SYGNUS

CREDIT INVESTMENTS

AUDITED FINANCIAL STATEMENTS

Pioneering Private Credit in the Caribbean

FOR THE YEAR ENDED **JUNE 30, 2023**

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INDEPENDENT AUDITORS' REPORT

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Opinion
We have audited the financial statements of Sygnus Credit Investments Limited ("the Company") comprising the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (collectively, "the Group"), set out on pages 9 to 71, which comprise the Group's and Company's statements of financial position as at June 30, 2023, the Group's and Company's statements of profit or loss and other 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 financial statements present fairly, in all material respects, the financial position of the Group and Company as at June 30, 2023, and the Group's and Company's financial performance and the Group's and Company's cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Saint Lucia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of investments

The key audit matter	How the matter was addressed in our audit
The valuation of the Group's investments amounting to US$47,512,684 (2022:US$50,015,435) includes significant assumptions and judgments about the performance of the counterparties over the tenure of the investments. The most significant are those related to expected cash flows and market comparable price/book value multiples. Furthermore, the valuation methodology relies on unobservable inputs such as profitability achievement rate, risk-adjusted discount rates and control premium, which have a significant impact on the resulting values of the investments. These judgements and assumptions could result in estimated fair values that are materially different from actual transaction values. *[see notes 4(e), 9 and 25 of the financial statements]*	Our procedures in this area, in the main, included the following: • Assessing and testing the design and operating effectiveness of the Group Investment Manager's review and approval controls over the determination and computation of fair values. • Involving our own valuation specialists to assist us in assessing the reasonableness of the valuation methodologies employed and the fair value conclusions. We considered the requirements of the financial reporting framework and tested, on a sample basis, the sources of data and underlying assumptions utilised to value the investments and evaluated the impact of any variations.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters (Continued)

1. Valuation of investments (continued)

The key audit matter	How the matter was addressed in our audit
	Our procedures in this area, in the main, included the following (continued): • Assessing the adequacy and clarity of the disclosures, including the degree of estimation uncertainty involved in determining fair values in line with the requirements of the financial reporting framework.

2. Measurement of expected credit losses on financial assets

The key audit matter	How the matter was addressed in our audit
The financial reporting framework requires the Group to recognise expected credit losses ('ECL') on financial assets. The determination of ECL is highly subjective and requires the application of significant judgements and assumptions.	Our procedures in this area, in the main, included the following: • Obtaining an understanding of the model used by the Group for the calculation of expected credit losses through evaluation of related model documentation, inquiries and walkthroughs. This further included consideration of the governance over the determination and approval of key judgements and assumptions.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters (Continued)

2. Measurement of expected credit losses on financial assets (continued)

The key audit matter	How the matter was addressed in our audit
The key areas requiring greater management judgement include the determination of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposures at default and the application of forward-looking information. The identification of a significant increase in credit risk is a key area of judgement, as the criteria determine whether a 12 -month or lifetime loss allowance is recorded. The incorporation of forward-looking information, reflects a range of possible future economic conditions. Significant management judgement is used in determining the economic scenarios. Management considered the following: • Qualitative factors that result in changes to SICR. • Increased uncertainty about potential future economic scenarios and their impact on credit losses.	Our procedures in this area, in the main, included the following (continued): • Assessing and testing the design and operating effectiveness of the key control performed by the Group over the computation and approval of the expected credit losses. • Tested, on a sample basis, the completeness and accuracy of the data used in the model by tracing selected significant data back to relevant source documents and to the underlying accounting records. • Involving our financial risk modelling specialists to assist us in evaluating the appropriateness of the Group's impairment methodologies, including the SICR criteria used, and in independently assessing the assumptions for probabilities of default, losses given default, exposures at default and the incorporation of forward-looking information.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Key Audit Matters (Continued)

2. Measurement of expected credit losses on financial assets (continued)

The key audit matter	How the matter was addressed in our audit
The use of these judgements and assumptions increases the risk of material misstatement and is therefore an area of increased audit focus. *[see notes 4(d) and 26(b) to the financial statements]*	Our procedures in this area, in the main, included the following (continued): • Assessing the adequacy and clarity of the disclosures of the key assumptions and judgements considering the requirements of the financial reporting framework.

Other Information

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

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

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

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 7-8, forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Lisa Brathwaite.

KPMG

Chartered Accountants
Castries, Saint Lucia
August 31, 2023

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Appendix to the Independent Auditors' Report (Continued)

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Financial Position
As at June 30, 2023
(Expressed in United States dollars)

	Notes	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
ASSETS					
Cash and cash equivalents	5	4,464,694	8,470,884	4,406,522	8,164,108
Interest receivable		5,199,704	3,675,584	4,945,545	3,675,584
Other receivables	6	907,424	525,090	906,741	522,970
Due from related parties	7(a)	1,812,232	1,612,232	25,227,258	22,920,226
Lease receivables	8	263,200	1,601,052	263,200	1,601,052
Investments	9	151,213,530	120,907,979	126,601,155	96,748,804
Deferred tax asset	10	3,650	1,146	3,650	1,146
Investments in subsidiaries	11	-	-	23,089,552	22,785,901
Total Assets		163,864,434	136,793,967	185,443,623	156,419,791
LIABILITIES					
Accounts payable and accrued liabilities	12	1,969,862	3,958,088	1,934,712	2,147,047
Due to related parties	7(a)	1,106,066	241,973	23,891,891	23,024,247
Dividends payable	13	484,214	388,885	484,214	388,885
Interest payable	14	415,741	231,492	415,741	231,492
Taxation payable		131,998	73,951	131,998	73,951
Notes payable	15	77,065,698	60,285,928	59,212,591	42,454,748
Preference shares	16	4,925,057	1,147,609	4,925,057	1,147,609
Loans and borrowings	17	7,958,745	3,003,572	25,384,520	20,189,193
Total Liabilities		94,057,381	69,331,498	116,380,724	89,657,172
EQUITY					
Share capital	18	60,883,532	60,883,532	60,883,532	60,883,532
Treasury shares	19	(242,950)	-	(242,950)	-
Retained earnings		9,166,471	6,578,937	8,422,317	5,879,087
Total Equity		69,807,053	67,462,469	69,062,899	66,762,619
Total Liabilities and Equity		163,864,434	136,793,967	185,443,623	156,419,791

The financial statements on pages 9 to 71 were approved by the Board of Directors on August 25, 2023.

Director
Dr. Ike Johnson

Director
Horace Messado

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

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended June 30, 2023
(Expressed in United States dollars)

	Notes	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Income					
Interest income calculated using the effective interest method	20	12,623,404	8,827,586	12,636,194	8,827,586
Other interest income	20	1,461,927	1,389,857	1,461,927	1,389,857
Interest expense	20	(5,949,995)	(3,112,690)	(5,612,532)	(2,930,341)
		8,135,336	7,104,753	8,485,589	7,287,102
Fair value gains from financial instruments at FVTPL	25(b)	1,178,284	4,069,942	805,933	2,878,590
Fair value adjustment on contingent consideration payable	12(i)	80,558	(92,580)	-	-
Fee income	21	379,203	42,697	379,203	27,714
		9,773,381	11,124,812	9,670,725	10,193,406
Expenses					
Management fees	7(b)	2,358,589	1,933,561	2,358,589	1,933,561
Performance fees	7(b)	119,445	50,939	119,445	50,939
Corporate service fees	7(b)	433,613	336,363	433,613	336,363
Net foreign exchange (gain)/loss		(146,069)	405,221	(146,125)	408,654
Impairment allowance on financial assets	26(b)(vi)	844,920	3,820,134	839,967	3,820,134
Other expenses	22	892,042	659,117	838,699	623,207
		4,502,540	7,205,335	4,444,188	7,172,858
Profit before taxation		5,270,841	3,919,477	5,226,537	3,020,548
Taxation	23(a)	(136,203)	(96,373)	(136,203)	(96,373)
Profit for the year, being total comprehensive income		5,134,638	3,823,104	5,090,334	2,924,175
Earnings per stock unit	24	0.87¢	0.65¢		
Diluted earnings per stock unit	24	0.82¢	0.65¢		

SYGNUS CREDIT INVESTMENTS LIMITED

Group Statement of Changes in Equity
Year ended June 30, 2023
(Expressed in United States dollars)

	Share capital (note 18) $	Treasury shares (note 19) $	Retained earnings $	Total $
Balances at June 30, 2021	60,883,532	-	5,852,544	66,736,076
Profit for the year, being total comprehensive income for the year	-	-	3,823,104	3,823,104
Transaction with owners				
Dividends declared (note 13)	-	-	(3,096,711)	(3,096,711)
Balances at June 30, 2022	60,883,532	-	6,578,937	67,462,469
Profit for the year, being total comprehensive income for the year	-	-	5,134,638	5,134,638
Transactions with owners				
Treasury shares acquired	-	(242,950)	-	(242,950)
Dividends declared (note 13)	-	-	(2,547,104)	(2,547,104)
Balances at June 30, 2023	60,883,532	(242,950)	9,166,471	69,807,053

