources. - assessed the adequacy of disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of First Rock Capital Holdings Limited and its subsidiaries (Continued)

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (continued)

Key audit matters	How our audit addressed the key audit matters
Valuation of investment properties	
As at 31 December 2021, investment properties and investment properties held for sale totalled $22.560 million or 50% of total assets for the Group. The determination of the fair value of investment properties requires significant judgement. The Group's investment properties are stated at fair value based on the valuation carried out by independent qualified valuers (the "Valuers"). The valuation was dependent on certain key estimates which requires significant judgement, including capitalization rates. Details of the valuation methodology and key inputs used in the valuation are disclosed in Note 15 to the consolidated financial statements.	As part of our audit procedures, we have: - placed reliance on the Valuers property valuation reports and evaluated the competence, capabilities and objectivity of the Valuers; - assessed the appropriateness and reasonableness of the valuation methodology, key assumptions and estimates used in the valuations on a sample basis, based on evidence of comparable market transactions and other publicly available information of the property industry with the assistance of EY specialists in accordance with ISA 620 "Using the Work of an Expert"; and - assessed the completeness and consistency of information provided by the Group to the Valuers; and - assessed the accuracy and completeness of the disclosures presented in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of First Rock Capital Holdings Limited and its subsidiaries (Continued)

Report on the Audit of the Consolidated Financial Statements (Continued)

Other information included in the Annual Report
Other information consists of the information included in the Group's annual report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements
Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of First Rock Capital Holdings Limited and its subsidiaries (Continued)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)
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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

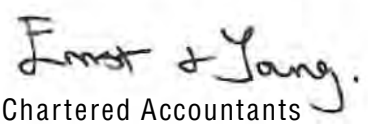
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

To the Members of First Rock Capital Holdings Limited and its subsidiaries (Continued)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagment partner on the audit resulting in this independent auditor's report is Rishi Ramkissoon.



Chartered Accountants
St Lucia

28 February 2022

First Rock Capital Holdings Limited and its subsidiaries

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Notes	2021 $	2020 $
Income			
Rental income	6	380,686	431,172
Net gain from fair value adjustment on investment properties	15	4,909,189	4,942,123
Loss on disposal of investment property		(133,015)	-
Property income		5,156,860	5,373,295
Interest income from financial assets at amortised cost	7	361,156	1,344,886
Dividend income from financial assets at fair value through profit or loss	7	183,524	25,129
Gain/(Loss) on sale of financial instruments at fair value through profit or loss		441,318	(133,810)
Net change in fair value of financial instruments at fair value through profit or loss		(238,088)	256,435
Loss on sale of financial instruments at amortised cost		-	(37,500)
Foreign exchange losses		(358,581)	(463,022)
Investment income		389,329	992,118
Interest expense	7	(279,110)	(40,219)
Net investment income		110,219	951,899
Negative goodwill on acquisition of subsidiary	35	-	225,518
Other income	8	33,152	181,376
		33,152	406,894
Net operating income		**5,300,231**	**6,732,088**
Expenses			
Depreciation and amortisation expense	10	18,099	120,716
Expected credit losses	9,10	367,736	701,862
Other operating expenses	10	2,855,927	3,239,703
Total expenses		**3,241,762**	**4,062,281**
Profit before taxation		2,058,469	2,669,807
Taxation	12	162,931	(65,170)
Net profit from continuing operations		**2,221,400**	**2,604,637**
Discontinued operations:			
Profit from discontinued operations	13	803,072	-
Net profit		**3,024,472**	**2,604,637**

First Rock Capital Holdings Limited and its subsidiaries

Consolidated Statement of Comprehensive Income (Continued)

Year Ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Note	2021 $	2020 $
Net profit is attributable to:			
Shareholders of the parent		2,995,684	2,659,089
Non-controlling interest		28,788	(54,452)
		3,024,472	2,604,637
Net profit		3,024,472	2,604,637
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation gains		2,152	82,628
Total comprehensive income for the period		3,026,624	2,687,265
Total comprehensive income attributable to:			
Shareholders of the company		2,997,836	2,746,076
Non-controlling interest		28,788	(58,811)
		3,026,624	2,687,265
Basic and diluted earnings per stock unit for profit attributable to the equity holders of First Rock Capital Holdings Limited	31	**0.01**	**0.01**

First Rock Capital Holdings Limited and its subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Note	2021 $	2020 $
Non-current assets			
Investment in associate	14	1,746,429	-
Investment properties	15	20,572,185	19,560,912
Deferred tax assets	28	113,623	-
Development in progress	16	233,249	-
Property, plant and equipment	17	65,129	224,907
Intangible assets	18	-	341,395
Loans net of provisions for credit losses	19	-	213,418
Investments at amortised cost, net of provision for credit losses	20	4,492,256	2,929,029
Investments at fair value through profit or loss	20	476,775	1,259,258
		27,699,646	24,528,919
Current assets			
Development in progress	16	12,304,169	-
Property acquisition deposits	21	24,957	1,598,524
Current portion of loans net of provisions for credit losses	19	-	1,852,233
Current portion of investments at amortised cost	20	1,421,249	5,016,048
Due from related parties	22	225,896	74,569
Other assets	23	730,677	490,925
Investment properties held for sale	15	1,988,000	760,000
Cash and cash equivalents	24	646,917	1,569,910
		17,341,865	11,362,209
Total assets		**45,041,511**	**35,891,128**
Equity			
Equity attributable to equity holders of the company			
Share capital	25	27,738,654	27,738,654
Foreign currency translation reserve		44,250	42,098
Retained earnings		4,603,825	1,979,974
		32,386,729	29,760,726
Non-controlling interest		-	48,469
Total equity		**32,386,729**	**29,809,195**
Non-current liabilities			
Corporate bond payable	26	4,450,088	-
Long term loan	27	3,001,057	-
Deferred tax liabilities	28	-	152,790
Lease liability	29	-	81,579
		7,451,145	234,369
Current liabilities			
Current tax liabilities		729	47,358
Due to related parties	22	-	380,970
Current portion of long-term loans	27	2,330,299	4,800,052
Current portion of lease liability	29	-	65,009
Other liabilities	30	2,872,609	554,175
		5,203,637	5,847,564
Total liabilities		**12,654,782**	**6,081,933**
Total equity and liabilities		**45,041,511**	**35,891,128**

The accompanying notes form an integral part of the financial statements.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 February 2022 and are signed on its behalf by:

Michael Banbury

Douglas Halsall

First Rock Capital Holdings Limited and its subsidiaries

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Notes	Attributable to Equity Holders of the Parent					
		Share Capital $	Foreign Currency Translation Reserve $	Retained Earnings $	Total $	Non-Controlling interest $	Total Equity $
Balance at 1 January 2020		**15,472,346**	**(44,889)**	**493,588**	**15,921,045**	**-**	**15,921,045**
Profit for the year		-	-	2,659,089	2,659,089	(54,452)	2,604,637
Other comprehensive income		-	86,987	-	86,987	(4,359)	82,628
Total comprehensive income		-	86,987	2,659,089	2,746,076	(58,811)	2,687,265
Non-controlling interest on acquisition of Dolla Financial Services Limited		-	-	-	-	167,606	167,606
Transactions with owners:							
- Share issue	25	12,266,308	-	-	12,266,308	-	12,266,308
- Dividends	32	-	-	(1,172,703)	(1,172,703)	(60,326)	(1,233,029)
Balance at 31 December 2020		**27,738,654**	**42,098**	**1,979,974**	**29,760,726**	**48,469**	**29,809,195**
Profit for the year		-	-	2,995,684	2,995,684	28,788	3,024,472
Other comprehensive income		-	2,152	-	2,152	-	2,152
Total comprehensive income		-	2,152	2,995,684	2,997,836	28,788	3,026,624
Non-controlling interest on disposal of Dolla Financial Services Limited		-	-	-	-	(77,257)	(77,257)
Transactions with owners:							
- Dividends paid	32	-	-	(371,833)	(371,833)	-	(371,833)
Balance at 31 December 2021		**27,738,654**	**44,250**	**4,603,825**	**32,386,729**	**-**	**32,386,729**

First Rock Capital Holdings Limited and its subsidiaries

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Notes	2021 $	2020 $
Cash flows from operating activities			
Net profit		3,024,472	2,604,637
Adjustments for:			
Depreciation of property, plant and equipment	17	20,770	81,626
Amortisation of intangible assets	18	13,023	39,090
Interest income from financial instruments at amortised cost	7	(361,156)	(1,344,886)
Dividend income from financial instruments at fair value through profit or loss	7	(183,524)	(25,129)
Interest expense	7	279,110	40,219
Foreign exchange (gains)/losses		(230)	463,022
Amortisation of loan costs	26	22,671	-
Negative goodwill on acquisition of subsidiary		-	(225,518)
Gain on disposal of subsidiary	13	(687,919)	-
Loss on disposal of investment properties		133,015	-
Net gain from fair value adjustment on investment property	15	(4,909,189)	(4,942,123)
Gain on disposal of property, plant and equipment		(23,693)	-
Net change in fair value of financial instrument at fair value through profit or loss		238,088	(256,435)
Loss on sale of investments of financial instruments at amortised cost		-	37,500
(Gain)/Loss on sale of investments of financial instruments at FVTPL		(441,318)	133,810
Net impaired losses	9	367,736	701,862
Taxation (credit)/expense	12	(162,931)	65,170
Changes in operating assets and liabilities			
Related party balances		(532,297)	519,217
Loans receivable		2,138,413	(488,431)
Other assets		(239,752)	67,422
Other liabilities		1,061,664	(270,203)
		(243,047)	(2,799,150)
Interest received		295,420	599,103
Interest paid		(229,093)	(19,398)
Taxation paid		(24,529)	(16,839)
Cash used in operating activities		**(201,249)**	**(2,236,284)**
Cash flows from investing activities			
Acquisition of associate		(500,000)	-
Dividend income		183,524	-
Interest received		376,589	420,409
Purchase of property, plant and equipment	17	(66,262)	(131,392)
Proceeds from disposal of property, plant and equipment		229,461	23,716
Acquisition of investment property	15	(8,611,757)	(5,000,000)
Proceeds from disposals of investment property		3,308,459	310,000
Property development costs		(3,022,614)	(1,014,804)
Property acquisition deposit		1,573,567	(276,903)
Outflow of cash to acquire subsidiary		-	(103,144)
Inflow of cash from disposal of subsidiary		750,000	-
Net disposal/(acquisition) of investments		1,157,290	(7,076,801)
Net cash used in investing activities		**(4,621,743)**	**(12,848,919)**
Cash flows from financing activities			
Dividends paid		(715,063)	(889,710)
Issue of shares, net of transaction costs	25	-	12,266,308
Corporate bond issued	26	4,371,835	-
Loans received		5,256,500	4,818,207
Loan principal repaid		(4,733,169)	(206,100)
Lease principal payment		-	(36,129)
Net cash provided by financing activities		**4,180,103**	**15,952,576**
Net (decrease)/increase in cash and cash equivalents		**(642,889)**	867,373
Exchange differences on cash and cash equivalents		(280,104)	(276,269)
Cash and cash equivalents at beginning of period		1,569,910	978,806
Cash and cash equivalents at the end of the period	24	**646,917**	**1,569,910**

1. Incorporation and Principal Activities

First Rock Capital Holdings Limited (the company) is an International Business Company (IBC) duly incorporated under the laws of Saint Lucia on 4 October 2017. The company commenced operations on 15 March 2019. The registered office of the company is located at Bourbon House, Bourbon Street, Castries, Saint Lucia. Its main operations, carried out by First Rock Capital Resource Limited (the management company), are located at Suite 6, 14 Canberra Crescent, Kingston 6, Jamaica.

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

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

Subsidiaries	Principal Activities	Incorporated in	Proportion of Issued Capital held by the Group	Financial Year End
First Rock USA, LLC	Property Investment	USA	100%	31 December
First Rock Capital LATAM, Sociedad Anónima	Property Investment	Costa Rica	100%	31 December
First Rock Capital Cayman Limited	Property Investment	Cayman	100%	31 December
FCH Jamaica Developers Limited	Property Investment	Jamaica	100%	31 December
FCH Jamaica Assets Limited	Property Investment	Jamaica	100%	31 December
Dolla Financial Services Limited	Micro Financing	Jamaica	75%	31 December
Associate				
First Rock Global Holdings Limited	Small & Medium Entities Investments	Barbados	15%	31 December

Except for Dolla Financial Services Limited which was disposed of on 31 March 2021 (Note 13) (2020: acquired March 1, 2020 (Note 35)), FCH Jamaica Assets Ltd which was incorporated in November 2021 and First Rock Global Holdings Limited which was acquired on 31 December 2021, the shareholdings for all subsidiaries are the same this year, as they were at the end of the previous financial reporting period.

2. Statement of Compliance and Basis of Preparation

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. Statement of Compliance and Basis of Preparation (Continued)

(a) Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss and assets held for sale which are measured at fair value. Historical cost is generally based on fair value of the consideration given in exchange for assets.

(b) Judgements

In preparing these consolidated financial statements, management used certain critical accounting estimates. Management also exercised its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed.

Management believes the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(c) Adoption of new and revised International Financial Reporting Standards

(i) ***Standards, interpretations and amendments to existing standards effective during the year***

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. These new standards and amendments applied for the first time in 2021. The nature and the impact of each new standard or amendment is described below.

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Group.

- **Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**
  The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

2. Statement of Compliance and Basis of Preparation (Continued)

(d) Adoption of new and revised International Financial Reporting Standards (continued)

(i) ***Standards, interpretations and amendments to existing standards effective during the year (continued)***

- **Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)**

  The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

  The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods. These amendments had no impact on the financial statements of the Group.

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group***

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- **Reference to the Conceptual Framework – Amendments to IFRS 3**
  In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The Group has not yet assessed the impact of these amendments on the Group's financial statements.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

2. Statement of Compliance and Basis of Preparation (Continued)

(e) Adoption of new and revised International Financial Reporting Standards (continued)

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (continued)**

  The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- **Annual Improvements 2018-2020 Cycle (issued May 2020)**
  As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

  - IFRS 1 *First-time Adoption of International Financial Reporting Standards.*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Group.

  - *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities*
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

2. Statement of Compliance and Basis of Preparation (Continued)

(e) Adoption of new and revised International Financial Reporting Standards (continued)

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

- **Annual Improvements 2018-2020 Cycle (issued May 2020) (continued)**

  - *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (continued)*

    The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

  - IAS 41 *Agriculture* – Taxation in fair value measurements
    The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Group.

- **IFRS 17 *Insurance Contracts***
  In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

  A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

2. Statement of Compliance and Basis of Preparation (Continued)

(e) Adoption of new and revised International Financial Reporting Standards (continued)

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- ***Definition of Accounting Estimates - Amendments to IAS 8***
  In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.

  The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

  These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Group.

2. Statement of Compliance and Basis of Preparation (Continued)

(e) Adoption of new and revised International Financial Reporting Standards (continued)

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

- ***Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2***
  In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

  The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

  Although standardised information is less useful to users than entity-specific accounting policy information, the IASB agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.

  The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

  The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

  Entities should carefully consider whether 'standardised information, or information that only duplicates or summarises the requirements of the IFRS' is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

  These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Group.

2. Statement of Compliance and Basis of Preparation (Continued)

(e) Adoption of new and revised International Financial Reporting Standards (continued)

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

- ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction- Amendments to IAS 12***
  The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

  Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

  An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Group.

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective but they are not expected to have an impact on the Group's financial statements.

3. 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 to all the years presented, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases. Total comprehensive income of subsidiaries is attributable to the owners of the company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for business combinations by the Group (Note 3(b)).

(ii) Non-controlling interests
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- fair value of liabilities incurred to the former owners of the acquired business;
- fair value of equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase (negative goodwill).

3. Significant Accounting Policies (continued)

(b) Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(c) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, the operating results of which are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the First Rock Capital Resource Limited.

(d) Revenue recognition

(i) Rental income
Leases in which the Group does not transfer substantially all the risk and rewards incidental to ownership of an asset are classified as operating leases.

Revenue comprises the invoiced value of rental and maintenance charges. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight line basis as a reduction in rental income.

The Group assesses the individual elements of the lease agreements and assesses whether these individual elements are separate performance obligations.

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

Revenue is measured at the transaction price agreed under the contract. The Group currently does not have arrangements that include deferred payment terms. A receivable is recognised when services are provided as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. Significant Accounting Policies (continued)

(d) Revenue recognition (continued)

(i) Rental income (continued)
In certain circumstances, the Group might agree to forgive some amount of payments contractually due for past rent, without changing the scope of the lease or other terms (for example, if a lessee is in financial difficulty). In such cases, the Group has elected to treat the reduction in payments due for past rent as a partial extinguishment of the lease receivable. The amounts forgiven are recognised as a loss (that is, not a reduction in lease income) in the income statement, with a corresponding reduction to the lease receivable in the period in which the reduction is contractually agreed.

(ii) Land development and resale
The Group develops and sells residential and commercial properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

(iii) Interest income
Interest income is recognised 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between the parties that are an integral part of the effective interest rate transaction costs and other premiums or discounts.

Once a financial asset or a group of similar financial assets is credit-impaired, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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

(v) Fee and commission income - Fee and commission income are income recognised in profit or loss on the accrual basis when the service has been provided.

Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognised on completion of the underlying transaction.

3. Significant Accounting Policies (continued)

(d) Revenue recognition (continued)

(vi) Financing components
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(e) Foreign currency translation

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

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

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

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

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any internal lending forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. Significant Accounting Policies (Continued)

(f) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

The Group capitalises borrowing costs on qualifying developments in progress.

(g) Leases

Group as a lessee
The Group leases various office spaces. The group acting as lessee, recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months (short term leases) or leases of low value assets. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Lease payments on short-term and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third-party financing; and
- makes adjustments specific to the lease with respect to term, country, currency and security.

3. Significant Accounting Policies (Continued)

(g) Leases (continued)

Group as a lessee (continued)
If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of use asset is depreciated over the underlying asset's useful life. Right of use assets are not revalued.

Group as a lessor

See Note 3(d)(i)).

(h) Management fees

Up to 30 September 2021, a management fee of two per cent (2%) of the net asset value of the Group based on the Group's audited financials will be paid quarterly to the Group's management company First Rock Capital Resource Limited.

Effective 1 October 2021 the management fee computation was amended to be 1.8% of the total asset value of the Group based on the Group's audited financials will be paid quarterly to the Group's management company First Rock Capital Resource Limited.

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

3. Significant Accounting Policies (Continued)

(h) Management fees (continued)

Both the management fees and the performance-based dividend (Note 2(i)), are subject to a 'clawback' by the Group if the audited annual financial results of the Group demonstrate a negative variance from the quarterly unaudited accounts used to determine the payment of fees/dividends. The claw-back provision requires a re-payment from First Rock Capital Resource Limited and, if such re-payment is not made, the Group shall have a right of set-off of such surplus amount against any future cumulative annual preference dividend that may be payable to First Rock Capital Resource Limited. If the audited annual financial results demonstrate a positive variance from the quarterly unaudited accounts, such additional amount will be paid to the management company (with no interest) so that it is made whole based on the audited results.

(i) Performance based fees

Up to 30 September 2021, a performance based cumulative annual dividend calculated as twenty-five per cent (25%) of the audited annual total comprehensive income of the Group in excess of eight per cent (8%) (the 'hurdle' rate) of the Group's total equity.

Effective October 1, 2021, the performance based cumulative annual dividend calculation was amended to twenty-five (25%) of the audited annual total comprehensive income of the Group once the eight and a half per cent (8½%) (the 'hurdle' rate) of the Group's total equity is achieved.

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

(j) Operating expenses

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

(k) Income taxes and deferred taxes

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

3. Significant Accounting Policies (Continued)

(k) Income taxes and deferred taxes (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are re-assessed at each reporting period date and are recognized to the extent that it has become probable that future profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

(l) Investment in Associate

The investment in associate is accounted for under the equity method.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but there is no control over those policies.

Control is achieved when an entity 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, an entity controls an investee if the entity 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

When an entity has less than a majority of the voting or similar rights of an investee, the entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The entity's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

3. Significant Accounting Policies (Continued)

(l) Investment in Associate (continued)

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as share of loss of an associate in the statement of comprehensive income.

(m) Investment property

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

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

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

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

3. Significant Accounting Policies (Continued)

(m) Investment property (continued)

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- whether the project/property is standard (typical for the market) or non-standard;
- the level of reliability of cash inflows after completion;
- the development risk specific to the property;
- past experience with similar construction; and
- status of construction permits.

Fair value is based on active market prices for comparable sales, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections or other cashflow models. These valuation models typically consider rental income from current leases and other assumptions (such as vacancy, delinquency, market yields and capitalisation factors) market participants would make when pricing the property under current market conditions.

Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain/(loss) from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3. Significant Accounting Policies (Continued)

(n) Property, plant and equipment

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

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

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

Billboards	8% - 10%
Leasehold improvements	25%- 33 1/3%
Furniture, fixtures & equipment	10%
Computer equipment	20%

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the statement of comprehensive income.

(o) Intangible assets

(i) Trademarks and customer contracts
Separately acquired trademarks and customer contracts are shown at historical cost. Trademarks and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They are subsequently carried at cost less accumulated amortisation and impairment losses for those with finite lives.

(ii) Software
Costs that are directly associated with acquiring software licences, which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These assets are stated at cost less accumulated amortisation and impairment losses, if any. The assets are amortised commencing on the date that they are put into use, using the straight-line method over their expected useful lives, not exceeding a period of four years. Costs associated with maintaining computer software programs are recognised as an expense, as incurred.

3. Significant Accounting Policies (Continued)

(o) Intangible assets (continued)

(ii) Software (continued)

The Group amortises intangible assets with a finite life, using the straight-line method over the following periods:

Trademarks and licences	7 years
IT development and software	3-4 years
Customer relationships	1-7 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

(p) Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment at the end of each reporting period 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(q) Investments and other financial assets and liabilities

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

Financial assets

(i) Classification
The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value through profit or loss (FVPL); and
- those to be measured at amortised cost.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(i) Classification (continued)

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 FVPL, gains and losses will be recorded in profit or loss. For investments in equity instruments that are not held for trading, IFRS allows an irrevocable election at the time of recognition, to classify as either FVPL or fair value through other comprehensive income (FVOCI). The Group makes an irrevocable election at the time of initial recognition to account for them at FVPL. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Business model assessment
Business models are determined at the level which best reflects how the Group manages portfolios of assets to achieve business objectives. Judgement is used in determining business models, which is supported by relevant, objective evidence including:

- The nature of liabilities, if any, funding a portfolio of assets;
- The nature of the market of the assets in the country of origination of a portfolio of assets;
- How the Group intends to generate profits from holding a portfolio of assets; and
- The historical and future expectations of asset sales within a portfolio.

Solely payments of principal and interest ("SPPI")
Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at FVTPL.

(ii) Recognition
Financial assets are measured on initial recognition at fair value and are classified as and subsequently measured either at amortised cost, at FVOCI or at FVTPL. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset.

(iii) Measurement

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

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(iii) Measurement (continued)

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

Financial assets measured at amortized cost
The Group classifies its bank and deposit accounts, investments at amortised cost, loan receivables, due from related parties and other assets. These are assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) and are measured at amortised cost. Interest income from these financial assets is recognised in profit or loss as part of interest income from financial assets at amortised cost, using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortized cost which is assumed to approximate fair value due to the short-term nature of these items. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition, cash balances, short term deposits and securities purchased under agreements to resell. Cash and cash equivalents exclude all qualifying balances aforementioned, that are hypothecated or otherwise restricted, consequent on loan or other similar arrangements.

Financial assets measured at fair value through profit and loss
Financial instruments are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:
- the use of the designation removes or significantly reduces an accounting mismatch; and
- when a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

The Group subsequently measures all equity investments at fair value. These fair value gains and losses are recognised in net change in fair value of financial instruments at fair value through profit or loss. Any gain or loss arising on derecognition is recognised directly in profit or loss. Dividends from such investments continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Interest income and interest earned on assets measured at fair value through profit and loss is earned based on the effective interest rate based on the carrying amount before allowances. For assets that are credit-impaired when purchased or originated (purchased or originated credit impaired (POCI))), the carrying amount after allowances for ECL is the basis for applying the effective interest rate.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(iv) Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The ECL in relation to trade receivables is immaterial.

For investment and lending portfolios, the Group applies the general approach. Under the general approach, expected credit losses are calculated by multiplying three main components, being the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD"), discounted at the original effective interest rate. Management has calculated these inputs based on the historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to contract and other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition (i.e. Stage 3). For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience, but given that IFRS 9 requirements have only just been applied, there has been little time available to make these comparisons. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, and for the incorporation of 'downside scenarios' which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are highly subjective and sensitive to the risk factors, in particular to changes in economic and credit conditions across a number of geographical areas. Many of the factors have a high degree of interdependency and there is no single factor to which loan impairment allowances as a whole are sensitive. Therefore, sensitivity analyses are considered in relation factors to which the ECLs are particularly sensitive and the results should not be further extrapolated.

The main difference between Stage 1 and Stage 2 expected credit losses is the respective PD horizon. Stage 1 estimates will use a maximum of a 12-month PD while Stage 2 estimates will use a lifetime PD. Stage 3 estimates will continue to leverage existing processes for estimating losses on impaired loans, however, these processes will be updated to reflect the requirements of IFRS 9, including the requirement to consider multiple forward-looking scenarios. An ECL estimate will be produced for each individual exposure, including amounts which are subject to a more simplified model for estimating expected credit losses.

The measurement of ECLs for each stage and the assessment of SICR must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

For defaulted financial assets, based on management's assessment of the borrower, a specific provision for ECLs which incorporates collateral recoveries, is calculated and recorded as the ECL. The resulting ECL is the difference between the carrying amount and the present value of expected cash flows discounted at the original effective interest rate.

Forward looking information
The estimation and application of forward-looking information require significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.

Each macroeconomic scenario used in the ECL calculation has forecasts of the relevant macroeconomic variables – including, but not limited to, unemployment rates and gross domestic product, interest rate and inflation, subsequently reverting to long-run averages. The estimation of ECLs in Stage 1 and Stage 2 are a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario are based on macroeconomic forecasts where available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

Forward looking information (continued)
Scenario design, including the identification of additional downside scenarios that occur on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to management's best estimate of the relative likelihood based on historical frequency and current trends and conditions. The weightings assigned to each economic scenario as at December 31, 2021 and December 31, 2020 were as follows:

	Base	Upside	Downside
31 December 2020:			
Investments portfolios	50%	20%	30%
Lending portfolios	50%	20%	30%
31 December 2021:			
Investments portfolios	50%	30%	20%
Lending portfolios	50%	30%	20%

Financial assets measured at amortized cost recognize impairment gains and losses in profit or loss in the statement of comprehensive income. Interest income, dividend income and gains and losses arising from changes in fair value are included on the face of the consolidated statement of changes in income.

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

Significant increase in credit risk
On initial recognition, the Group assesses the credit risk associated with each exposure as discussed in Note 33(b).