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

SYGNUS CREDIT INVESTMENTS LIMITED

Company Statement of Changes in Equity
Year ended June 30, 2023
(Expressed in United States dollars)

	Share capital (note 18) $	Treasury shares (note 19) $	Retained earnings $	Total $
Balances at June 30, 2021	60,883,532	-	6,051,623	66,935,155
Profit for the year, being total comprehensive income for the year	-	-	2,924,175	2,924,175
Transaction with owners				
Dividends declared (note 13)	-	-	(3,096,711)	(3,096,711)
Balances at June 30, 2022	60,883,532	-	5,879,087	66,762,619
Profit for the year, being total comprehensive income for the year	-	-	5,090,334	5,090,334
Transactions with owners				
Treasury shares acquired	-	(242,950)	-	(242,950)
Dividends declared (note 13)	-	-	(2,547,104)	(2,547,104)
Balances at June 30, 2023	60,883,532	(242,950)	8,422,317	69,062,899

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Cash Flows
Year ended June 30, 2023
(Expressed in United States dollars)

	Notes	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Cash flows from operating activities					
Profit for the year		5,134,638	3,823,104	5,090,334	2,924,175
Adjustments for:					
Interest income	20	(14,085,331)	(10,217,443)	(14,098,121)	(10,217,443)
Interest expense	20	5,949,995	3,112,690	5,612,532	2,930,341
Impairment allowance on financial assets	26(b)(vi)	844,920	3,820,134	839,967	3,820,134
Taxation	23(a)	136,203	96,373	136,203	96,373
Amortisation of transaction costs on issued notes and preference shares		652,812	546,006	601,342	390,822
Fair value (gain)/loss on contingent consideration		(80,558)	92,580	-	-
Fair value gains on investments	25(b)	(1,178,284)	(4,069,942)	(805,933)	(2,878,590)
		(2,625,605)	(2,796,498)	(2,623,676)	(2,934,188)
Changes in operating assets and liabilities:					
Other receivables		(382,334)	(327,861)	(383,771)	(326,467)
Due from related parties		(200,000)	(998,837)	(2,307,032)	(22,152,356)
Accounts payable and accrued liabilities		(1,907,668)	2,690,638	(212,335)	974,478
Due to related parties		864,093	(268,674)	867,644	22,513,600
		(4,251,514)	(1,701,232)	(4,659,170)	(1,924,933)
Taxation paid		(80,660)	(25,916)	(80,660)	(25,916)
Net cash used in operating activities		(4,332,174)	(1,727,148)	(4,739,830)	(1,950,849)
Cash flows from investing activities					
Purchase of investments		(41,955,682)	(63,089,089)	(44,103,755)	(40,121,266)
Encashment of investments		11,983,495	23,437,610	14,217,370	23,437,610
Investments in subsidiaries		-	-	(303,651)	(22,785,825)
Proceeds from lease receivables		1,337,852	686,031	1,337,852	686,031
Purchase of resale agreements		-	(800,000)	-	(800,000)
Proceeds from resale agreements		-	800,000	-	800,000
Interest income received		12,561,211	9,278,516	12,828,160	9,278,516
Net cash used in investing activities		(16,073,124)	(29,686,932)	(16,024,024)	(29,504,934)
Cash flows from financing activities					
Dividends paid		(2,451,775)	(2,955,408)	(2,451,775)	(2,955,408)
Repurchase of treasury shares		(242,950)	-	(242,950)	-
Proceeds from preference shares	15	3,696,465	1,147,609	3,696,465	1,147,609
Proceeds from notes payable	15	49,816,410	45,069,897	31,802,334	35,319,793
Repayments of notes payable	15	(33,608,469)	-	(15,564,850)	-
Proceeds from loans and borrowings	15	15,847,749	12,063,075	19,616,903	21,366,256
Repayments of loans and borrowings	15	(10,892,576)	(13,537,540)	(14,421,576)	(13,537,541)
Interest paid		(5,765,746)	(2,932,060)	(5,428,283)	(2,749,756)
Net cash from financing activities		16,399,108	38,855,573	17,006,268	38,590,953
Net (decrease)/increase in cash and cash equivalents		(4,006,190)	7,441,493	(3,757,586)	7,135,170
Cash and cash equivalents at beginning of year		8,470,884	1,029,391	8,164,108	1,028,938
Cash and cash equivalents at end of year		4,464,694	8,470,884	4,406,522	8,164,108

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

(Expressed in United States dollars)

1. The Company

Sygnus Credit Investments Limited ("the Company") was incorporated in Saint Lucia on January 13, 2017 as an International Business Company. The Company's registered office is located at McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia.

The Company is a specialty credit investment company, dedicated to providing non-traditional financing to medium-sized firms across the Caribbean region.

The Company has no employees and the investment portfolio of the Company is managed and administered by Sygnus Capital Limited, a related company incorporated in Jamaica that is licensed and regulated by the Financial Services Commission.

The Company has interest in several subsidiaries, which are listed below. The Company and its subsidiaries are collectively referred to as "the Group".

Subsidiaries	Country of Incorporation	Principal Activities	Percentage Ownership
Sygnus Credit Investments Jamaica Limited (SCIJL)	Jamaica	Finance raising	100%
SCI PR Holdings Limited (SCIPR)	Saint Lucia	Holding company	100%
SCI Puerto Rico Inc. (SCIPRI)	Puerto Rico	Holding company	100%

SCIJL was incorporated on May 7, 2019 and the business operations commenced in October 2019.

SCI PR Holdings Limited was incorporated on July 1, 2021 under the International Business Companies Act. Business operations commenced on February 28, 2022.

SCI Puerto Rico Inc ("SCIPRI") was incorporated on September 24, 2021 as a Domestic Corporation and is a wholly owned subsidiary of SCIPR. Business operations commenced on February 28, 2022. SCIPRI held a 93.66% membership interest in Sygnus Credit Investments Puerto Rico Fund LLC ("SCIPRF or Fund"), which was increased to 95.00% on June 1, 2023. The membership interest held in SCIPRF is reflected as an equity investment at the end of the reporting period, as it was determined under IFRS 10 *Consolidated Financial Statements* that SCIPRI does not have power over the relevant activities of this Fund.

Sygnus Credit Investments Puerto Rico Fund LLC is a Fund which was incorporated under the laws of Puerto Rico on January 10, 2022. It acquired 100% of Acrecent Financial Corporation ("AFC") on February 28, 2022.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Standards").

New and amended standards and interpretations that became effective during the year:

Certain new and amended standards came into effect during the current financial year, none of which had any significant impact on these financial statements.

New and amended standards and interpretations issued but not yet effective:

At the date of authorisation of the financial statements, certain new and amended standards and interpretations have been issued which are not yet effective and which the Group has not yet adopted. The Group has assessed the relevance of all such standards, amendments and interpretations and has determined the following are likely to be relevant to its operations:

- Amendments to IAS 12 *Income Taxes* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments clarify how companies should account for deferred tax on certain transactions - e.g. leases and decommissioning provisions.

  The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

  For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

  For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

  The Group is assessing the impact that the amendment will have on its financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations issued but not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help companies provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements".

  The Group does not expect the amendments to have a significant impact on its 2024 financial statements.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations issued but not yet effective (continued):

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) - e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

  The Group does not expect the amendments to have a significant impact on its 2024 financial statements.

- Amendments to IFRS 16 *Leases* will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. The amendments confirm the following

  (i) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

  (ii) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

  The Group does not expect the amendment to have a significant impact on its 2025 financial statements.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards and interpretations issued but not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after January 1, 2024. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

  Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and, instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. A company classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. It has now been clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognised as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the company's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that a company can ignore only those conversion options that are recognised as equity when classifying liabilities as current or non-current.

  The Group does not expect the amendments to have a significant impact on its 2025 financial statements.

(b) Basis of preparation

The financial statements are prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States dollars, which is the functional currency of the Company.

(d) Use of estimates and judgement

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the reported amounts of income, expenses, gains and losses for the year then ended. Actual results could differ from these estimates.