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available including information from the past and forward-looking information. Factors such as whether payments of principal and interest are in default, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment, or a change in the borrower's employment arrangements, payment method, industry or personal conditions are considered in determining whether there has been a significant increase in the credit risk of the borrower.

For the Group's debt instruments, a significant increase in credit risk (SICR) is where the prevailing risk that the issuer of an investment instrument will default is materially greater than the risk at the origination date of the investment instrument.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(iv) Impairment (continued)

Significant increase in credit risk (continued)
An investment is deemed to have experienced a significant increase in credit risk under the following circumstances:

- When the credit rating of the instrument has slipped four or more levels on the international/internal credit rating scale since the rating at origination date. Notwithstanding the slippage, the instrument is deemed not to have experienced a SICR where the credit rating remains within the investment grade of Baa3 or higher.
- The issuer of the instrument is experiencing or is very likely to experience one or more adversities including but not limited to the following:

  i. Filing for bankruptcy
  ii. Loss of major asset
  iii. Major decline in industry
  iv. Depressed Debt Restructuring
  v. Unsustainable Debt Burden
  vi. Adverse Legal or Political Events
  vii. Other Major Adversities

For the Group's loans receivable, SICR is determined by observing the extent to which adverse changes in one or more of the credit risk drivers could increase the likelihood of default since the origin of the loan. A change in the borrower's employment arrangements, payment method, industry or personal conditions could be deemed significant enough to trigger a forward migration of loans to Stage 2.

Default
Debt investments and other instruments are in default where the issuer of the instrument has failed to honour part or all of the obligation under the investment agreement. Issuers that are assigned a credit rating of C or Level 21 are deemed to be in a state of default.

The Group determines that loans are credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether: contractual payments of either principal or interest are past due for 90 days or more; there are other indications that the borrower is impaired, and the maturity date has passed. If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

Write-off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial assets (continued)

(v) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVPL.

The Group's financial liabilities comprise bonds payable, long term loans, lease liability, due to related parties and other liabilities.

All loans and borrowings are initially recognized initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3. Significant Accounting Policies (Continued)

(q) Investments and other financial assets and liabilities (continued)

Financial liabilities (continued)

Modification of loans
The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers and debt instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flow to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates the new effective interest rate for the asset. The date of negotiation is consequently considered to be the date of initial recognition for impairment calculation purposes and the purpose of determining if there has been a significant increase in credit risk. At this point the Group will assess if the asset is POCI.

Deposits from tenants
Certain Group companies obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from 1 to 24 months. The Group has elected to treat such deposits as financial liabilities in accordance with IFRS 9, and they are initially recognised at fair value. The difference between fair value and cash received is considered to be part of the minimum lease payments received for the operating lease (refer to Note 3(d)) for the recognition of rental income). The deposit is subsequently measured at amortised cost.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3. Significant Accounting Policies (Continued)

(r) Share capital

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

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs include legal fees, fees for arrangers, brokers, agents and investor events relating to the initial public offering.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

(t) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Functional currency

The determination of the company's and its subsidiaries' functional currency is based on management's assessment of the primary economic environments to which the company and the subsidiaries are exposed. According to IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"), an entity's functional currency should reflect the underlying transactions, events and conditions that are relevant to the entity. Management considered primary and secondary indicators in determining functional currency including the currency that influences sales and expenses prices and rates. Although the company carries out a sizeable portion of its activities in Jamaica, its revenue strategy is to target expatriates, US affiliated companies and US tourists, and therefore transact in US dollars at rates that are consistent with rates charged in the United States. The company has also raised financing primarily in US Dollars. From an expense perspective, the indicators are mixed as services are in some instances provided by Jamaican companies, charging Jamaican rates. Based on these factors, management concluded that parent company's functional currency should be measured using United States dollars ("USD").

(b) Investment properties

The fair value of investment properties is determined by independent valuators. The valuators determine fair value by using recent comparable sales or cash flow models. For comparable sales, adjustments are made for the time of the referenced sale, size, location, condition etc. These adjustments involve significant judgement, which could result in actual values being different from those realised from either sale, or the present value of rental income received from the lease of these properties.

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(b) Investment properties (continued)

For the cash flow models, a direct capitalisation approach is used. This approach involves determining a net rental amount, a capitalisation factor (representing a market participant rate of return) and estimating factors for vacancy and delinquency. The fair values derived may be very sensitive to these variables, in particular, the capitalisation factor. As with the sales comparison approach, values realised through sale or use may differ from the values estimated and recognised in the financial statements.

In assessing the valuation reports, management and its valuators have exercised judgement and have assessed the impact of the COVID-19 pandemic on the values for comparable sales and the relevant adjustments, as well as the various inputs into the direct capitalisation model. As the Group is diversified geographically, the impact has not been consistent. Where required, adjustments have been made.

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

In recognising deferred taxation in relation to certain items of investment property, the Group has assumed that there will be no capital gains tax on rental properties held for successive long-term rental periods. It however assumes that for items which are currently investment property that will be developed for resale, and will eventually become inventory, the revaluation gains previously recognised will be subject to taxation at the time of sale. For investment property being developed, management recognises a deferred tax charge on the basis of a ratio of units to be sold, to the total number of units being developed. Any change in management's intention from rental to sale, would result in a recognition of an additional deferred tax liability.

(d) Equity Method accounting for which the Group holds less than 20%

The Group considers that it has significant influence over First Rock Global Holdings Limited even though it owns less than 20% of the voting rights. This is because the Group through its directors are the single largest shareholders of the entity and the management company which directs its operations.

(e) Measurement of the Expected Credit Losses (ECL)

The measurement of the ECL for financial assets measured at amortised cost requires the use of models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of customers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing appropriateness of forward-looking information.

4. Critical Accounting Estimates and Judgments in Applying Accounting Policies (Continued)

(e) Measurement of the Expected Credit Losses (ECL)

Internal Credit Rating

Management has utilised an internal rating for their investments. The internal rating is assessed as follows:

- The most recent country's credit rating obtained from an approved external credit rating agency is taken as the Base Credit Rating (BCR);
- The credit rating for the relevant entity is the sum of the BCR and the Credit Rating Adjustment Factor (CRAF);
- The CRAF is calculated as the aggregate of the factors such as the size of the institution, significance to national interest, financial diversification and financial outlook; and
- An entity is assigned an adverse factor where enough information is not available to assign a favourable score within the relevant categories.

These internal credit risk ratings are aligned to external credit rating companies, such as Standard and Poor and Moody's.

(f) Intangible assets

Intangible assets are recognised at their fair value. The fair valuation is determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

- The remaining economic lives of the cash flows used for each of the intangible assets valued using the income approach;
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows; and
- Attrition Rate – of the existing customer base based on industry trends.

5. Segment Reporting

Operating segments are reported in accordance with the information analysed by the (the chief operating decision-maker) of the Group, which is responsible for allocating resources to the reportable segments and assesses its performance.

The Group has identified two reportable segments of its business:

(a) Real estate and financial investments; and
(b) Micro-financing - includes issuing loans to customers

The amounts provided to the Board in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment. As all assets and liabilities have been allocated to the operating (reportable) segments, reconciliations of reportable segments' assets to total assets, and of reportable segments' liabilities to total liabilities, are not presented.

The Group disposed of its Micro-financing segment on 31 March 2021 (Note 13).

The tables below show results and net assets by segment and geographical location.

5. Segment Reporting

	2021				
	Real Estate and financial investments $	**Micro-financing $**	**Eliminations $**	**Reclassified to profit on discontinued operations $**	**Total $**
Rental income					
- Residential property	97,342	-	-	-	97,342
- Commercial property	283,344	-	-	-	283,344
Fair value gains on investment property	4,945,490	-	(36,301)	-	4,909,189
Loss on disposal of investment property	(133,015)	-	-	-	(133,015)
	5,193,161	-	(36,301)	-	5,156,860
Interest income					
- Financial instruments	147,753	-	-	-	147,753
- Loans	334,637	363,715	(121,234)	(363,715)	213,403
Dividend income	183,524	-	-	-	183,524
Other finance expense	(157,502)	-	2,151	-	(155,351)
Financial related income	508,412	363,715	(119,083)	(363,715)	389,329
Other income	33,152	70,085	-	(70,085)	33,152
Operating income	5,734,725	433,800	(155,384)	(433,800)	5,579,341
Interest expense and credit losses	(522,056)	(85,177)	(124,790)	85,177	(646,846)
Expenses	(2,886,574)	(233,469)	12,548	233,469	(2,874,026)
Net profit before taxation	2,326,095	115,154	(267,626)	(115,154)	2,058,469
Taxation	162,931	-	-	-	162,931
Net profit on continuing operations	2,489,026	115,154	(267,626)	(115,154)	2,221,400
Profit on discontinued operations	600,000	-	87,918	115,154	803,072
	3,089,026	115,154	(179,708)	-	3,024,472
Total assets	52,267,799	-	(7,226,288)	-	45,041,511
Total liabilities	13,742,459	-	(1,087,677)	-	12,654,782

5. Segment Reporting (Continued)

	2020			
	Real Estate and financial investments $	**Micro-financing $**	**Eliminations $**	**Total $**
Rental income				
- Residential property	134,022	-	-	134,022
- Commercial property	297,150	-	-	297,150
Fair value gains on investment property	4,942,123	-	-	4,942,123
	5,373,295	-	-	5,373,295
Interest income				
- Financial instruments	780,465	-	(60,310)	720,155
- Loans	-	667,471	(42,740)	624,731
Dividend Income	324,503	-	(299,374)	25,129
Other finance expense	(297,596)	(80,301)	-	(377,897)
Financial related income	807,372	587,170	(402,424)	992,118
Other income	245,650	161,244-	-	406,894
Operating income	6,426,317	748,414	(402,424)	6,772,307
Interest expense and credit losses	(743,441)	(228,905)	230,265	(742,081)
Expenses	(2,956,069)	(404,350)	-	(3,360,419)
Operating profit	2,726,807	115,159	(172,159)	2,669,807
Taxation	(58,426)	(6,744)	-	(65,170)
Net profit	2,668,381	108,415	(172,159)	2,604,637
Total assets	39,497,360	2,331,933	(5,938,165)	35,891,128
Total liabilities	8,378,097	2,307,720	(4,603,884)	6,081,933

5. Segment Reporting (Continued)

	2021					
	Jamaica	**Costa Rica**	**USA**	**Cayman**	**Eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Rental income						
- Residential property	8,575	78,267	-	10,500	-	97,342
- Commercial property	291,969	(8,625)	-	-	-	283,344
	300,544	69,642	-	10,500	-	380,686
Fair value gain on investment property	4,770,046	(206,989)	-	382,433	(36,301)	4,909,189
Loss on disposal of investment property	(73,851)	(37,837)	(21,327)	-	-	(133,015)
	4,996,739	(175,184)	(21,327)	392,933	(36,301)	5,156,860
Interest income	482,390	-	-	-	(121,234)	361,156
Dividend income	183,524	-	-	-	-	183,524
Other finance income/ (expense)	(164,169)	9,642	(11)	(2,964)	2,151	(155,351)
Financial related income	501,745	9,642	(11)	(2,964)	(119,083)	389,329
Other income	33,152	-	-	-	-	33,152
Operating income	5,531,636	(165,542)	(21,338)	389,969	(155,384)	5,579,341
Depreciation and amortisation	(14,347)	-	-	(3,752)	-	(18,099)
Interest expense	(291,887)	(51,641)	(1,204)	(55,612)	121,234	(279,110)
Expected credit losses	(367,736)	-	-	-	-	(367,736)
Expenses	(2,645,384)	(83,060)	(77,199)	(50,584)	300	(2,855,927)
Operating profit/(loss)	2,212,282	(300,243)	(99,741)	280,021	(33,850)	2,058,469
Taxation	167,301	(4,370)	-	-	-	162,931
Net profit/(loss)	2,379,583	(304,613)	(99,741)	280,021	(33,850)	2,221,400
Profit from discontinued operations	600,000	-	-	-	203,072	803,072
Net profit/(loss)	2,979,583	(304,613)	(99,741)	280,021	169,222	3,024,472
Total assets	46,855,993	1,680,895	2,211	3,728,700	(7,226,288)	45,041,511
Total liabilities	11,433,621	667,207	6,625	1,635,006	(1,087,677)	12,654,782
Investment property	15,902,037	1,067,546	-	3,500,000	102,602	20,572,185
Intangible assets	-	-	-	-	-	-
Assets held for sale	1,454,000	534,000	-	-	-	1,988,000
Property, plant and equipment purchases	3,751	-	-	62,511	-	66,262

5. Segment Reporting (Continued)

	2020					
	Jamaica	**Costa Rica**	**USA**	**Cayman**	**Eliminations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Rental income						
- Residential property	25,353	45,774	62,895	-	-	134,022
- Commercial property	218,207	78,943	-	-	-	297,150
	243,560	124,717	62,895	-	-	431,172
Fair value gain on investment property	4,449,391	539,982	(47,250)	-	-	4,942,123
	4,692,951	664,699	15,645	-	-	5,373,295
Interest income	1,447,936	-	-	-	(103,050)	1,344,886
Dividend income	25,129	-	-	-	-	25,129
Other finance income/ (expense)	(350,814)	500	-	-	(27,583)	(377,897)
Financial related income	1,122,251	500	-	-	(130,633)	992,118
Fee and commission income	130,004	-	-	-	-	130,004
Other income	245,650	-	-	-	-	245,650
Operating income	6,190,856	665,199	15,645	-	(130,633)	6,741,067
Depreciation and amortisation	(76,983)	(42,497)	(1,236)	-	-	(120,716)
Interest expense	(208,079)	(51,211)	(11,194)	-	230,265	(40,219)
Expected credit losses	(701,862)	-	-	-	-	(701,862)
Performance based fee	(255,712)	-	-	-	-	(255,712)
Expenses	(2,795,932)	(57,741)	(83,198)	(15,880)	-	(2,952,751)
Operating profit/(loss)	2,152,288	513,750	(79,983)	(15,880)	99,632	2,669,807
Taxation	(48,781)	(16,389)	-	-	-	(65,170)
Net profit/(loss)	2,103,507	497,361	(79,983)	(15,880)	99,632	2,604,637
Total assets	38,181,305	2,193,302	884,977	569,709	(5,938,165)	35,891,128
Total liabilities	9,603,308	2,307,720	(601,798)	(623,413)	(4,603,884)	6,081,933
Investment property	16,437,654	2,260,508	862,750	-	-	19,560,912
Intangible assets	341,395	-	-	-	-	341,395
Assets held for sale	330,000	-	430,000	-	-	760,000
Property, plant and equipment purchases	139,284	-	-	-	-	139,284

6. Rental Income

	2021	**2020**
	$	**$**
Commercial property	283,344	297,150
Residential property	97,342	134,022
	380,686	431,172

6. Rental Income (Continued)

The Company is domiciled in St. Lucia but does not generate revenue there. The Group's revenue is primarily generated from property assets, which are held by Group companies domiciled in the country in which the relevant asset is located.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Group's revenues. One tenant, located in domiciled in Jamaica, accounts for more than 10% of the Group's rental income.