2. Statement of compliance and basis of preparation (continued)

(d) Use of estimates and judgement (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

3. Critical accounting judgements and key sources of estimation uncertainty

Estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities in the next financial year and judgements that have a significant effect on the amounts recognised in the financial statements, include the following:

(a) Key sources of estimation uncertainty

(i) Impairment of financial assets [see note 26 (b)]

Measurement of the expected credit loss (ECL) allowance:

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are required in applying the accounting requirements for measuring expected credit loss (ECL), such as:

- Establishing the criteria for determining whether credit risk has increased significantly since initial recognition;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(ii) Fair value of financial instruments [see note 25]

When the fair values of financial assets and financial liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Management uses its judgement in selecting the appropriate valuation techniques to determine fair value of financial instruments. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk both own and counterparty, funding value adjustments, correlation and volatility. The estimates of fair value arrived at may be significantly different from the actual price of the instrument in an actual arm's length transaction.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

(b) Critical accounting judgements in applying the Group's accounting policies

The Group's accounting policies which require the use of judgements in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements include the following:

Classification of financial assets:

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements on its business operations.

4. Significant accounting policies

(a) Basis of consolidation

(i) Business combinations:

Business combinations are accounted for using the acquisition method at the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired entity; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired entity; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the result is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

4. Significant accounting policies (continued)

(a) Basis of consolidation (continued):

(i) Business combinations (continued):

The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Contingent consideration that is classified as a liability is remeasured to fair value at each reporting date, with changes included in the income statement in the post-combination period. Contingent consideration that is classified as equity is not remeasured in the post-combination period.

(ii) Subsidiaries:

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, 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 relevant activities of the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Loss of control:

On the loss of control, the Group derecognises the assets and liabilities of a subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) Transactions eliminated on consolidation:

Balances and transactions between companies within the Group, and any unrealised gains arising from those transactions, are eliminated in preparing the consolidated financial statements.

(b) Cash and cash equivalents

Cash comprises cash at banks and cash equivalents which are highly liquid financial assets that are readily convertible to known amounts of cash (that is, with original maturities of less than three months), are subject to insignificant risk of changes in value, and are used for the purpose of meeting short-term commitments. Cash and cash equivalents are classified and measured at amortised cost.

(c) Securities purchased under resale agreements

Securities purchased under resale agreements ("Resale agreements") are short-term transactions whereby securities are bought with simultaneous agreements to resell the securities on a specified date and at a specified price. Resale agreements are accounted for as short-term collateralised lending and are measured at amortised cost.

4. Significant accounting policies (continued)

(c) Securities purchased under resale agreements (continued)

The difference between the purchase cost and resale consideration is recognised on the accrual basis over the period of the agreement, using the effective interest method, and is included in interest income.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements, investments, other receivables, interest receivable, due from related parties and lease receivables. Financial liabilities include accounts payable and accrued liabilities, notes payable, interest payable, dividends payable, loans and borrowings, preference shares and due to related parties.

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial assets

(ii) Classification and subsequent measurement

In applying IFRS 9, the Group classified its financial assets in the following measurement categories:

(a) Fair value through profit or loss (FVTPL); or
(b) Amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

(ii) Classification and subsequent measurement (continued)

Business model assessment:

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; and

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed.

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 (the 'SPPI test').

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is 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 asset is classified and measured at fair value through profit or loss.

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

The Group reclassifies debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Financial assets are classified as FVTPL when they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Group does not have any instruments classified as fair value through other comprehensive income. The instruments held are not marketable and or does not meet the classification requirements under IFRS 9.

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

(iv) Measurement of gains and losses on financial assets

Gains and losses on financial assets at amortised cost and FVTPL are included in the statement of profit or loss.

(v) Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on the financial instruments measured at amortised cost.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1'.

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

- A financial asset is credit impaired ('Stage 3') when one or more events that has a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- Financial instruments in Stage 1 have their ECL measured at an amount equal to the expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 and 3 have their ECL measured based on expected credit losses on a lifetime basis.

- Purchased or originated credit-impaired financial assets (POCI) are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

(v) Impairment of financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired (referred to as ‘Stage 3 financial assets’). A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of ECL

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

The ECL is determined by using the probability of default (PD), loss given default (LGD) and exposure at default (EAD). These three components are multiplied together and adjusted for forward looking information and discount rates.

The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

Financial assets (continued)

(v) Impairment of financial assets (continued)

Measurement of ECL (continued)

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and

- other and lease receivables are measured at an amount equal to lifetime ECL.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, or that proceeds from collateral will not be sufficient to pay back the entire exposure. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income.

(vi) Financial liabilities

The Group classifies its non-derivative financial liabilities as measured at amortised cost.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

4. Significant accounting policies (continued)

(e) Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Group recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(f) Investment in subsidiary

The Company measures investment in subsidiary in the financial statements at cost, less any impairment loss.

4. Significant accounting policies (continued)

(g) Revenue recognition

(i) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) Purchased or originated credit-impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not POCI but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision).

(ii) Fee income

Fee income is recognised on the accrual basis when the related services are performed.

(iii) Net income from financial instruments at fair value through profit or loss

Net income from financial instruments at FVTPL includes fair value changes, interest, dividends and foreign exchange differences.

(h) Foreign currency transactions and balances

Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date.

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Realised and unrealised gains and losses arising from fluctuations in exchange rates are included in profit or loss.

(i) Other receivables and due from related parties

Other receivables and amounts due from related parties are measured at amortised cost, less any impairment loss.

(j) Leases

Finance lease:

Lessor

At the inception or modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a financial lease or an operating lease.

4. Significant accounting policies (continued)

(j) Leases (continued)

Finance lease (continued):

Lessor (continued)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not; then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Upon lease commencement, the Group recognises assets under a finance lease as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(k) Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract).

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

When an embedded derivative cannot be separated from the host contract, such as, the cash flows are not solely payments of principal and interest, the entire contract is designated as fair value through profit or loss.

(l) Taxation

Taxation on the profit or loss for the period comprises current and deferred taxes. Current and deferred taxes are recognised as tax expense or benefit in profit or loss.

(i) Current taxation

Current tax charges are based on the taxable profit for the period, which differs from the profit before tax reported because they exclude items that are taxable or deductible in other periods, and items that are never taxable or deductible. The current tax is calculated at tax rates that have been enacted at the reporting date.

4. Significant accounting policies (continued)

(l) Taxation (continued)

(ii) Deferred tax

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods.

Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised. Deferred tax assets are reviewed at each reporting date to determine whether it is probable that the related tax benefit will be realised.

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

(m) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount.

The effective interest rate is established on initial recognition of the financial liability and not revised subsequently.

(n) Accounts payable, accrued liabilities and due to related parties

Accounts payable, accrued liabilities and due to related parties are measured at amortised cost.

(o) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds. Dividends on ordinary shares are recognized as distributions within equity. Dividends to ordinary shareholders are recorded in the financial statements in the period in which they are declared.

(ii) Preference shares

The Group’s redeemable preference shares are redeemable on specific dates, and bear entitlements to distributions that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as financial liabilities. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instrument. Dividends on preference shares are recognized as interest expense in the statement of profit or loss.

4. Significant accounting policies (continued)

(o) Share capital (continued)

(iii) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes direct attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within capital contribution.

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost, with any difference between cost and redemption being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(q) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures,* as the "reporting entity", that is, the Group).

(A) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the Group.

(B) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group of companies (which means that each parent, subsidiary and fellow subsidiary is related to the other).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of companies of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the Group.
(vi) The entity is controlled, or jointly controlled by a person identified in (A).

(Expressed in United States dollars)

4. Significant accounting policies (continued)

(q) Related parties (continued)

(B) An entity is related to the Group if any of the following conditions applies (continued):

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of companies of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

(r) Segment reporting

An operating segment is a component of an entity:

(i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

(iii) for which discrete financial information is available.

The Group maintains an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. The operations of the subsidiaries are not material for segment disclosure. Consequently, no segment disclosures are included in the financial statements.

5. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Cash and bank balances	2,464,694	3,005,518	2,406,522	2,698,742
Short term deposit	-	213,395	-	213,395
Securities purchased under resale agreements [see (i)]	2,000,000	5,251,971	2,000,000	5,251,971
	4,464,694	8,470,884	4,406,522	8,164,108

(i) At the reporting date, the fair value of the securities held as collateral for resale agreements was $2,301,200 (2022: $5,986,458).

(Expressed in United States dollars)

6. Other receivables

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Prepaid expenses	41,585	47,974	41,585	45,854
Client receivables [see (i)]	715,388	477,116	715,388	477,116
Other receivables	150,451	-	149,768	-
	907,424	525,090	906,741	522,970

The aging of client receivables is as follows:

	Group and Company	
	2023	2022
	$	$
1-30 days	58,167	452,116
31-60 days	10,875	-
61-90 days	327,785	-
91-180 days	207,750	5,000
181-360 days	12,153	-
Over 360 days	98,658	20,000
	715,388	477,116

(i) Client receivables include undrawn fees, commitment fees and profit share payments from preference shares due under existing client contract arrangements.

(ii) The expected credit losses on client receivables are immaterial.

7. Related party balances and transactions

The Group has related party relationships with its directors, shareholders and related entities.

(a) The statement of financial position includes balances with related parties, arising in the normal course of business as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Due from related parties:				
Subsidiaries [see (i)]:				
SCI Puerto Rico Inc	-	-	24,647,975	22,870,226
SCI PR Holdings	-	-	7,278	-
Sygnus Credit Investments Jamaica Limited	-	-	322,005	-
Other related parties [see (ii)]:				
SCI Puerto Rico Fund	1,812,232	1,612,232	250,000	50,000
	1,812,232	1,612,232	25,227,258	22,920,226

(Expressed in United States dollars)

7. Related party balances and transactions (continued)

(a) The statement of financial position includes balances with related parties, arising in the normal course of business as follows (continued):

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Due to related parties:				
Subsidiary [see (i)]:				
SCI PR Holdings Limited	-	-	23,089,476	22,785,825
Other related parties [see (i)]:				
SCI Puerto Rico Fund	303,651	-	-	-
Sygnus Capital Limited	802,415	238,422	802,415	238,422
Sygnus Tax Advisory Limited	-	3,551	-	-
	1,106,066	241,973	23,891,891	23,024,247

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Interest receivable from related parties:				
Sygnus Credit Investments Jamaica Limited	-	-	128,209	-
Sygnus Deneb Investments Limited	70,750	-	25,972	-
Sygnus Real Estate Finance Limited	337,590	41,637	-	41,637
	408,340	41,637	154,181	41,637

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Investments [note 9(iii)]:				
Sygnus Credit Investments Jamaica Limited	-	-	4,500,823	-
Sygnus Deneb Investments Limited	2,549,630	-	549,872	-
Sygnus Real Estate Finance Limited	2,229,164	2,233,875	-	2,233,875
	4,778,794	2,223,875	5,050,695	2,223,875
Loans and borrowings (note 17):				
Sygnus Credit Investments Jamaica Limited	-	-	17,425,775	17,185,621

(i) These balances due to and from related parties are unsecured, interest free and repayable on demand. Amounts due from the related parties are considered low credit risk. No allowance for impairment was recognised.

(ii) The balance in the current and prior periods represent amounts reimbursable for general and acquisition-related expenses. These balances are unsecured, interest free, repayable on demand and are considered low credit risk.

(Expressed in United States dollars)

7. Related party balances and transactions (continued)

(b) The statement of profit or loss and other comprehensive income includes income earned and expenses incurred with related parties, arising in the normal course of business as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Income:				
Interest income	366,702	84,513	379,492	84,513
Operating expenses:				
Management fees [see (i)]	2,358,589	1,933,561	2,358,589	1,933,561
Performance fees [see (ii)]	119,445	50,939	119,445	50,939
Corporate service fees [see (iii)]	433,613	336,363	433,613	336,363
Professional fees	10,953	17,892	7,599	9,668
Interest expense	10,336	5,333	1,124,538	679,138

(i) The Group has engaged a related party, Sygnus Capital Limited, to provide investment management services in relation to its investment portfolio. Under the governing investment management agreement, a fee is charged at 1.90% of the assets under management as at the end of each month.

(ii) Performance fees are computed at 15% of the return on average equity above a hurdle rate of 6%, based on the average return on equity of the current and prior two years.

(iii) Corporate services in relation to the operations of the Group are provided by a related entity, Sygnus Capital Limited. Corporate service fees are charged at 0.45%, 0.35%, 0.25% and 0.20% of the monthly assets under management within brackets of up to $25,000,000, $25,000,000 to $50,000,000, $50,000,000 to $100,000,000, and over $100,000,000; respectively.

(c) Transactions with key management personnel:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the relevant activities of the Group, directly or indirectly. Such persons comprise the directors.

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Directors' fees and related expenses	135,549	79,211	135,349	79,211

8. Lease receivables

The Group leases out certain equipment under finance leases in its capacity as a lessor. The Group has classified these leases as finance leases, because substantially all of the risk and rewards incidental to the ownership of the assets are transferred.

For interest income on the Group's lease receivables, see note 20.

(Expressed in United States dollars)

8. Lease receivables (continued)

Information about leases for which the Group acts as a lessor is presented below:

	Group and Company	
	2023	2022
	$	$
Net investment in the lease	274,575	1,686,994
Less: unearned finance income	(11,247)	(83,513)
Less: impairment allowance [see note 26(b)(v)]	(128)	(2,429)
	263,200	1,601,052
The lease payments are receivable as follows:		
Within one year	274,575	1,438,187
Within one - two years	-	248,807
	274,575	1,686,994

Proceeds from lease receivables during the year was $1,337,852 (2022: $686,031). There were no new assets acquired or originated during this financial year or in the prior period.

9. Investments

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Fair value through profit or loss				
Preference shares - profit participation and conversion options (i) [note 25(c)]	22,628,408	25,856,260	22,628,408	25,856,260
Investment in private credit fund (ii) [note 25(c)]	24,884,276	24,159,175	-	-
	47,512,684	50,015,435	22,628,408	25,856,260
Amortised cost				
Short-term notes (iii)	60,864,511	35,081,622	61,131,459	35,081,622
Medium term notes (iv)	43,902,243	39,386,109	43,902,243	39,386,109
	104,766,754	74,467,731	105,033,702	74,467,731
Less: impairment allowance [see note 26(b)(v)]	(1,065,908)	(3,575,187)	(1,060,955)	(3,575,187)
	103,700,846	70,892,544	103,972,747	70,892,544
	151,213,530	120,907,979	126,601,155	96,748,804

(Expressed in United States dollars)

9. Investments (continued)

The maturity profile of investments as at the reporting date is as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Fair value through profit or loss:				
Preference shares				
Within 3 months	-	6,525,217	-	6,525,217
From 1 year to 5 years	22,628,408	19,331,043	22,628,408	19,331,043
	22,628,408	25,856,260	22,628,408	25,856,260
Other equity investments - no fixed maturity	24,884,276	24,159,175	-	-
Amortized cost:				
Within 3 months	21,213,821	8,323,958	19,769,946	8,323,958
From 3 months to 1 year	39,650,690	26,757,664	41,361,513	26,757,664
From 1 year to 5 years	43,902,243	39,386,109	43,902,243	39,386,109
	104,766,754	74,467,731	105,033,702	74,467,731
	152,279,438	124,483,166	127,662,110	100,323,991

(i) This represents five (5) convertible preference shares maturing within one to five years. These investments were carried out with companies in the betting and gaming, fast food, financial and manufacturing industries. The terms and conditions of each preference share are as follows:

(a) The Group has an equity conversion option to convert all or part of the shares into common equity in the event of an Initial Public Offering or sale by the Issuer.

(b) The Group is entitled to receive a percentage of reported net/gross profits of the Issuers.

(c) The Issuers have a redemption option whereby the preference shares can be redeemed prior to the maturity date by paying a premium to the Group.

(ii) On February 28, 2022, the Group acquired a 93.66% membership interest in a private credit fund through its subsidiary SCI Puerto Rico Inc. On June 1, 2023 the Group acquired a further 1.34% membership interest increasing its holdings to 95%. It has been determined that the Group does not control the activities of this private credit fund. The Group has accounted for this equity investment applying a market valuation approach, detailed under Note 25(a).

(iii) This represents short-term notes maturing within one year from the reporting date. Included in this balance for the Group are short-term notes with related parties for $4,778,794 (2022: $2,223,875) net of impairment allowances.

(iv) This represents medium-term notes maturing within two to five years. These notes can be repaid on or after the contracted periods.

(Expressed in United States dollars)

10. Deferred tax asset

The amount comprising the deferred income tax account and the movements therein is as follows:

	Company and Group 2023		
	Balance at July 1, 2022	Recognised in profit or loss [Note 23(a)]	Balance at June 30, 2023
	$	$	$
Expected credit losses	1,146	2,504	3,650
Deferred income tax asset	1,146	2,504	3,650

	Company and Group 2022		
	Balance at July 1, 2021	Recognised in profit or loss [Note 23(a)]	Balance at June 30, 2022
	$	$	$
Expected credit losses	-	1,146	1,146
Deferred income tax asset	-	1,146	1,146

11. Investments in subsidiaries

Investments in subsidiaries represent shares at cost (see note 1). The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities.

	Company	
	2023	2022
	$	$
Shares at cost:		
SCI PR Holdings Limited	23,089,476	22,785,825
Sygnus Credit Investments Jamaica Limited	76	76
	23,089,552	22,785,901

12. Accounts payable and accrued liabilities

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Accounts payable	228,522	246,359	228,522	246,359
Audit fees	120,600	95,700	85,600	95,700
Post-acquisition costs [see (i)]	-	1,809,028	-	-
Directors' fees and related expenses	20,988	36,724	20,988	36,724
Professional fees	43,742	194,018	43,742	194,018
Security deposits [see (ii)]	1,517,131	1,543,752	1,517,131	1,543,752
Other payables and accrued expenses	38,879	32,507	38,729	30,494
	1,969,862	3,958,088	1,934,712	2,147,047

(Expressed in United States dollars)

12. Accounts payable and accrued liabilities (continued)

(i) At the end of the prior period, the Group had recognized post-acquisition costs associated with the acquisition of outstanding shares in Acrecent Financial Corporation ("AFC"). These costs were settled during the financial year. Arising from a re-measurement of the contingent consideration associated with the acquisition, a fair value gain of $80,558 (2022: fair value loss of $92,580) was recognized in the statement of profit or loss and other comprehensive income.