There are no contract asset or contract liabilities in relation to the lease contracts.

Variable rents recognized as income totalled $9,647 (2020: $83,155).

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 $	2020 $
No later than 1 year	648,618	284,420
Later than 1 year and no later than 2 years	526,468	271,704
Later than 2 years and no later than 3 years	480,395	233,554
Later than 3 years and no later than 4 years	249,055	214,091

7. Net Interest Income and Dividend Income

	2021 $	2020 $
Interest income		
Interest income from debt securities	147,753	720,669
Interest income from loans	213,403	624,217
Interest income from financial assets at amortised cost	361,156	1,344,886
Income from financial assets at FVPL:		
Dividend income	183,524	25,129
	544,680	1,370,015
Interest expense		
Financial liabilities at amortised cost	(279,110)	(40,219)
Net interest income	265,570	1,329,796

8. Other Income

	2021 $	2020 $
Fee and commission income	9,459	161,244
Gain on disposal of property, plant and equipment	23,693	20,132
	33,152	181,376

9. Expected Credit Losses

	2021 $	2020 $
Investments at amortised cost	384,730	557,509
Loans at amortised cost	(154,779)	144,353
	229,951	701,862
Included in discontinued operations on disposal of subsidiary	137,785	-
	367,736	701,862

10. Expenses by Nature

	2021 $	2020 $
Other operating expenses:		
Advertising and marketing	199,703	243,371
Agents' commission expense	30,045	-
Auditors' remuneration	151,348	85,860
Bank charges	13,318	17,624
Business development and meeting expenses	6,894	113,545
Direct property operating expenses (Note 15)	109,061	163,330
Directors' fees and travel	115,169	93,656
Donations and subscriptions	80,390	146,675
Fee and commission expenses	2,793	31,240
First Rock Foundation expense	50,194	-
Insurance	50,890	69,526
Legal and professional fees	549,749	606,538
Office expenses	8,208	49,731
Other	222,457	16,967
Management fees	677,949	622,652
Rates and taxes	21,670	24,339
Registrar and regulatory fees	76,328	42,970
Repairs and maintenance costs	-	1,118
Seminars	64,000	45,898
Software expenses	28,317	72,027
Staff costs (Note 11)	141,358	451,827
Travel and subsistence	115,742	66,489
Utilities	-	18,608
Performance based fee	358,120	255,712
Balance c/f	3,073,703	3,239,703

10. Expenses by Nature (Continued)

	2021 $	2020 $
Balance b/f	3,073,703	3,239,703
Discontinued operations:		
Expense related to Dolla Financial Services Limited reclassified to profit from discontinued operations	(217,776)	-
	2,855,927	3,239,703
Depreciation and amortisation expense (Note 17 and Note 18)	18,099	120,716
Expected credit losses	367,736	701,862
	3,241,762	4,062,281

11. Staff Costs

	2021 $	2020 $
Salaries	127,849	407,132
Statutory payroll contributions	11,953	37,778
Other	1,556	6,917
(Note 10)	141,358	451,827

Staff costs relate to the remuneration paid to employees of Dolla Financial Services Limited. The remaining subsidiaries utilise employees of First Rock Capital Resource Limited through their management agreement to carry out their operations.

12. Taxation

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

In recognising deferred taxation in relation to certain items of investment property, the Group has assumed that there will be no capital gains tax on rental properties held for successive long term rental periods. It however assumes, that for items which are currently investment property that will be developed for resale, and will eventually become inventory, the revaluation gains previously recognised will be subject to taxation at the time of sale. For investment property being developed, management recognises a deferred tax charge on the basis of a ratio of units to be sold, to the total number of units being developed. Any change in management's intention from rental to sale, would result in a recognition of an additional deferred tax liability. No deferred tax charge has been recognised in respect of investment properties with undetermined use.

The Group

The tax liability presented represents the liability for First Rock Capital LATAM, Sociedad Anónima, FCH Jamaica Developers Limited, FCH Jamaica Assets Limited and Dolla Financial Services Limited. There were no tax expenses incurred by the other subsidiaries as they do not have taxable income for the period. A deferred tax asset was recognised for the Company in relation to carried forward losses, as management believes that taxable profits will be available against which the deferred tax assets can be utilised.

12. Taxation (Continued)

The Company

Up to 31 December 2020, the Company had elected to pay income tax of one per cent (1%) in Saint Lucia. Pursuant to the provisions of Article 11 of the CARICOM Double Taxation Treaty, dividends/distributions paid to Shareholders who were residents of CARICOM Member States would have been subject to withholding tax in Saint Lucia, at a rate of one percent (1%), with no further taxation in the shareholder's country of residence**.** During the year, International Business Companies (IBCs) registered before 1 December 2018 are no longer able to utilize preferential tax rates (tax-exempt or a 1% rate) and withholding tax exemptions. Effective 1 July 2021, all IBCs are subject to tax on income from sources in St. Lucia at the standard corporate tax rate of 30%. Foreign-source income is not subject to tax in St. Lucia provided that the IBC satisfies the economic substance criteria as set out in St. Lucia's legislation for eligibility to be taxed on a territorial basis in St. Lucia. Expenses incurred in connection with foreign-source income are not tax-deductible. Any such expenses paid to nonresidents are not subject to withholding tax in St. Lucia. All domestic companies that are in good standing with the Inland Revenue Department, including branches of non-resident companies, are subject to tax at a basic rate of 30%. Companies that are not in good standing are subject to tax at a rate of 33.3%. Management is currently processing the filings which are due by the 31 December 2022 to the tax authorities to meet the various criteria of the revised legislation to satisfy the economic substance requirement.

First Rock Capital LATAM, Sociedad Anónima

This subsidiary is registered under the "Income from Real Estate" regime, rather than the ordinary regime. Under the "Income from Real Estate" regime, tax is charged at a fixed rate of 15% (2020:12.75%) of the gross rental income received, instead of a corporation tax of 30% payable on taxable income under the ordinary tax regime.

FCH Jamaica Developers Limited and FCH Jamaica Assets Limited

Income tax is charged at a rate of 25% for unregulated entities.

(a) Composition of tax (credit) charge

The taxation (credit) charge for the year is comprised of:

	2021 $	2020 $
Current tax	4,370	16,389
Deferred tax	(166,657)	59,597
	(162,287)	75,986
Prior year over accrual adjustment (Dolla)	-	(10,816)
Other adjustment	(644)	-
	(162,931)	65,170

(b) Reconciliation of applicable tax charges to effective tax charge:

	2021 $	2020 $
The Company:		
St. Lucia tax considerations:		
Profit before tax	848,570	2,999,921
Tax at Nil% (2020: 1%)	-	29,999
Adjusted for the effects of:		
Expenses not allowable for tax purposes	-	11,614
Income not subject to tax	-	(54,123)
Other	-	6,937
	-	(5,573)

12. Taxation (Continued)

(b) Reconciliation of applicable tax charges to effective tax charge: (continued)

	2021 $	2020 $
The Company:		
Jamaica tax considerations:		
Profit before tax	848,570	2,999,921
Tax at 25%	212,142	749,980
Adjusted for the effects of:		
Expenses not allowable for tax purposes	183,488	139,364
Income not subject to tax	(950,124)	(791,074)
Variation in tax rate on dividend income	-	(20,171)
Other	392,963	(36,062)
	(161,531)	42,037
First Rock Capital LATAM, Sociedad Anónima:		
Rental income(net)	29,133	128,545
Tax at 15% (2020:12.75%)	4,370	16,389
Dolla Financial Services Limited:		
Loss before tax	-	(196,541)
Tax at 25%	-	(49,135)
Adjusted for the effects of:		
Expenses not allowable for tax purposes	-	53,962
Employment and corporate tax credits	-	(12,173)
Prior year over accrual adjustment (Dolla)	-	(10,816)
Deferred tax asset on tax losses not recognized	-	31,320
Other	-	(841)
	-	12,317
FCH Jamaica Developers Limited:		
Loss before tax	(22,775)	-
Tax at 25%	(5,694)	-
Adjusted for the effects of:		
Income not subject to tax	(79)	-
Other	3	-
	(5,770)	-
FCH Jamaica Assets Limited:		
Profit before tax	3,281,817	-
Tax at 25%	820,454	-
Adjusted for the effects of:		
Expenses not allowable for tax purposes	49	-
Income not subject to tax	(820,503)	-
	-	-
Tax (credit)/expense	(162,931)	65,170

13. Disposal of Subsidiary

Dolla Financial Services Limited
The Group entered into an agreement to dispose of its 75% stake in Dolla Financial Services Limited. The transaction was finalized on 31 March 2021, for a consideration of US$1,100,000. Below is a summarized income statement and balance sheet representing the net profit contribution for the financial year and the net assets sold:

a) Income statement

	$
Interest income	363,715
Other income	70,085
Total income	433,800
Interest expense	(68,389)
Other operating expenses	(250,258)
Net profit (Note 13(c))	115,153

b) Statement of financial position

	$
Cash & bank balances	(21,589)
Loans receivable	2,221,565
Property, plant & equipment	213,743
Other assets	52,411
Total assets	2,466,130
Long term loans	682,221
Preference shares	1,272,684
Other liabilities	335,092
Total liabilities	2,289,997
Net assets	176,133

c) Profit from discontinued operations

	$
Proceeds, net of transaction costs	1,100,000
Net assets	(176,133)
Unamortised intangibles	(328,372)
Other consolidated adjustments	92,724
Adjusted carrying value	(412,081)
Gain on disposal of net assets	687,919
Net profit on operations (Note 13(a))	115,153
	803,072

14. Investment in Associate

	2021 $	2020 $
Carrying amount of interest in associate		
First Rock Global Holdings (Note 14(a))	1,746,429	-

(a) Investment in First Rock Global Holdings Limited

This represents a direct holding of 16,615,079 shares or 15% shareholding in First Rock Global Holdings Limited T/A First Rock Private Equity Limited (FRPE).

5,000,000 shares were acquired by way of private placement on 12 March 2021, at US$0.10 per share. 10,615,079 shares were acquired on 31 December 2021, by way of conversion of 1,230,314 units of preference shares held in FRPE at US$0.108 per share. Prior to 31 December 2021, the preference shares were held in Dolla Financial Services Limited. The remaining 1,000,000 units were acquired on 31 December 2021, by way of conversion of US$100,000 promissory note issued to FRPE in relation to the purchase of Dolla Financial Services Ltd in March 2021 at US$0.10 per share. The remaining balance on the loan post conversion is US$250,000 (Note 20).

The principal activities of FRPE are the provision of smart capital and business advisory services to small and medium entities and financial service entities across the Caribbean and Latin America.

Management considers that the investment, despite representing less than 20% of the shareholding of FRPE, meets the criteria of IAS 28 Investment in Associates due to the significant influence that the Group exercises over the investee.

15. Investment Properties

	2021 $	2020 $
The Group holds three classes of investment property:		
Land	8,900,000	13,514,804
Commercial property	7,000,000	4,563,420
Residential property	4,672,185	1,482,688
	20,572,185	19,560,912

15. Investment Properties (Continued)

	Land	Commercial Property	Residential Property	2021 $	2020 $
At 1 January	13,514,804	4,563,420	1,482,688	19,560,912	9,681,614
Acquisitions (Note 15(a))	2,100,000	2,271,217	5,840,540	10,211,757	5,000,000
Development in progress	-	-	-	-	1,014,804
Disposals	-	(504,900)	(2,176,574)	(2,681,474)	(310,000)
Reclassified to Development in Progress (Note 16)	(9,514,804)	-	-	(9,514,804)	-
Reclassified to investment property held for sale (Note 15(f))	-	(534,000)	(1,454,000)	(1,988,000)	(760,000)
	6,100,000	5,795,737	3,692,654	15,588,391	14,626,418
Net gain from fair value adjustment	2,800,000	1,204,263	904,926	4,909,189	4,942,123
Foreign exchange adjustment	-	-	74,605	74,605	(7,629)
Fair value as at 31 December	8,900,000	7,000,000	4,672,185	20,572,185	19,560,912

(a) Includes a land acquisition by way of transfer by natural love and affection for no consideration. The Group has recognised the asset at its fair value of US$1,600,000 and the corresponding credit as other payable. In accordance with IAS 20, the income associated with the grant of the land will be recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grant is intended to compensate. (Note 30(b)).

(b) Amounts recognised in income statement for investment properties

	2021 $	2020 $
Rental income	380,686	431,172
Direct costs (Note 10)	(109,061)	(163,330)
Fair value gains recognised in income	4,909,189	4,942,123
	5,180,814	5,209,965

15. Investment Properties (Continued)

(c) All properties were valued at current market value as at 31 December by independent qualified property appraisers and valuators.

2021

Category	Valuation technique	Observable inputs	Unobservable inputs	Capitalisation factor (%)
Land	Sales Comparison	Sales prices/per acre, comparable address	Appreciation for time and sale of demand for comparables	N/A
Commercial property	Income Approach	Rental rate, property expenses	Capitalisation rate	6% - 10%
Residential property	Sales Comparison	Sales prices per square foot, listings	Area, negotiation, access, location, topography and view	N/A

2020

Category	Valuation technique	Observable inputs	Unobservable inputs	Capitalisation factor (%)
Land	Sales Comparison	Sales prices/per acre, comparable address	Appreciation for time and sale of demand for comparables	N/A
Commercial property	Income Approach	Rental rate, property expenses	Capitalisation rate	6% - 10%
Residential property	Sales Comparison	Sales prices per square foot, listings	Area, negotiation, access, location, topography and view	N/A

A ±10% change in the consideration of current values would result in the carrying value of investment properties and investment properties held for sale and net profit increasing/decreasing by $2.256 million (2020: $2.032 million)

The fair values of the investment property are at level 3 in the fair value hierarchy, as certain of the inputs into the valuation process are deemed to be unobservable, as above.

15. Investment Properties (Continued)

(c) Properties were valued at current market value as at 31 December by the following independent qualified property appraisers and valuators:

2021
A.S James & Associates Limited (Jamaican properties)
Icicor (Costa Rican properties)
JEC Property Consultants (Cayman properties)

2020
A.S James & Associates Limited (Jamaican properties).
NAI Jamaica Langford and Brown (Jamaican properties).
Constructora Costarricense S.A (Costa Rican properties).
Dade Real Estate Services, Corp. (United States properties).

(d) Leasing arrangements
Commercial and residential properties are leased to tenants under operating leases with rentals payable monthly. Lease payments do not include variable lease payments that depend on an index or rate.

(e) Pledged as collateral for loans
Investment property has been pledged as collateral for loans as detailed in Note 27.

(f) Investment properties held-for-sale
At year end, properties with a carrying value of $1,988,000 were transferred to investment properties held-for-sale based on management's decision to dispose of these units. Management believes that sale of the units will be realised within the next 12 months.

16. Development in Progress

	2021 $	2020 $
Land - Hambani Estates (Note 16(a))	8,500,000	-
Development Costs:		
- Hambani Estates (Note 16(a))	3,804,169	-
- Seaview Avenue (Note 16(b))	233,249	-
	12,537,418	-
Classified as:		
Non-current	233,249	-
Current	12,304,169	-
	12,537,418	-

(a) This represents a 3.43-acre parcel of land currently being developed as a luxury residential villa community situated at lots 1, 1B and 3 Bamboo Avenue Kingston 6, St. Andrew. Construction commenced in March 2021 and is expected to be completed within the 3rd quarter of 2022.

Development in progress costs in relation to this property consist of pre-construction costs and hard construction costs. It also consists directly attributable finance costs in the amount of US$123,728 (2020: US$190,017) being capitalized in relation to the Sagicor Bank loan facility used to acquire the property.

(b) This represents a 1.57-acre parcel of land to be developed as a mid-market residential townhouse and apartment community situated at lot 5 Seaview Avenue Kingston 6, St. Andrew. Construction is expected to commence within the 3rd quarter of 2022.

Development in progress costs in relation to this property consist of pre-construction costs.

17. Property, Plant and Equipment

	Furniture Fixtures & Fittings $	Billboards $	Computer Equipment $	Leasehold Improvements $	Work-in-Progress $	Right of-use Asset (Note 29) $	Total $
Cost -							
1 January 2020	45,985	4,190	-	1,500	-	-	51,675
On acquisition of subsidiary (Note 35)	19,985	-	6,944	12,070	3,327	78,620	120,946
Foreign currency translation	(715)	(498)	2,937	-	-	11,986	13,710
Additions	1,201	-	3,702	6,199	-	120,290	131,392
Disposals	(11,364)	-	-	-	-	-	(11,364)
As at 31 December 2020	55,092	3,692	13,583	19,769	3,327	210,896	306,359
Additions	55,978	-	10,284	-	-	-	66,262
Disposals	(55,092)	-	(13,583)	(19,769)	(3,327)	(210,896)	(302,667)
Foreign currency translation	-	498	-	-	-	-	498
As at 31 December 2021	55,978	4,190	10,284	-	-	-	70,452
Accumulated Depreciation -							
As at 1 January 2020	(910)	(524)	-	-	-	-	(1,434)
Charge for the year (Note 10)	(7,020)	(496)	(3,223)	(7,303)	-	(63,584)	(81,626)
Relieved on disposal	1,608	-	-	-	-	-	1,608
As at 31 December 2020	(6,322)	(1,020)	(3,223)	(7,303)	-	(63,584)	(81,452)
Charge for the year (Notes 10, 17 (a))	(4,526)	(551)	(2,023)	(1,756)	-	(11,914)	(20,770)
Relieved on disposal	7,954	-	4,388	9,059	-	75,498	96,899
As at 31 December 2021	(2,894)	(1,571)	(858)	-	-	-	(5,323)
Net Book Value -							
As at 31 December 2021	53,084	2,619	9,426	-	-	-	65,129
As at 31 December 2020	48,770	2,672	10,360	12,466	3,327	147,312	224,907

(a) This includes $15,694 in respect of depreciation related to assets on the disposal of a subsidiary and which are classified as discontinued operations.

18. Intangible Assets

	Software $	Trademark and Customer Relationships $	Total $
Cost -			
On acquisition of subsidiary	1,493	399,025	400,518
Foreign exchange adjustment	(74)	(19,959)	(20,033)
As at 31 December 2020	1,419	379,066	380,485
Disposals	(1,419)	(379,066)	(380,485)
As at 31 December 2021	-	-	-
Amortization -			
Charge for the year (Note 10)	(546)	(38,544)	(39,090)
As at 31 December 2020	(546)	(38,544)	(39,090)
Charge for the year (Note 10)	(175)	(12,848)	(13,023)
Relieved on disposal	721	51,392	52,113
As at 31 December 2021	-	-	-
Net Book Value -			
As at 31 December 2021	-	-	-
As at 31 December 2020	873	340,522	341,395

(i) Computer software
These intangible assets had finite useful lives and were amortised over five years. The carrying amounts were written off on disposal of Dolla Financial Services Limited in March 2021.

(ii) Customer relationships
This represented a trademark and customer base acquired as part of the Dolla Financial Services Limited acquisition on 31 March 2020. Both were determined to have a finite useful life and were amortised over 7 years. The carrying amounts were written off on disposal of Dolla Financial Services Limited in March 2021.

19. Loans, Net of Provision for Credit Losses

	2021 $	2020 $
Gross loans and advances	-	2,138,413
Loan interest and other receivable	-	82,017
	-	2,220,430
Less: Expected Credit Loss (ECL) (Note 33(b)	-	(154,779)
Total	-	2,065,651
Less: current portion	-	(1,852,233)
	-	213,418

20. Investments

Financial assets measured at amortised cost:

	2021 $	2020 $
(a) Corporate bonds, repurchase agreements and CDs	3,778,766	6,411,671
Interest receivable	50,170	234,791
	3,828,936	6,646,462
Less: ECL (Note 33(b)	(894,844)	(575,336)
	2,934,092	6,071,126
(b) Promissory notes:		
First Rock Capital Resource Limited (Note 20(d)(i))	1,118,646	1,221,076
Medical Associates Limited (Note 20(d)(ii))	194,810	417,540
Nationwide News Network (Note 20(d)(iii))	129,873	139,180
Dolla Financial Services Limited (Note 20(d)(iv))	649,366	-
First Rock Private Equity Limited (Note 20(d)(v))	250,000	-
FEP Limited (Note 20(d)(vi))	650,000	-
	2,992,695	1,777,796
Interest receivable	69,092	113,307
	3,061,787	1,891,103
Less: ECL (Note 33(b)	(82,374)	(17,152)
	2,979,413	1,873,951
Total	5,913,505	7,945,077
Classified as:		
Non-current	4,492,256	2,929,029
Current	1,421,249	5,016,048
	5,913,505	7,945,077
(c) Financial assets measured at fair value through profit and loss:		
Quoted and unquoted equities: non-current	476,775	1,259,258

20. Investments (continued)

(d) Promissory notes comprise:

(i) This represents the balances outstanding on loans to First Rock Capital Resource Limited with nominal amounts totalling approximately $1,140,704 (2020: $1,312,606) at an interest rate of 8%. The maturity dates of these loans range from July 2029 – September 2050 (2020: July 2021 – April 2050).

(ii) This represents the balance outstanding on a loan of JMD60,000,000 at an interest rate of 11% per annum. The loan is payable in full in October 2023.

(iii) This represents the balance outstanding on a loan of JMD20,000,000 at an interest rate of 13% per annum. The loan is payable in full in May 2023.

(iv) This represents the balance outstanding on loans with nominal amounts totalling JMD100,000,000 at an interest rate of 12%. The maturity dates of these loans range from May 2023 – October 2023.

(v) This represents the balance outstanding on a loan of $350,000 at an interest rate of 8%. $100,000 was converted to 1,000,000 units of ordinary equity at $0.10 per share on December 31, 2021 (Note 14). The loan is payable in full in March 2024.

(vi) This represents the balance outstanding on a loan of $650,000 at an interest rate of 10%. The loan is payable in full in June 2025.

21. Property Acquisition Deposits

	2021 $	2020 $
Medinah 21 (Note 21(a))	-	1,036,484
The Grove (Note 21(b))	-	562,040
Torres los Yoses II (Note 21(c))	24,957	-
	24,957	1,598,524

(a) This represented a deposit on 5 units on a 1.72-acre parcel of land being developed as a mixed residential apartment and townhouse community, situated at 21 Salisbury Avenue, Kingston 6, Saint Andrew. Construction was completed in the second quarter of 2021.
(b) This represented a deposit on 5 units in a mixed-use development located along the seven-mile beach corridor in Grand Cayman. Construction was completed in the first quarter of 2021.
(c) This represents a deposit on 5 units in a 19-story condominium building, currently being developed by Grupo Inmobiliario del Parque, situated in Los Yoses, San Pedro, Costa Rica. Construction is underway and is expected to be completed within the first quarter of 2022.

22. Related Party Transactions

(a) The statements of financial position include the following balances with related parties and companies:

	2021 $	2020 $
Amounts due from related parties:		
First Rock Realty (Company with common directorship)	20,129	-
First Rock Capital Resource Limited (Management company)	205,767	74,569
	225,896	74,569
Promissory notes: (Note 20(b))		
First Rock Capital Resource Limited	1,157,192	1,314,999
Medical Associates Ltd. (Company with common directorship)	188,960	420,399
Nationwide News Network (Company with common directorship up to November 2021)	-	138,553
F.E.P. Limited (Company with common directorship)	615,097	-
First Rock Private Equity (Company with common directorship)	243,566	-
	2,204,815	1,873,951
Amounts due to related parties:		
First Rock Capital Resource Limited	-	(380,970)
Related party transactions:		
Interest Income:		
First Rock Capital Resource Limited	94,013	154,165
Medical Associates Limited	38,847	9,657
Nationwide News Network Ltd.	10,501	12,180
F.E.P. Limited	34,306	-
First Rock Private Equity	21,074	-
	198,741	176,002
Expenses:		
First Rock Capital Resource Limited:		
Performance based fee	358,120	255,712
Management fees	677,949	622,652
	1,036,069	878,364
First Rock Realty Limited:		
Brokerage commission	49,413	-
	49,413	-

(b) Key management compensation

	2021 $	2020 $
Salaries and travelling benefits	67,495	200,402
Statutory contributions	3,739	12,522
	71,234	212,924

Directors' fees totalled $95,426 (2020: $36,000) for the period.

23. Other Assets

	2021 $	2020 $
Trade and other receivables:		
Rent receivable	75,341	37,154
Prepaid expenses	111,545	129,013
Due from broker	172,141	129,002
Due from attorney	213,350	-
GCT recoverable	41,261	125,979
Transfer tax and stamp duty refund	-	14,750
Refund on deposit for Shoppes at Rosehall	25,069	25,069
Insurance investment premium	63,769	-
Other receivables	28,201	29,958
	730,677	490,925

24. Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank	646,484	1,568,702
Cash in hand	433	1,208
	646,917	1,569,910

25. Share Capital

	2021 No. of shares	2021 $	2020 No. of shares	2020 $
Class A Ordinary shares (Note 25(a)):				
Opening balance	286,025,326	27,738,654	166,122,068	15,472,346
Initial public offering	-	-	119,903,258	12,266,308
Closing balance	286,025,326	27,738,654	286,025,326	27,738,654
Class A Preference shares (Note 25(b)):				
Opening balance	1,000,000	-	1,000,000	-
Issue of shares to Management company (no par value)	-	-	-	-
Closing balance	1,000,000	-	1,000,000	-
	287,025,326	27,738,654	287,025,326	27,738,654

(a) Class A Ordinary shares are voting and participating shares of the company. In February 2020, through an initial public offering, the company issued an additional 119,903,250 of a combination of USD and JMD ordinary shares. 81,650,250 USD shares were issued at an average share price of USD0.114 and 38,253,000 JMD shares were issued at an average price of JMD15.36. Net proceeds from this offering were used to finance real estate development.