(ii) These balances were withheld by the Company as part of investment transactions in the event of a default in payments.

13. Dividends

	Group and Company	
	2023	2022
	$	$
Final dividend in respect of 2022 @ 0.0026 $ per share	1,548,356	-
Interim dividend in respect of 2023 @ 0.0017 $ per share	998,748	-
Final dividend in respect of 2021 @ 0.0026 $ per share	-	1,548,355
Interim dividend in respect of 2022 @ 0.0026 $ per share	-	1,548,356
	2,547,104	3,096,711

As at the reporting date, $484,214 (2022: $388,885) was unpaid.

14. Interest payable

	Group and Company	
	2023	2022
	$	$
Revolving line of credit	40,290	18,968
Notes payable	375,451	211,771
Preference shares	-	753
	415,741	231,492

15. Notes payable

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Senior unsecured J$ notes [see (i)]	9,732,372	9,881,125	9,732,372	9,881,125
Senior unsecured US$ notes [see (ii)]	32,765,960	32,686,440	14,912,853	14,855,260
Unsecured US$ indexed notes [see (iii)]	31,167,366	17,718,363	31,167,366	17,718,363
Secured US$ indexed note [see (iv)]	3,400,000	-	3,400,000	-
	77,065,698	60,285,928	59,212,591	42,454,748

(i) This represents fixed rate unsecured notes with interest rates ranging between 6.50% and 9.25% per annum, payable on a quarterly basis. These notes mature between October 29, 2023 and January 2, 2024. The current portion of these notes amounted to $9,732,372 (2022: $7,919,058).

(Expressed in United States dollars)

15. Notes payable (continued)

(ii) This represents fixed rate unsecured notes with interest rates ranging between 5.00% and 7.50% per annum, payable on a quarterly basis. The notes mature between October 29, 2023 and October 28, 2026. The current portion of these notes amounted to $28,829,720 (2022: $17,831,180).

(iii) This represents fixed rate unsecured notes with interest rates ranging between 5.00% and 9.25% per annum, payable on a quarterly basis. The notes mature between October 29, 2023 and October 28, 2026. The current portion of these notes amounted to $21,211,890 (2022: $6,985,500).

(iv) This represents a fixed rate secured note bearing an interest rate of 8.00% per annum payable at maturity. The note matures on November 22, 2023 and is secured by a deed of assignment over the receivables of a client in the manufacturing industry amounting to $3,400,000 (2022: Nil).

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group			Company		
	Notes payable	Preference shares (note 16)	Loans and borrowings (note 17)	Notes payable	Preference shares (note 16)	Loans borrowings (note 17)
	$	$	$	$	$	$
Balance as at 1 July, 2022	60,285,928	1,147,609	3,003,572	42,454,748	1,147,609	20,189,193
Proceeds received during the year	49,816,410	3,696,465	15,847,749	31,802,334	3,696,465	19,616,903
Repayments made during the year	(33,608,469)	-	(10,892,576)	(15,564,850)	-	(14,421,576)
Interest paid	(4,923,583)	(412,461)	(429,702)	(3,471,918)	(412,461)	(1,543,904)
Changes from finance cash flows	11,284,358	3,284,004	4,525,471	12,765,566	3,284,004	3,651,423
Other change						
Movement of interest payable	(163,680)	753	(21,322)	(163,680)	753	(21,322)
Amortisation of transaction	571,829	80,983	-	520,359	80,983	-
Interest expense	5,087,263	411,708	451,024	3,635,598	411,708	1,565,226
Balance as at June 30, 2023	77,065,698	4,925,057	7,958,745	59,212,591	4,925,057	25,384,520

	Group			Company		
	Notes payable	Preference shares (note 16)	Loans and borrowings (note 17)	Notes payable	Preference shares (note 16)	Loans borrowings (note 17)
	$	$	$	$	$	$
Balance as at 1 July, 2021	14,670,025	-	4,478,037	6,744,133	-	12,360,478
Proceeds received during the year	45,069,897	1,147,609	12,063,075	35,319,793	1,147,609	21,366,256
Repayments made during the year	-	-	(13,537,540)	-	-	(13,537,541)
Interest paid	(2,661,769)	-	(270,291)	(1,790,823)	-	(958,933)
Changes from finance cash flows	42,408,128	1,147,609	(1,744,756)	33,528,970	1,147,609	6,869,782
Other changes						
Movement of interest payable	(196,979)	(753)	17,102	(211,771)	(753)	31,939
Amortisation of transaction	546,006	-	-	390,822	-	-
Interest expense	2,858,748	753	253,189	2,002,594	753	926,994
Balance as at June 30, 2022	60,285,928	1,147,609	3,003,572	42,454,748	1,147,609	20,189,193

(Expressed in United States dollars)

16. Preference shares

	Group and Company 2023 $	Group and Company 2022 $
8.5% Cumulative convertible preference shares (JMD)	2,090,491	1,044,881
6.0% Cumulative convertible preference shares (USD)	2,834,566	102,728
(see note 18)	4,925,057	1,147,609

During the financial year, the Company closed the subscription for the issue by private placement, of fixed rate JMD and USD indexed cumulative redeemable preference shares at a price of J$100 and US$10 respectively. The above issued preference shares are net of transaction costs.

The significant terms and conditions of the preference shares are as follows:

(i) The right to a cumulative dividend payable quarterly at the rate agreed for each class;

(ii) The right, on winding up, to receive all dividends and repayment of capital in priority to the ordinary shareholders;

(iii) The option to convert the preference shares and any accumulated dividend into common ordinary shares in the event of a public offering; and

(iv) The right to a bonus dividend payment at redemption at the rate agreed for each class.

17. Loans and borrowings

	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
Revolving lines of credit [see (i)]	3,192,745	3,003,572	3,192,745	3,003,572
Revolving lines of credit [see (ii)]	4,766,000	-	4,766,000	-
Loans from related parties [see (iii), note 7(a)]	-	-	17,425,775	17,185,621
	7,958,745	3,003,572	25,384,520	20,189,193
Less: transaction costs				
Incurred during the year	(67,160)	(26,659)	(67,160)	(26,659)
Amortised for the year	67,160	26,659	67,160	26,659
	7,958,745	3,003,572	25,384,520	20,189,193

(i) This represents an unsecured dual-currency facility of US$790,000 and up to J$452,168,000 (or US$ equivalent). Interest is payable quarterly at 6.75% (JMD rate of 10.00%). The facility matures on February 13, 2024.

The Company temporarily breached its current asset ratio due to timing differences between maturing short-term debt facilities and short-term assets. This breach is expected to be rectified during the new financial year by new short-term asset and the refinancing of short-term term debt into longer-term debt. As is customary, the Company has requested waivers for the breach from its creditors, which are expected to be approved early during the new financial year. Accordingly, the facility was not payable on demand at June 30, 2023.

(Expressed in United States dollars)

17. Loans and borrowings (continued)

(ii) This represents an unsecured dual-currency facility of up to J$750,000,000 or US$ equivalent. Interest is payable quarterly at 8.00% (JMD rate of 10.00%). The facility matures on March 31, 2024.

(iii) This represents unsecured loans in the Company from its subsidiary at interest rates ranging between 6.85% and 7.70%. The loans mature on December 31, 2023.

18. Share capital

Authorised capital:

(i) Unlimited ordinary shares, no par value
(ii) 23,000,000 Fixed rate cumulative convertible preference shares
(ii) One (1) special rights redeemable share of US$1

	2023	2022
	$	$
Issued and fully paid:		
588,360,664 (2022: 590,975,463) ordinary stock units and one (1) special rights redeemable share	60,883,532	60,883,532
3,260,210 (2022: 1,630,000) 8.5% cumulative convertible preference shares	2,090,491	1,044,881
288,783 (2022: 10,483) 6.0% cumulative convertible preference shares	2,834,566	102,728
	65,808,589	62,031,141
Less: preference shares classified as liability (note 16)	(4,925,057)	(1,147,609)
	60,883,532	60,883,532

At the reporting date, one (1) special rights redeemable share and 6,581,100 ordinary stock units were held by Sygnus Capital Group Limited, a related entity. The special share can be issued only to a member of the Sygnus Group. At the annual general meeting, and meetings of the holders of any class of shareholders of the Company, the holder of the special share carries 101% of the aggregate votes, vested in all ordinary shares issued by the Company. Dividend may be paid on the special share, as agreed between the Company and the holder of the special share in the Investment Management Agreement.

The remaining ordinary stock units are held by public and private investors.

The holders of ordinary stock units are entitled to dividends as declared from time to time and are entitled to one vote per stock at general meetings of the Company.

The rights and entitlements of the holders of the preference shares are detailed at note 16.

19. Treasury shares

Treasury shares represent the cost of the Company's shares repurchased and held by the Company. At the reporting date, the Company held 2,614,799 of its own shares (2022: Nil).

(Expressed in United States dollars)

20. Net interest income

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Interest income, calculated using the effective interest method				
Cash and cash equivalents	2,994	2,161	2,994	2,161
Resale agreements	74,758	135,209	74,758	135,209
Lease receivables	76,979	210,768	76,979	210,768
Notes with related entities	366,702	84,513	379,492	84,513
Investments	12,101,971	8,394,935	12,101,971	8,394,935
	12,623,404	8,827,586	12,636,194	8,827,586
Other interest income	1,461,927	1,389,857	1,461,927	1,389,857
Interest expense, calculated using the effective interest method				
Notes payable	5,087,263	2,858,748	3,635,598	2,002,594
Loans and borrowings	451,024	253,189	1,565,226	926,994
Preference shares	411,708	753	411,708	753
	5,949,995	3,112,690	5,612,532	2,930,341
Net interest income	8,135,336	7,104,753	8,485,589	7,287,102

21. Fee income

Fee income includes participation fees, commitment fees and undrawn fees on notes issued to clients.

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Participation fees	193,203	27,714	193,203	27,714
Commitment and undrawn fees	186,000	-	186,000	-
Other	-	14,983	-	-
	379,203	42,697	379,203	27,714

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended June 30, 2023
(Expressed in United States dollars)

22. Other expenses

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Advertising	28,348	18,428	28,348	18,428
Audit fees and expenses	132,799	97,860	97,799	97,860
Bank charges	23,479	12,387	20,226	10,166
Broker and commitment fees	-	25,626	-	25,626
Directors' fees and related expenses	135,549	79,211	135,549	79,211
Insurance	32,685	29,404	32,685	29,404
Irrecoverable tax	142,969	115,554	142,328	111,767
Listing fees	63,488	42,419	63,488	42,419
Professional fees	215,793	91,692	205,847	80,836
Registration fees	85,944	102,112	81,538	83,066
Software subscription	25,017	34,938	25,017	34,938
Other	5,971	9,486	5,874	9,486
	892,042	659,117	838,699	623,207

23. Taxation

(a) The government of St Lucia issued economic substance guidelines which took effect on July 1, 2022 for International Business Companies (IBCs), which are incorporated in St Lucia. Depending on the jurisdiction and nature of business, income tax for the Group is computed between 25% to 37.5% of profit for the year. The provision for income tax on the results for the year, adjusted for tax purposes, is $136,203 (2022: $96,373) at the end of the reporting period.

	Group and Company	
	2023	2022
	$	$
Current year tax	138,707	76,227
Prior year under provision	-	21,292
Deferred tax arising from temporary differences (note 10)	(2,504)	(1,146)
	136,203	96,373

(b) The effective tax rate for the Group was 2.58% (2022: 2.46%) and 2.61% (2022: 3.19%) for the Company. The actual taxation charge differs from the "expected" tax charge for the year as follows:

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Profit before taxation	5,270,841	3,919,477	5,226,537	3,020,548
Computed "expected" tax charge of 30%	1,566,843	905,099	1,567,961	906,164
Computed "expected" tax charge of 37.50%	155,160	411,950	-	-
Computed "expected" tax credit of 25%	(91,432)	(49,013)	-	-
Balance carried forward to page 45	1,630,571	1,268,036	1,567,961	906,164

(Expressed in United States dollars)

23. Taxation (continued)

(b) (Continued)

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Balance brought forward from page 44	1,630,571	1,268,036	1,567,961	906,164
Tax effect of treating items differently for financial statements and tax reporting purposes:				
Net foreign exchange	(47,629)	119,481	(47,629)	119,481
Interest income from CARICOM member states	(4,179,718)	(3,052,337)	(3,872,313)	(2,906,127)
Fair value gains from investments in CARICOM member states	(241,780)	(863,577)	(241,780)	(863,577)
Prior year under provision	-	21,292	-	21,292
Disallowed income and expenses and other items	2,947,759	2,603,478	2,729,964	2,819,140
Actual tax charge recognised	136,203	96,373	136,203	96,373

24. Earnings per stock unit

Basic earnings per stock unit is computed by dividing the profit attributable to stockholders of the parent by the weighted average number of ordinary stock units in issue during the year.

	2023	2022
Net profit attributable to stockholders of the parent ($)	5,134,638	3,823,104
Weighted average number of ordinary stock units in issue (#)	588,360,664	590,975,463
Basic earnings per stock unit ($)	0.87¢	0.65¢

Diluted earnings per stock unit reflects the impact of convertible preference shares.

	2023	2022
Net profit attributable to stockholders of the parent ($)	5,134,638	3,823,104
Weighted average number of ordinary stock units in issue (#)	588,360,664	590,975,463
Convertible preference shares (#)	41,037,487	76,557
	629,398,151	591,052,020
Diluted earnings per stock unit ($)	0.82¢	0.65¢

25. Fair value of financial instruments

The amounts included in the financial statements for cash and cash equivalents, securities purchased under resale agreements, lease receivables, investments at amortised cost, due from related parties, other receivables, accounts payable and accrued liabilities and due to related parties reflect the approximate fair values because of the short-term maturity of these instruments.

The definition of fair value is described in note 4(e).

25. Fair value of financial instruments (continued)

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

Accounting classification and fair values:

The Group’s investments measured at fair value are classified at Level 2 and Level 3 in the fair value hierarchy. There were no transfers between levels during the year.

(a) The following table show the valuation techniques used in measuring the fair value, as well as the significant observable and unobservable inputs used.

Instrument	**Valuation techniques**	**Significant observable and unobservable inputs**	**Range of estimates for observable and unobservable inputs**	**Sensitivity between key observable and unobservable inputs and fair value measurement**
Preference shares	Discounted cash flow method	• Adjusted profit of the issuer(s) based on probability of achievement • Risk-adjusted discount rates	• Probability of achievement of 30% • Fixed income discount rate of 9.77% to 10.76% and equity discount rate of 17.16% to 24.73%	The estimated fair value would increase/(decrease) if: • Adjusted profit was higher/(lower) • The cost of debt was (higher)/lower • Interest rates changed
Investment in private credit fund	Market approach, specifically the guideline public company method, using an average of market price/ book value multiples	• Market comparable price/book value multiples • Adjustments to the average market multiple for: (i) control premium and (ii) discount for lack of marketability and size	• Control premium of 10.3% • Discount for lack of marketability and size of 12.6%	The estimated fair value would increase/(decrease) if: • The book value of the investment in private credit fund was higher/(lower) • Comparable market price/book value multiple was higher/(lower) • Control premium was higher/(lower) • Discount for lack of marketability and size was lower/(higher)

(Expressed in United States dollars)

25. Fair value of financial instruments (continued)

(a) (Continued)

For the medium-term notes, the carrying value is assumed to be equal to their fair value, as gains and losses offset each other. Changes in the credit quality of the notes within the portfolio are not taken into account in determining gross fair values as the impact of credit risk is recognised separately by deducting the amount of the provisions for expected credit losses.