25. Share Capital (Continued)

(b) Class A Preference shares rank pari passu as between and among themselves and in priority to any shares by the Company. Each Class A preference shareholder is entitled to a cumulative annual preference dividend equivalent to Twenty- five per cent (25%) of the audited annual total comprehensive income of the Company (calculated in accordance with International Financial Reporting Standards prevailing from time to time, and expressed in US dollars) ("Total Income") in each financial year in excess of the Annual Earnings Hurdle, divided by The number of Class A Preference Shares in issue when the said cumulative annual preference dividend is paid. The "Annual Earnings Hurdle" shall be the amount which results when the Hurdle Rate of eight per cent (8%) is applied to the Total Income of the company.

Effective 1 October 2021, each Class A preference shareholder is entitled to a cumulative annual preference dividend equivalent to twenty-five per cent (25%) of the consolidated audited annual total comprehensive income of the company in each financial year, once the hurdle rate of eight and a half per cent (8½%) is achieved.

Class A preference shareholders have voting rights in general meeting and have no economic rights or entitlements apart from the cumulative dividends, save and except for a return of capital paid or credited to be paid, as well as a right to share in any surplus on winding up on a pari passu basis with the capital paid for the shares. No capital has been paid on the Class A preference shares.

26. Corporate Bond Payable

	2021 $	2020 $
Medium term secured bond due 2026 (Note 26(a))	4,545,561	-
Unamortised borrowing costs (Note 26(b))	(151,055)	-
	4,394,506	-
Interest payable	55,582	-
	4,450,088	-

(a) This represents a corporate bond issued through Sygnus Capital in the amount of J$700,000,000 at an interest rate of 7.5% per annum for 5 years maturing May 2026. The bond is secured by:

- First Legal Mortgage stamped to cover commercial property situated at Monaltrie in the parish of Saint Andrew being the Lot numbered Seventeen, Block "F" now known as 21 Balmoral Avenue Kingston 5, registered at: Volume: 1269 Folio:939 in the name of First Rock Capital Holdings Limited.
- First Legal Mortgage stamped to cover residential property situated at Retreat in the parish of Saint Andrew now known as 5 Seaview Avenue, registered at: Volume: 368 Folio:69 in the name of First Rock Capital Holdings Limited
- First Legal Mortgage stamped to cover residential property situated at Retreat in the parish of Saint Andrew now known as 5 Seaview Avenue, registered at: Volume: 1027 Folio:229 in the name of First Rock Capital Holdings Limited.
- Hypothecated repo in the name of JCSD Trustee Services c/o First Rock Capital Holdings Limited representing the initial twelve-months interest.

26. Corporate Bond Payable (Continued)

(b) Unamortised borrowing costs

	2021 $	2020 $
Incurred for year	173,726	-
Amortised during the year	(22,671)	-
Closing balance	151,055	-

(c) Changes arising from financing activities:

	2021 $	2020 $
New borrowings	4,371,835	-
Amortised borrowing costs	22,671	-
Change in interest payable	55,582	-
	4,450,088	-

(d) Compliance with covenants

At 31 December 2021, the Group complied with the terms of the bond payable.

27. Long Term Loans

	2021 $	2020 $
Sagicor Bank Jamaica Limited (Note 27(a))	1,313,280	3,721,875
Barita Investments Limited (Note 27(b))	-	1,068,207
Advanced Integrated Systems Limited (Note 27(c))	1,500,045	-
CIBC FirstCaribbean International Bank (Cayman) Limited (Note 27(d))	1,585,013	-
Other (Note 27(e))	928,613	-
	5,326,951	4,790,082
Interest payable	4,405	9,970
	5,331,356	4,800,052
Classified as:		
Non-current	3,001,057	-
Current	2,330,299	4,800,052
	5,331,356	4,800,052

27. Long Term Loans

(a) This represents a demand loan from Sagicor Bank Jamaica Limited ("SBJ"), for the purchase of property at 1, 1B & 3 Bamboo Avenue, Jamaica. Interest is charged at a rate of 6.75% per annum. The terms of the promissory note indicate that the loan is payable on demand, which gives the lender the legal right to demand that the loan is repaid at any time. The loan is therefore classified as current. The facility however allows for a scheduled repayment to be made in July 2023. The loan is secured by the following:

- First Legal Mortgage stamped to cover US$1,875,000 over property (vacant land) situated at 1, 1B & 3 Bamboo Avenue, Mona, Kingston 6, St. Andrew registered at: Volume: 675 Folio:14, Volume: 983 Folio: 219 and Volume: 354 Folio: 69 in the name of First Rock Capital Holdings Limited.
- SBJ Hypothecated Certificate of Deposit in the name of First Rock Capital Holdings Limited representing the initial 6-month Interest

(b) This represented a loan facility from Barita Investments Limited for the purpose of real estate development. Interest was charged at a rate of 6.00% per annum. The loan was secured by Barita Investments Limited investment note and repurchase agreement with a carrying values of $1,263,000 and $105,000 respectively. In spite of its scheduled repayment date of February 2022, the loan was classified as current, consequent on the breach of a loan covenant as discussed at Note (f) below. The loan was repaid during the year.

(c) This represents a vendor mortgage from Advanced Integrated Systems Limited for the purchase of property at 7 Oxford Terrace, Jamaica. Interest is charged at a rate of 7.5% per annum for 5 years maturing June 2026. The loan is secured by the following:

- First Legal Mortgage stamped to cover US$1,500,000 over property (commercial building) situated at Lot 8, 31 Old Hope Road Volume 1231 Folio 132 and Lot 9, 31 Old Hope Road Volume 1231 Folio 133 in the name of First Rock Capital Holdings Limited.

(d) This represents a loan from CIBC FirstCaribbean International Bank (Cayman) Limited, for the purchase of property at the Grove, Grand Cayman. Interest is charged at a rate of 3 month Libor plus 2.5% per annum with a floor of 3.5% for 5 years maturing November 2026. The loan is repayable in 54 blended monthly principal and interest payments of $11,574. The loan is secured by the following:

- First Legal Mortgage stamped to cover US$1,619,000 over property (residential buildings) situated at West Bay Beach North Grand Cayman, Block 11D, Parcel 105 H10, H11, H24, H27 & H29 in the name of First Rock Capital Cayman Limited.
- Fixed and floating charge debenture granted by First Rock Capital Cayman Limited stamped for US$1,619,000 over all other present and future real property and a first ranking floating charge over all other present and future assets.
- Debt service reserve equivalent to 12 months debt service payment of $138,888. (Note 20(a)).

(e) This represents a private loan from an individual, for the purpose of development. Interest is charged at a rate of 3% per annum, however the repayment of interest and principal will be put towards the purchase price of a unit at Hambani Estates for which development is expected to be completed within the 3rd quarter of 2022.

(f) As at 31 December 2021, the Group is in compliance with all loan covenants. As at 31 December 2020, the Group was in breach of its loan covenant to Barita Investments Limited relating to the Group's minimum debt service coverage ratio. The breach of this ratio was occasioned in part, by the classification of the Group's demand loan to Sagicor Bank Limited as current (see Note 27(a)) above.

27. Long Term Loans (continued)

(g) ***Reconciliation of loans arising from financing activities***

The table below details changes in the Group's loans arising from financing activities, including both cash and non-cash changes. Loans arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's statement of cash flows as cash flows from financing activities.

	Opening Balance $	Financing cash flows - loan received (net) $	Non-cash changes - interest $	Non-cash changes - foreign exchange Movements $	Closing balance $
2021					
Long term loans	4,800,052	523,331	(5,565)	13,538	5,331,356
2020					
Long term loans	-	4,612,107	216,020	(28,075)	4,800,052

28. Deferred Tax (Assets) Liabilities

Deferred taxes are calculated in full on temporary differences under the liability method.

The movement on the deferred tax account is as follows:

	2021 $	2020 $
At beginning of year	152,790	(6,563)
Charged to statement of comprehensive income (Note 12)	(166,657)	59,597
Deferred tax on intangible assets on (disposal)/acquisition of Dolla	(99,756)	99,756
At end of year	(113,623)	152,790

Deferred tax assets and liabilities are attributable to the following items:

	Unrealised exchange gains $	Unrealised gain on fair valuation $	Intangible assets $	Interest receivable $	Total $
Deferred tax liabilities:					
At 1 January 2020	-	-	-	-	-
Charged to profit or loss	17,161	501,609	-	127,311	646,081
Deferred tax on intangible assets on acquisition of Dolla	-	-	99,756	-	99,756
At 31 December 2020	17,161	501,609	99,756	127,311	745,837
Charged to profit or loss	(17,161)	454,630	-	(98,562)	338,907
Deferred tax on intangible assets on disposal of Dolla	-	-	(99,756)	-	(99,756)
At 31 December 2021	-	956,239	-	28,749	984,988

29. Deferred Tax (Assets) Liabilities (Continued)

	Accelerated Tax Depreciation $	Tax Losses $	Unrealised Foreign Exchange loss $	Other $	Total $
Deferred tax assets:					
At 1 January 2020	-	6,563	-	-	6,563
Credited to profit or loss	10,333	568,098	1,725	6,328	586,484
At 31 December 2020	10,333	574,661	1,725	6,328	593,047
Credited to profit or loss	(10,333)	501,532	6,506	7,859	505,564
At 31 December 2021	-	1,076,193	8,231	14,187	1,098,611

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

	2021 $	2020 $
Deferred tax assets to be settled after more than twelve months	1,076,193	574,661
Deferred tax liabilities to be settled after more than twelve months	956,239	501,609

29. Leases

Group as a lessee
The office buildings are rented for fixed periods ranging of 1 -3 years with an option to renew the contracts. The lease payments are fixed and adjusted for inflation.

a) Amounts recognised in the statement of financial position

	2021 $	2020 $
Right-of-use assets		
Buildings (Note 17)	-	147,312
Lease liability		
Balance at 1 January	146,588	-
On acquisition of subsidiary	-	182,717
Accretion of interest	-	19,398
On disposal	(146,588)	-
Payment	-	(55,527)
Balance at 31 December	-	146,588
Current	-	65,009
Non-current	-	81,579
	-	146,588

29. Leases (Continued)

b) Amounts recognised in the statement of comprehensive income

	2021 $	2020 $
Depreciation charge of right-of-use assets		
Buildings	11,914	63,584
Interest expense	-	19,398
Total expenses related to leases	11,914	82,982

The total cash outflow for leases in 2020 was $55,527.

30. Other Liabilities

	2021 $	2020 $
Trade payable (Note 30(a))	714,608	54,639
Tenant deposits	47,845	21,542
Accrued expenses	113,056	63,406
Unallocated cash	-	19,872
Statutory payable	-	10,040
Credit card payable	2,106	4,148
Deposit on sale of units	-	33,863
Withholding tax payable	15,711	-
Contractor's levy payable	52,711	-
Deferred income	325,828	-
Dividends payable	-	343,230
Other payables (Note 30(b))	1,600,744	3,435
	2,872,609	554,175

(a) This includes US$646,192 payable to a developer in relation to the construction of the Hambani Estates luxury residential development in St. Andrew.
(b) This includes US$1,600,000 representing the fair value of land transferred by way of natural love and affection for no consideration and which has been upheld as deferred income. As at the reporting date there was no executed agreement governing the terms and conditions of the transfer between the vendor, Berlinc Development Limited, and FCH Jamaica Assets Limited. (Note 15)

31. Earnings per Stock Unit

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

	2021	2020
Net profit attributable to shareholders ($)	2,995,684	2,659,089
Weighted average number of ordinary shares in issue	286,025,326	268,369,563
Basic earnings per stock unit (USD per share)	0.01	0.01

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

32. Dividends

	2021 $	2020 $
First interim dividend for 2020 at $0.0008 per ordinary share - gross	-	228,820
Second interim dividend for 2020 at $0.0013 per ordinary share – gross	-	371,833
Third interim dividend for 2020 at $0.0008 per ordinary share - gross	-	228,820
Final dividend for 2020 at $0.0012 per ordinary share - gross	-	343,230
First interim dividend for 2021 at $0.0006 per ordinary share – gross	171,615	-
Final interim dividend for 2021 at $0.0007 per ordinary share – gross	200,218	-
	371,833	1,172,703

A subsidiary of the Group, which has non-controlling interest (NCI) also declared dividends during 2020. The dividends paid to the NCI amounted to $60,236 is shown as a declaration from the equity attributable to the NCI and has also been included in the dividends paid, as part of the Group's financing cash flows.

33. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, 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 minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the First Rock Capital Resource Company Limited, which identifies, evaluates and manages financial risks in close co-operation with the Group's operating business units. The Board of Directors sets guidelines for overall risk management including specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity.

(a) 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 foreign currency exchange rates, interest rates, political risk and economic risk. Market risk is monitored by Management who carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

33. Financial Risk Management (Continued)

(a) Market risk (continued)

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Jamaican dollar (JMD) and the Costa Rican Colón (CRC). Foreign exchange risk arises from transactions for purchases and recognised assets and liabilities.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by maximizing foreign currency earnings and holding foreign currency balances.

Concentration of currency risk

The table below summarises the Group's exposure to the JMD as at 31 December. The Group's exposure to the CRC as at 31 December was not material.

	2021 JMD Exposure US$
Financial assets	
Cash and cash equivalents	73,988
Financial assets at amortised cost	1,925,644
Financial assets at fair value through profit or loss	210,719
Due from related parties	6,847
Other assets	2,618
Total financial assets	2,219,816
Financial liabilities	
Corporate bond	4,450,088
Other liabilities	53,441
Total financial liabilities	4,503,529
Net position	(2,283,713)

33. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	2020 JMD Exposure US$
Financial assets	
Cash and cash equivalents	78,472
Financial assets at amortised cost	2,234,695
Financial assets at fair value through profit or loss	1,009,258
Loans and advances net of provision for credit losses	2,065,651
Due from related parties	18,346
Total financial assets	5,406,422
Financial liabilities	
Long term loan	1,078,177
Lease liability	67,286
Other liabilities	15,364
Total financial liabilities	1,160,827
Net position	4,245,595

Concentration of currency risk

Sensitivity analysis
The impact on the Group's profit before taxation, arising from a weakening or strengthening of the USD dollar in relation to the JMD are as follows:

	% Change in Currency Rate 2021	Effect on Profit before Tax 2021 $	% Change in Currency Rate 2020	Effect on Profit before Tax 2020 $
Currency:				
JMD (USD Strengthen)	8%	182,697	6%	(254,736)
JMD (USD Weaken)	2%	(45,674)	2%	84,912

(ii) 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 policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities.

33. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The following tables summarise the Group's exposure to interest rate risk. It includes the Group's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2021				
	Within 1 year $	1 to 5 Years $	Over 5 Years $	Non-interest bearing $	Total $
At 31 December 2021:					
Financial assets					
Cash and cash equivalents	646,484	-	-	433	646,917
Financial assets at amortised cost	2,312,593	3,210,349	1,248,519	(857,956)	5,913,505
Loans net of provision for credit losses					-
Financial assets at fair value through profit or loss	-	-	-	476,775	476,775
Due from related parties	-	-	-	225,896	225,896
Other assets	-	-	-	577,871	577,871
Total financial assets	2,959,077	3,210,349	1,248,519	423,019	7,840,964
Financial liabilities					
Corporate bond payable	-	4,545,561	-	(95,473)	4,450,088
Long term loan	2,241,893	3,085,058	-	4,405	5,331,356
Other liabilities	-	-	-	2,759,553	2,759,553
Total financial liabilities	2,241,893	7,630,619	-	2,668,485	12,540,997
Total interest repricing gap	717,184	(4,420,270)	1,248,519	(2,245,466)	(4,700,033)
Cumulative interest repricing gap	717,184	(3,703,086)	(2,454,567)	(4,700,033)	

33. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	2020				
	Within 1 year $	1 to 5 Years $	Over 5 Years $	Non-interest bearing $	Total $
At 31 December 2020:					
Financial assets					
Cash and cash equivalents	1,568,702	-	-	1,208	1,569,910
Financial assets at amortised cost	4,667,952	1,270,046	1,658,983	348,096	7,945,077
Loans net of provision for credit losses	1,770,216	213,418	-	82,017	2,065,651
Financial assets at fair value through profit or loss	-	-	-	1,259,258	1,259,258
Due from related parties	-	-	-	74,569	74,569
Other assets	-	-	-	221,183	221,183
Total financial assets	8,006,870	1,483,464	1,658,983	1,986,331	13,135,648
Financial liabilities					
Long term loan	4,790,082	-	-	9,970	4,800,052
Lease liability	-	119,787	26,801	-	146,588
Due to related parties	-	-	-	380,970	380,970
Other liabilities	-	-	-	468,858	468,858
Total financial liabilities	4,790,082	119,787	26,801	859,798	5,796,468
Total interest repricing gap	3,216,788	1,363,677	1,632,182	1,126,533	7,339,180
Cumulative interest repricing gap	3,216,788	4,580,465	6,212,647	7,339,180	

33. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity
The Group's interest rate risk arises from investment securities, loan receivables and long term loans. The sensitivity of the income statement is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities.

	Change in Basis Points 2021	Effect on Net Profit 2021 $	Change in Basis Points 2020	Effect on Net Profit 2020 $
JMD	+100	(15,850)	+100	(21,364)
JMD	-100	15,850	-100	21,364

(iii) Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity price risk because of investments held by the Group classified as fair value through profit or loss. The Group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact on total stockholders' equity (before tax) of a 5% increase/decrease (2020: 10% increase/decrease) in equity prices is an increase/decrease of $23,839 (2020: $125,926).

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents (excluding cash on hand), loans receivable, contractual cash flows of debt investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The Group has policies in place to ensure that property rentals and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The Group manages its credit risk by screening its customers, establishing credit limits, obtaining bankers' guarantees or collateral for loans where applicable, the rigorous follow-up of receivables and ensuring investments are low-risk or are held with sound financial institutions. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to industry segments.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Investments
The Group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Overall exposure to credit risk
The following table analyses the credit rating by internally developed and assessed investment ratings of financial assets bearing credit risk. See Note 3(q).

	2021				
	A to Aaa*	**B to Baa**	**C to Caa**	**Not rated**	**Total**
	$	**$**	**$**	**$**	**$**
Investments at amortised cost	-	5,083,666	827,198	-	5,910,864
Other assets	-	-	-	577,871	577,871
Due from related parties	-	-	-	225,896	225,896
Cash at bank	646,484	-	-	433	646,917
	646,484	5,083,666	827,198	804,200	7,361,548

	2020				
	A to Aaa*	**B to Baa**	**C to Caa**	**Not rated**	**Total**
	$	**$**	**$**	**$**	**$**
Loans receivables	-	2,065,651	-	-	2,065,651
Investments at amortised cost	-	6,850,521	1,094,556	-	7,945,077
Due from related parties	-	-	-	74,569	74,569
Other assets	-	-	-	221,183	221,183
Cash at bank	1,568,702	-	-	1,208	1,569,910
	1,568,702	8,916,172	1,094,556	296,960	11,876,390

Credit quality of financial assets and ratings assigned

The credit quality of financial assets and the assigned ratings has been determined by reference to external credit ratings, if available, or to a rating assigned by management's expert using an approach consistent with that used by global rating agencies. All of the ratings assigned above were based on internal ratings.

Aaa
An obligation rated 'Aaa' has the highest rating. Obligations rated Aaa are judged by management to be of the highest quality, minimal risk.

Aa
Obligations rated Aaa are judged to be of the high quality and are subject to very low credit risk.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Investments (continued)

A
An obligation rated 'A' is considered upper-medium-grade and are subject to low credit risk.

Baa
Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

Ba
Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B
Obligations rated Bare considered speculative and are subject to high credit risk.

Caa
Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca
Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery in principal and interest.

C
Obligations rated C are the lowest-rated class of bonds and are typical-ly in default, with little prospect for recovery of principal and interest.

Not Rated
This indicates that there is insufficient information on which to base a rating. These balances are current and are monitored regularly for impairment. This classification mainly includes obligations due from related parties, short-term securities and loans net of provisions for credit losses.

(ii) Loans and trade receivables
Loans receivable are balances which have been recognised when cash is advanced to borrowers. Trade receivables relate mainly to tenants of the Group's investment properties. Receivables are monitored and followed up on a regular basis and provisions made as deemed necessary based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Customer loans
The Group uses three categories for loans which reflect their credit risk and how the loan loss provision is determined for each of those categories.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Loans and trade receivables (continued)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Definition of Category	Basis for recognition of ECL
Performing	• Loans for which there is no evidence of a significant increase in credit risk since the origination date. • Loans that are due to mature within 12 months of the reporting date providing that such loans are not in a state of default.	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).
Underperforming	• Loans past due between 30 to 89 days • Loans that experienced a significant increase in credit risk even if the 30 days past due days threshold is not met	Lifetime expected losses (stage 2).
Non-Performing (credit impaired)	• Loans that are past due 90 days and over • Loans for which the maturity date has elapsed • Loans that show evidence of impairment even if the 90 days past due threshold is not met	Lifetime expected losses (stage 3).
Write-off	See Note 3(q)	Asset is written off.

The Group does not require the customers to pledge collateral as security against the loan in all cases. Over the term of the loans, the Group accounts for its credit risk by appropriately providing for ECLs on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data.

(iii) Cash and cash equivalents

The credit risk on liquid funds is limited because the counterparties are major banks with high credit ratings.

(iv) Due from related parties

The directors and management believe that the credit risks associated with this financial asset is minimal. There is no significant increase in credit risk associated with related parties and therefore the probability of default is considered insignificant.

Credit quality of financial assets

The following table sets out the staging of the company's financial assets, exposed to credit risk, and shows their maximum exposure to credit risk. The amounts shown in the tables reconcile to the carrying values as shown in the financial statements. The tables below exclude other assets, which are in stage 1 and for which there is no ECL. All of the items listed below were in stage 1 (12 month ECL) and loss allowances were recorded only for the loans receivable and financial instruments classified at amortised cost. There were no financial assets that were purchased credit impaired.

Financial instruments at amortised costs are considered to have low to moderate credit risk. Management considers 'low credit risk' for listed bonds which have an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Credit quality of financial assets (continued)

	ECL Staging 2021			
	12-month ECL $	**Stage 2 – Lifetime ECL $**	**Stage 3 – Lifetime ECL $**	**Total $**
As at 31 December				
Financial instruments				
- B to Baa	5,145,084	-	-	5,145,084
- C to Caa	651,083	-	1,094,556	1,745,639
Cash at bank				
- A	646,917	-	-	646,917
Gross carrying amount	6,443,084	-	1,094,556	7,537,640
ECL	(94,762)	-	(882,456)	(977,218)
Gross carrying amount, net of ECL	6,348,322	-	212,100	6,560,422

	ECL Staging 2020			
	12-month ECL $	**Stage 2 – Lifetime ECL $**	**Stage 3 – Lifetime ECL $**	**Total $**
As at 31 December				
Financial instruments				
- B to Baa	7,443,009	-	-	7,443,009
- C to Caa	-	-	1,094,556	1,094,556
Loans receivable				
- Not rated**	1,842,759	121,037	256,634	2,220,430
Cash at bank				
- A	1,569,910	-	-	1,569,910
Gross carrying amount	10,855,678	121,037	1,351,190	12,327,905
ECL	(63,205)	(1,893)	(682,169)	(747,267)
Gross carrying amount, net of ECL	10,792,473	119,144	669,021	11,580,638

SICR was experienced for loans receivable based on increases in DPD for certain loans, as well as an investment security going into default, based on missed interest payments and slippage of more than four levels on the rating scale.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances

The allowance for ECL is recognised in each reporting period and is impacted by a variety of factors, as described below:

- Transfers between stages due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired during the period;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to inputs used in the calculation including the effect of 'step-up' (or 'step down') between 12-month and life-time ECL;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.

(i) Debt securities

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	31 December 2021 Total $	31 December 2020 Total $
Debt Securities – Amortised Cost					
Gross carrying amount as at 1 January	7,443,009	-	1,094,556	8,537,565	3,456,842
New financial assets originated or purchased	3,632,156	-	-	3,632,156	9,732,937
Financial assets fully derecognised during the period	(5,059,937)	-	-	(5,059,937)	(3,239,214)
Changes in principal and interest	(219,061)	-	-	(219,061)	(1,413,000)
Gross carrying amount as at 31 December	**5,796,167**	**-**	**1,094,556**	**6,890,723**	**8,537,565**

	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	31 December 2021 Total $	31 December 2020 Total $
Debt Securities – Amortised Cost					
Loss Allowance as at 1 January	37,328	-	555,160	592,488	34,979
New financial assets originated or purchased	52,995	-	-	52,995	15,185
Financial assets fully derecognised during the period	(9,737)	-	-	(9,737)	(13,015)
Changes to inputs used in ECL calculation	14,176	-	327,296	341,472	562,011
Foreign exchange adjustment	-	-	-	-	(6,672)
Loss Allowance as at 31 December	**94,762**	**-**	**882,456**	**977,218**	**592,488**

The loss allowances for investments as at 31 December reconcile to the opening loss allowances as follows:

	2021 $	2020 $
Opening loss allowance at 1 January	592,488	34,979
Increase in ECL	384,730	557,509
Closing loss allowance 31 December	977,218	592,488

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances (continued)

(ii) Loans

Loans – Amortised Cost	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	POCI $	31 December 2021 Total $	31 December 2020 Total $
Gross carrying amount as at 1 Januarv	1,859,574	104,222	11,467	245,167	2,220,430	-
New financial assets purchased	-	-	-	-	-	268,274
New financial assets originated	-	-	-	-	-	2,449,464
Financial assets fully derecognised during the period	(1,859,574)	(104,222)	(11,467)	(245,167)	(2,220,430)	(372,966)
Changes in principal and interest	-	-	-	-	-	(135,800)
Foreign exchange adjustment	-	-	-	-	-	11,458
Gross carrying amount as at 31 December	**-**	**-**	**-**	**-**	**-**	**2,220,430**

Loans – Amortised Cost Loss Allowance	Stage 1 12-month ECL $	Stage 2 Lifetime ECL $	Stage 3 Lifetime ECL $	POCI $	31 December 2021 Total $	31 December 2020 Total $
Loss Allowance as at 1 January	25,877	1,893	3,324	123,685	154,779	-
New financial assets originated	-	-	-	-	-	28,636
Financial assets fully derecognised during the period	(25,877)	(1,893)	(3,324)	(123,685)	(154,779)	(15,078)
Changes to inputs used in	-	-	-	-	-	149,236
Foreign exchange adjustment	-	-	-	-	-	(8,015)
Loss Allowance as at 31 December	**-**	**-**	**-**	**-**	**-**	**154,779**

The loss allowances for loan receivables as at 31 December reconcile to the opening loss allowances as follows:

	2021 $	2020 $
Opening loss allowance at 1 January	154,799	-
On acquisition of subsidiary	-	10,426
(Decrease)/Increase in loan loss	(154,779)	144,353
Included in discontinued operations on disposal of subsidiary	154,779	-
Closing loss allowance 31 December	-	154,779

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances (continued)

(ii) Loans

The gross carrying amount of loan receivables, and thus the maximum exposure to loss, is as follows:

	2021	2020
	$	$
Performing	-	1,829,201
Underperforming	-	134,594
Non-Performing (credit impaired)	-	256,635
Total gross loan receivables	-	2,220,430
Less: Loan loss allowance	-	(154,779)
Loan receivables net of expected credit losses	-	2,065,651

Collateral
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:
Loans – Cash and other near cash securities, mortgages over commercial and residential properties, charges over equipment and motor vehicles. Fair value of properties held as collateral is mainly based on obtained valuations from third parties and management's assessment of comparative sales, where valuations are not available.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

As at 31 December 2021, the fair value of collateral held stands at $7,792 (2020 – $27,454).