(b) The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Group		Company	
	2023	2022	2023	2022
	$	$	$	$
Opening balances	50,015,435	20,572,410	25,856,260	20,572,410
Purchases	2,352,750	25,467,823	2,000,000	2,500,000
Maturities	(5,955,680)	-	(5,955,680)	-
Gains/(losses)				
Fair value gains in profit or loss	1,178,284	4,069,942	805,933	2,878,590
Foreign exchange adjustments	(78,105)	(94,740)	(78,105)	(94,740)
	47,512,684	50,015,435	22,628,408	25,856,260

(c) Accounting classification and fair values:

	Group 2023				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
	$	$	$	$	$
Financial assets measured at fair value:					
Preference shares	22,628,408	-	-	22,628,408	22,628,408
Investment in private credit fund	24,884,276	-	-	24,884,276	24,884,276
	47,512,684	-	-	47,512,684	47,512,684
Financial assets measured at amortised cost:					
Cash and cash equivalents	4,464,694	-	4,464,694	-	4,464,694
Interest receivable	5,199,704	-	5,199,704	-	5,199,704
Other receivables	907,424	-	907,424	-	907,424
Due from related parties	1,812,232	-	1,812,232	-	1,812,232
Lease receivables	263,200	-	263,200	-	263,200
Short and medium term notes	104,766,754	-	104,766,754	-	104,766,754
	117,414,008	-	117,414,008	-	117,414,008

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended June 30, 2023
(Expressed in United States dollars)

25. Fair value of financial instruments (continued)

(c) Accounting classification and fair values (continued):

	Company 2023				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
	$	$	$	$	$
Financial assets measured at fair value:					
Preference shares	22,628,408	-	-	22,628,408	22,628,408
Financial assets measured at amortised cost:					
Cash and cash equivalents	4,406,522	-	4,406,522	-	4,406,522
Interest receivable	4,945,545	-	4,945,545	-	4,945,545
Other receivables	906,741	-	906,741	-	906,741
Due from related parties	25,227,258	-	25,227,258	-	25,227,258
Lease receivables	263,200	-	263,200	-	263,200
Short and medium term notes	105,033,702	-	105,033,702	-	105,033,702
	140,782,968	-	140,782,968	-	140,782,968

	Group 2022				
	Carrying amount	Fair value Level 1	Level 2	Level 3	Total
	$	$	$	$	$
Financial assets measured at fair value:					
Preference shares	25,856,260	-	-	25,856,260	25,856,260
Investment in private credit fund	24,159,175	-	-	24,159,175	24,159,175
	50,015,435	-	-	50,015,435	50,015,435
Financial assets measured at amortised cost:					
Cash and cash equivalents	8,470,884	-	8,470,884	-	8,470,884
Interest receivable	4,171,881	-	4,171,881	-	4,171,881
Other receivables	525,090	-	525,090	-	525,090
Due from related parties	1,612,232	-	1,612,232	-	1,612,232
Lease receivables	1,603,481	-	1,603,481	-	1,603,481
Short and medium term notes	74,467,731	-	74,467,731	-	74,467,731
	90,851,299	-	90,851,299	-	90,851,299

(Expressed in United States dollars)

25. Fair value of financial instruments (continued)

(c) Accounting classification and fair values (continued):

	Company 2022				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
	$	$	$	$	$
Financial assets measured at fair value:					
Preference shares	25,856,260	-	-	25,856,260	25,856,260
Financial assets measured at amortised cost:					
Cash and cash equivalents	8,164,108	-	8,164,108	-	8,164,108
Interest receivable	4,171,881	-	4,171,881	-	4,171,881
Other receivables	522,970	-	522,970	-	522,970
Due from related parties	22,920,226	-	22,920,226	-	22,920,226
Lease receivables	1,603,481	-	1,603,481	-	1,603,481
Short and medium term notes	74,467,731	-	74,467,731	-	74,467,731
	111,850,397	-	111,850,397	-	111,850,397

There were no reclassifications between level 1, level 2 and level 3 during this financial year or in the prior period.

26. Financial risk management

The Group has exposure to the following financial risks from its operations and the use of financial instruments:

(a) Overview

The Group has developed and implemented a risk management policy that involves the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group's risk management policies are established to identify and analyse the risks faced by the Group in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The risk management policy of the Group also adopts best practice measures to address perceived or real conflicts of interest that may arise in the operations and management of the business.

The Board of Directors is ultimately responsible for the risk management policies of the Group. The Board's risk management mandate is carried out through the following committees:

26. Financial risk management (continued)

(a) Overview (continued)

(i) Audit and Governance Committee

The primary purpose of this Committee is to assist the Board in fulfilling its oversight responsibilities. In performing its duties, the Committee maintains effective working relationships with the Board, the Enterprise Risk Committee and the Group's external auditors.

The Committee plays a key role in corporate governance and internal controls. The Committee is also responsible for assisting the Board of Directors in its compliance with regulatory requirements.

(ii) Investment and Risk Management Committee

The Group has delegated the management of credit risk to the Investment and Risk Management Committee ("IRMC"), a sub-committee of the Board of the Investment Manager, Sygnus Capital Limited. The committee is responsible for the overall risk management function of the Group and is responsible for all credit and investment decisions relating to the Group's investment portfolio.

This committee consists of a minimum of three members, two of whom are independent of the Company, including the Chairman, appointed by the Investment Manager's Board of Directors.

The Committee reviews and approves all investment recommendations and also determines the level conditions that will be attached to each investment.

(iii) Enterprise Risk Committee

In addition to the IRMC, the Group has also established an Enterprise Risk Committee, a sub-committee of the Board.

This Committee assists the Board in providing leadership, direction, and oversight pertaining to the Company's risk governance and framework, including the Company's risk appetite statement and risk limits and tolerances ("Risk Appetite Statement"). The Committee also assists the Board to foster a culture within the Company that demonstrates the benefits of a risk-based approach to risk management and internal controls. The Committee works closely with the Audit and Governance Committee.

(iv) Investment Advisory Committee

The Investment Manager, through an Investment Advisory Committee (the "IAC"), is responsible for analysing and recommending all investment and credit proposals to the Investment and Risk Management Committee.

26. Financial risk management (continued)

(a) Overview (continued)

(iv) Investment Advisory Committee (continued)

The Group's risk management policies are established to identify and analyze the risks faced by the Group's in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(b) Credit risk

Credit risk is the risk of a financial loss arising from a counterparty to a financial contract failing to discharge its obligations. The Group manages this risk by establishing policies for granting credit and entering into financial contracts. The Group's credit risk is concentrated, primarily, in securities purchased under resale agreements, lease receivables and investments.

Exposure to credit risk:

The maximum credit exposure, the total amount of loss the Group would suffer if every counter-party to the Group's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position.

Cash and cash equivalents are held with financial institutions and collateral is not required for such accounts, as management regards the institutions as strong. The strength of these financial institutions is continually reviewed by the IRMC and the Enterprise Risk Committee.

The Group manages credit risk related to other receivables by limiting exposure to specific counterparties and by monitoring settlements.

Securities purchased under resale agreements, lease receivables and investments expose the Company to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. The Company manages this risk by contracting only with counterparties that management considers to be financially sound.

The estimation of expected credit losses for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring the associated loss ratios, and default correlations between counterparties. The Company measures credit risk using probability of default (PD), exposure at default (EAD) and loss given default (LGD).

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Exposure to credit risk (continued):

The following table summarises credit risk exposure for investments, lease receivable and resale agreements at their carrying amounts as categorised by industry sectors. No resale agreements were held at the reporting date. These facilities are well diversified across industry sectors, and are extended to customers within Jamaica, other Caribbean territories, United States of America and Central America:

	Group			
	Investments	Lease receivables	Total 2023	Total 2022
	$	$	$	$
Betting and gaming	3,709,257	-	3,709,257	3,442,473
Construction	19,938,695	-	19,938,695	13,057,246
Distribution	2,406,192	164,378	2,570,570	3,300,712
Energy	8,780,500	-	8,780,500	8,865,126
Fast food	17,912,157	-	17,912,157	8,446,257
Financial	57,795,973	-	57,795,973	44,943,611
Hospitality	8,566,665	98,950	8,665,615	13,052,701
Infrastructure	13,125,964	-	13,125,964	12,667,477
Janitorial	619,242	-	619,242	-
Manufacturing	15,194,176	-	15,194,176	11,406,989
Mining and quarrying	1,275,275	-	1,275,275	1,304,055
Telecommunications	738,500	-	738,500	5,600,000
Transport	2,216,842	-	2,216,842	-
	152,279,438	263,328	152,542,766	126,086,647
Less: Impairment allowance [see note 26(b)(vi)]	(1,065,908)	(128)	(1,066,036)	(3,577,616)
	151,213,530	263,200	151,476,730	122,509,031

	Company			
	Investments	Lease receivables	Total 2023	Total 2022
	$	$	$	$
Betting and gaming	3,709,257	-	3,709,257	3,442,473
Construction	19,938,695	-	19,938,695	13,057,246
Distribution	2,406,192	164,378	2,570,570	3,300,712
Energy	8,780,500	-	8,780,500	8,865,126
Fast food	17,912,157	-	17,912,157	8,446,257
Financial	33,178,645	-	33,178,645	20,784,436
Hospitality	8,566,665	98,950	8,665,615	13,052,701
Infrastructure	13,125,964	-	13,125,964	12,667,477
Janitorial	619,242	-	619,242	-
Manufacturing	15,194,176	-	15,194,176	11,406,989
Mining and quarrying	1,275,275	-	1,275,275	1,304,055
Telecommunications	738,500	-	738,500	5,600,000
Transport	2,216,842	-	2,216,842	-
	127,662,110	263,328	127,925,438	101,927,472
Less: Impairment allowance [see note 26(b)(vi)]	(1,060,955)	(128)	(1,061,083)	(3,577,616)
	126,601,155	263,200	126,864,355	98,349,856

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement:

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition.