Repossessed collateral
The Group can obtain assets by taking possession of collateral held as security. Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances

Economic variable assumptions for exposure

Since 2020, the global financial markets have experienced and continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and specific industries remains uncertain and has created significant challenges to reporting entities in estimating forward looking adjusted ECL.

The Group has adopted the scorecard approach for forward looking adjustments which is based on qualitative assessment. Macroeconomic variables that affect the performance of the portfolio the most is chosen and its significance (weighting) assigned. Each macroeconomic variable is then given a state, depending on management expectation. Each state is assigned a corresponding multiplier which indicates the impact of the state on the portfolio. The multipliers determine the range of ECL fluctuation. If the range is narrow, it means that the portfolio is less prone to macro-economic conditions. If the range is wide, the portfolio is easier affected by the indicators identified. This exercise is performed for all scenarios which represent different macroeconomic outlook. The set of variables remain the same however the states may vary depending on each specific scenario. The three scenarios are weighted based on the range of macroeconomic scenarios they cover. The score and probability of impact of each scenario are multiplied, and the results are summed for all three scenarios.

The assumptions and the related macroeconomic variables used by the Group for its investment securities are as follows:

- Inflation – Given a weight of 20% (2020: 20%)
- Interest rates – Given a weight of 40% (2020: 40%)
- Gross Domestic Product (GDP) – Given a weight of 30% (2020: 30%)
- Unemployment – Given a weight of 10% (2020: 10%)

The scenarios used and the weight assigned are as follows:

- Base case – 50% (2020: 50%)
- Upside – 30% (2020: 20%)
- Downside – 20% (2020: 30%)

The multipliers used for the various outlook forecasts are as follows:

- Positive – Multiplier of -0.5 (2020: 0.6)
- Stable – Multiplier of Nil (2020: 1.08)
- Negative – Multiplier of 1.50 (2020: 1.30)

33. Financial Risk Management (Continued)

(b) Credit risk (continued)

Loss allowances (continued)

Economic variable assumptions for exposure (continued)

The assumptions and the related macroeconomic variables used by the Group for its loans net of provisions for credit losses are as follows:

- Inflation – Given a weight of 20% (2020: 20%)
- Interest rates – Given a weight of 40% (2020: 25%)
- Gross Domestic Product (GDP) – Given a weight of 30% (2020: 20%)
- Unemployment – Given a weight of 10% (2020: 35%)

The scenarios used and the weight assigned are as follows:

- Base case – 50% (2020: 50%)
- Upside – 30% (2020: 20%)
- Downside – 20% (2020: 30%)

The multipliers used for the various outlook forecasts are as follows:

- Positive – Multiplier of 0.6 (2020: 0.6)
- Stable – Multiplier of 1.1 (2020: 1.1)
- Negative – Multiplier of 1.3 (2020: 1.6)

(c) Liquidity risk

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, as carried out within the Group and monitored by the Asset and Risk Management Committee, includes:

- Monitoring future cash flows and liquidity on a weekly basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure funding if required;
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Maintaining lines of credit;
- Optimizing cash returns on investments; and
- Managing the concentration and profile of debt maturities.

33. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

The tables below present the contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Group's assets and liabilities based on the remaining period to maturity.

	Within 1 year $	1 to 5 Years $	Over 5 Years $	No Specific Maturity $	Total $
At 31 December 2021:					
Cash and cash equivalents	646,917	-	-	-	646,917
Financial assets at amortised cost	2,555,512	4,403,287	2,004,750	-	8,963,549
Financial assets at fair value through profit or loss	-	-	-	476,775	476,775
Due from related parties	225,896	-	-	-	225,896
Other assets	577,871	-	-	-	577,871
Total financial assets	4,006,196	4,403,287	2,004,750	476,775	10,891,008
Financial liabilities					
Long term loan	2,609,787	3,544,707	-	-	6,154,494
Corporate bond payable	340,917	5,710,361	-	-	6,051,278
Other liabilities	2,759,553	-	-	-	2,759,553
Total financial liabilities	5,710,257	9,255,068	-	-	14,965,325
Net financial position	(1,704,061)	(4,851,781)	2,004,750	476,775	(4,074,317)
Maturity gap	(1,704,061)	(6,555,842)	(4,551,092)	(4,074,317)	

33. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

	Within 1 year $	1 to 5 Years $	Over 5 Years $	No Specific Maturity $	Total $
At 31 December 2020:					
Cash and cash equivalents	1,569,910	-	-	-	1,569,910
Financial assets at amortised cost	9,523,632	2,962,077	2,110,037	-	14,595,746
Financial assets at fair value through profit or loss	-	-	-	1,259,258	1,259,258
Due from related parties	-	-	-	74,569	74,569
Loans net of provision for credit losses	2,426,259	231,037		-	2,657,296
Other assets	-	-	-	221,183	221,183
Total financial assets	13,519,801	3,193,114	2,110,037	1,555,010	20,377,962
Financial liabilities					
Long term loans	4,800,052	-	-	-	4,800,052
Due to related parties	-	-	-	380,970	380,970
Lease liability	65,009	159,733	3,136	-	227,878
Other liabilities	-	-	-	468,858	468,858
Total financial liabilities	4,865,061	159,733	3,136	849,828	5,877,758
Net financial position	8,654,740	3,033,381	2,106,901	705,182	14,500,204
Maturity gap	8,654,740	11,688,121	13,795,022	14,500,204	

(d) Capital management

The Group's objectives when managing capital are to provide superior returns for stockholders and benefits for other stakeholders, while maintaining a conservative capital structure. The Board of Directors monitors the return on equity, which the group defines as net profit attributable to equity holders divided by total stockholders' equity. The Board of Directors also monitors and approves the level of dividends to ordinary stockholders.

The consolidated statement of changes in equity depicts the Group's capital and changes therein. There were no changes to the group's approach to capital management during the year.

The company and its subsidiaries have no externally imposed capital requirements. The Group is subject to certain loan covenant requirements, as discussed in Note 26 and Note 27.

34. Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following tables provide an analysis of financial instruments held as at the statement of financial position date that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

The Group's equity instruments as at the end of the reporting period were classified as follows:

	Level 1 $	Level 2 $	Level 3 $	Total $
As at 31 December 2021				
Quoted equities	226,775	-	-	226,775
Unquoted equites	-	-	250,000	250,000
	226,775	-	250,000	476,775
As at 31 December 2020				
Quoted equities	1,009,258	-	-	1,009,258
Unquoted equites	-	-	250,000	250,000
	1,009,258	-	250,000	1,259,258

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. Instruments included in level 1 comprise primarily equity investments classified as financial assets at fair value through profit.

The following table shows the movement of investment securities measured at level 3 during the financial year.

	2021 $	2020 $
Balance, 1 January	250,000	-
Acquisition	-	250,000
Balance, 31 December	250,000	250,000

35. Business Combination

(i) Summary of acquisition

On 31 March 2020, First Rock Capital Holdings Limited acquired 75% of the issued share capital of Dolla Financial Services Limited.

Details of the purchase consideration, the net assets acquired and goodwill were as follows:

	$
Purchase consideration:	
Cash paid	500,000
Ordinary shares issued	-
Total purchase consideration	500,000

The assets and liabilities recognised as a result of the acquisition were as follows:

	$
Cash and cash equivalents	396,856
Loan receivables	1,830,808
Other receivables	44,072
Intangible assets (acquired arising on acquisition of Dolla)	400,518
Property, plant and equipment	120,946
Payables and accruals	(435,917)
Deferred tax liability	(99,756)
Lease liability	(78,620)
Loans payable	(257,146)
Tax payable	(60,141)
Preference shares	(968,496)
Net identifiable assets acquired	893,124
Less: non-controlling interests	(167,606)
Net assets acquired	725,518

Acquired receivables
The fair value of acquired loan receivables is $1,731,999.

	$
Total purchase consideration	500,000
Net assets acquired	(725,518)
Negative goodwill	(225,518)

35. Business Combination (Continued)

(i) Summary of acquisition (continued)

As at the acquisition date, negative goodwill of $225,518 has been recognized in the statement of comprehensive income given that the amounts of the identifiable net assets acquired exceeded the sum of the value of consideration transferred. The bargain purchase represents an economic gain, which should be immediately recognized by the acquirer in earnings.

Accounting policy choice for non-controlling interests
The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Dolla Financial Services Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2© for the group's accounting policies for business combinations.

Revenue and profit contribution
The acquired business contributed revenues of $667,471 and net loss of $217,808 to the Group for the period from 1 April to 31 December 2020. If the acquisition had occurred on 1 January 2020, using management's internal financial statements, the Group's interest income and profit for the year ended 31 December 2020 would have been $2,245,083 and $2,895,005 respectively.

(ii) Purchase consideration – cash outflow

	2020
	$
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	500,000
Less: Cash and cash equivalents acquired	(396,856)
Net outflow of cash – investing activities	103,144

Acquisition-related costs
Acquisition-related costs of $34,108 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

(iii) The Group disposed of its holding in Dolla Financial Services Limited on 31 March 2021(see Note 13).

36. Interest in Other Entities

(a) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Dolla Financial Services Limited	
	2021	**2020**
Summarised Balance Sheet	**$**	**$**
Current assets	-	1,927,486
Current liabilities	-	149,596
Net current assets	-	1,777,890
Non-current assets	-	747,965
Non-current liabilities	-	2,158,124
Non-current net liability	-	1,410,159
Net Assets	-	367,731
Accumulated NCI	-	48,469

	Dolla Financial Services Limited	
	2021	**2020**
	$	**$**
Summarised Statement of comprehensive income		
Revenue	363,715	667,471
Profit /(Loss) for the period	115,154	(217,808)
Total comprehensive income	115,154	(217,808)
Profit/(Loss) allocated to NCI	28,788	(54,452)
Dividends paid to NCI	-	(60,326)
Summarised cash flows		
Cash Flows from operating activities	190,533	(4,053,912)
Cash Flows from investing activities	(207,286)	-
Cash Flows from financing activities	(43,986)	2,158,124
Net decrease in cash and cash equivalents	(60,738)	(1,895,788)

On 31 March 2020, the Group acquired 75% of the issued shares of Dolla Financial Services Limited for $500,000. The Group recognised non-controlling interests of $167,606. The Group disposed of its holding in Dolla Financial Services Limited on 31 March 2021(see Note 13).

37. COVID-19 Update

The COVID-19 pandemic has continued throughout 2021, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Group has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its people and securing the supply of materials that are essential to its operational process.

At this stage, the impact on operations and results has not been significant and based on experience to date the Group expect this to remain the case. As the Group operates in the regional real estate market, the asset prices appear to be stable, demand continuing to be strong, and the Group expects this to continue. The Group will continue to follow the various government policies and advice and, in parallel, do its utmost to continue operations in the best and safest way possible without jeopardising the health of its team.

The Group has maintained a healthy liquidity position evidenced by the cash and cash equivalents balance as at the year end. This has been a key strategic objective, to withstand any adverse shocks to investments and to capitalize on any opportunities which may present themselves.

38. Subsequent Events

On 23 February 2022, the company approved an open market share buy back programme of its ordinary shares not to exceed 10% of capital.

Notes

Form of Proxy

Affix $100 Stamp here

I/We _____of_____
(address) being a member/members of First Rock Capital Holdings Limited hereby appoint _____ (proxy name) of _____ (address) or failing him/her _____ (alternate proxy) of _____ (address) as my/our proxy to vote for me/us on my/our behalf, at the 2022 Annual General Meeting of the Company to be held in person and via Livestream using the Zoom Video Conferencing Platform on the 02nd day of June 2022 from Rodney Bay, Gros Islet, Saint Lucia at 9:30 am (AST/SLU) and at any adjournment thereof.

	FOR	AGAINST
Resolution 1 To receive the audited accounts for the year ended 31st December 2021		
Resolution 2 To ratify interim dividend payments		
Resolution 3 To re-elect directors		
Resolution 4 To approve the remuneration of the directors		
Resolution 5 To appoint Auditors and fix their remuneration		
Resolution 6 Change of company name		

Signed this ____day of _____ 2022

_____ _____

(Signature of primary shareholder) (Name of primary shareholder)

_____ _____

(Signature of secondary shareholder) (Name of secondary shareholder

NOTE: to be valid:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/ her stead. A proxy need not be a member of the company.

2. If the appointer is a Corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized

3. This Form of Proxy must be received by the Registrar of the Company, Sagicor Corporate Services, not less than 48 hours before the time of the meeting.

4. This Form of Proxy should bear stamp duty of $100.00. Adhesive stamps are to be cancelled by the person signing the proxy.

"The storm will come, and if you haven't a rock to stand on you will plunge."

Chuck Swindoll



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