(i) *Significant increase in credit risk (SICR)*

Change in credit quality since initial recognition

Stage 1	**Stage 2**	**Stage 3**
Initial recognition	**Significant increase in credit risk since initial recognition**	**Credit-impaired assets**
12-month expected credit losses	Lifetime expected credit Losses	Lifetime expected credit Losses

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and third-party policies including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime PD as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- a movement of two notches from the credit risk rating at origination.

A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Group.

If a significant increase in credit risk (‘SICR’) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.

Purchased or originated credit-impaired financial assets are those financial assets that are credit- impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(i) *Significant increase in credit risk (SICR)(continued)*

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

(ii) *Definition of default*

In assessing whether a borrower is in default, the Group considers indicators that are:

- qualitative: e.g. the counterparty is more than 90 days past due on its contractual payments; and
- quantitative: e.g. the counterparty meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(iii) *Incorporation of forward-looking information*

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

The Group uses a forward-looking score card model to estimate the potential of future economic conditions.

External information considered includes economic data and forecasts published by governmental bodies and monetary authorities across Caribbean territories, supranational organisations and selected private-sector forecasters.

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(iv) *Credit risk grading*

The Group assesses the probability of default using internal ratings. These are segmented into rating classes. The Group's rating scale is shown below.

Rating	Description	Definition	Category	Average PD %
1	Exceptional	Portfolio company is performing exceptional	Standard Monitoring	0.01
2	Very Good	Portfolio company is performing very good		0.02
3	Good	Portfolio company is performing good		0.07
4	Average	Portfolio company is performing average		0.23
5	Below average	Portfolio company is performing below average	Early Warning	0.90
6	Underperforming	Portfolio company is underperforming	Enhanced Monitoring	3 - 6.6
7	Non-performing	Portfolio company is non-performing	Restructured/ Default	29.10 - 100

Exposure to credit risk is managed in part by obtaining collateral and corporate and personal guarantees. Counterparty limits are established by the use of a credit classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risk to which it is exposed and to take corrective action.

(v) *Credit quality analysis*

The following table contains information about the credit quality of financial assets measured at amortised cost and represents their carrying amounts at the reporting date.

Investments and resale agreements at amortised cost

	Group			
	2023			
	Stage 1 $	**Stage 2** $	**Stage 3** $	**Total** $
Credit grade:				
Standard monitoring	97,258,052	-	-	97,258,052
Early warning	-	5,233,427	-	5,233,427
Restructured/default	-	-	2,275,275	2,275,275
	97,258,052	5,233,427	2,275,275	104,766,754
Impairment allowance				
- investments (note 9)	(488,516)	(37,574)	(539,818)	(1,065,908)
	96,769,536	5,195,853	1,735,457	103,700,846

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(v) *Credit quality analysis (continued)*

	Company			
	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	$	$	$
Credit grade:				
Standard monitoring	97,525,000	-	-	97,525,000
Early warning	-	5,233,427	-	5,233,427
Restructured/default	-	-	2,275,275	2,275,275
	97,525,000	5,233,427	2,275,275	105,033,702
Impairment allowance - investments (note 9)	(483,563)	(37,574)	(539,818)	(1,060,955)
	97,041,437	5,195,853	1,735,457	103,972,747

Investments and resale agreements at amortised cost

	Group and Company			
	2022			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	$	$	$
Credit grade-				
Standard monitoring	68,807,176	-	-	68,807,176
Restructured/default	-	-	5,660,555	5,660,555
	68,807,176	-	5,660,555	74,467,731
Impairment allowance - investments (note 9)	(218,687)	-	(3,356,500)	(3,575,187)
	68,588,489	-	2,304,055	70,892,544

Lease receivables at amortised cost

	Group and Company	
	2023	2022
	Stage 1	Stage 1
	$	$
Credit grade:		
Standard monitoring	263,328	1,603,481
Impairment allowance (see note 8)	(128)	(2,429)
	263,200	1,601,052

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended June 30, 2023
(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(v) *Credit quality analysis (continued)*

Interest receivable

	Group 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	$	$	$
Credit grade:				
Standard monitoring	4,447,670	-	-	4,447,670
Early warning	-	258,490	-	258,490
Restructured/default	-	-	493,544	493,544
	4,447,670	258,490	493,544	5,199,704
Impairment allowance	-	-	-	-
	4,447,670	258,490	493,544	5,199,704

	Company 2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	$	$	$	$
Credit grade:				
Standard monitoring	4,193,511	-	-	4,193,511
Early warning	-	258,490	-	258,490
Restructured/default	-	-	493,544	493,544
	4,193,511	258,490	493,544	4,945,545
Impairment allowance	-	-	-	-
	4,193,511	258,490	493,544	4,945,545

	Group and Company 2022		
	Stage 1	**Stage 3**	**Total**
	$	$	$
Credit grade:			
Standard monitoring	3,229,330	-	3,229,330
Restructured/default	-	942,551	942,551
	3,229,330	942,551	4,171,881
Impairment allowance	-	(496,297)	(496,297)
	3,229,330	446,254	3,675,584

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(v) *Credit quality analysis (continued)*

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

Principal type of collateral held	Percentage of exposure that is subject to collateral	
	2023	2022
Investment		
Real Estate	172	116
Contracts	345	-
Cash	68	-
Inventory	105	-
Equipment	57	53
Lease receivables		
Computer and other telephone equipment	77	112

(vi) *Impairment allowance*

The following tables show a reconciliation of the opening to the closing impairment allowance.

Investments and resale agreements at amortised cost

	Group 2023			
	Stage 1 12-Month ECL $	**Stage 2** Lifetime ECL $	**Stage 3** Lifetime ECL $	**Total** $
Balance at July 1, 2022	218,687	-	3,356,500	3,575,187
Transfer from stage 1 to stage 2	(30)	30	-	-
Amounts derecognised during the year	(1,240)	-	-	(1,240)
Write-offs during the year	-	-	(3,356,500)	(3,356,500)
New amounts recognised during the year	62,049	-	-	62,049
Net remeasurement of impairment allowance	209,050	37,544	539,818	786,412
Impairment allowance at June 30, 2023	488,516	37,574	539,818	1,065,908

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(vi) *Impairment allowance (continued)*

(i) The stage 3 ECL at the beginning of the period was related solely to a facility granted to the owner of a hotel in the Cayman Islands. The investment value of $3,356,500 was moved from Stage 2 to Stage 3 in November 2021 and was written off during this financial year.

	Company 2023			
	Stage 1 12-Month ECL $	**Stage 2** Lifetime ECL $	**Stage 3** Lifetime ECL $	**Total** $
Balance at July 1, 2022	218,687	-	3,356,500	3,575,187
Transfer from stage 1 to stage 2	(30)	30	-	-
Amounts derecognised during the year	(1,240)	-	-	(1,240)
Write-offs during the year	-	-	(3,356,500)	(3,356,500)
New amounts recognised during the year	57,096	-	-	57,096
Net remeasurement of impairment allowance	209,050	37,544	539,818	786,412
Impairment allowance at June 30, 2023	483,563	37,574	539,818	1,060,955

	Group and Company 2022			
	Stage 1 12-Month ECL $	**Stage 2** Lifetime ECL $	**Stage 3** Lifetime ECL $	**Total** $
Balance at July 1, 2021	211,620	2,202	34,769	248,591
Amounts derecognised during the year	-	(2,202)	-	(2,202)
New amounts recognised during the year	2,060	-	3,356,500	3,358,560
Net remeasurement of impairment allowance	5,007	-	(34,769)	(29,762)
Impairment allowance at June 30, 2022	218,687	-	3,356,500	3,575,187

(Expressed in United States dollars)

26. Financial risk management (continued)

(b) Credit risk (continued)

Expected credit loss measurement (continued):

(vi) *Impairment allowance (continued)*

Lease receivables at amortised cost

	Group and Company	
	2023	2022
	Stage 1	**Stage 1**
	12 month ECL	12 month ECL
	$	$
Balance at July 1	2,429	5,188
Net remeasurement of impairment allowance	(2,301)	(2,759)
Balance at June 30	128	2,429

Interest receivable

	Group and Company	
	2023	2022
	Stage 3	**Stage 3**
	Lifetime ECL	Lifetime ECL
	$	$
Balance at July 1	496,297	-
Amounts recognised during the year	-	496,297
Write-offs during the year	(496,297)	-
Balance at June 30	-	496,297

	Group	
	2023	2022
	$	$
Total impairment allowance as at June 30	1,066,036	4,073,913

	Company	
	2023	2022
	$	$
Total impairment allowance as at June 30	1,061,083	4,073,913

Total impairment loss recognised during the current year by the Group and the Company amounted to $844,920 (2022: $3,820,134) and $839,967 (2022:$3,820,134) respectively.

26. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Group generally makes investments in financial instruments issued by private companies, substantially all of which are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for the Group to sell or dispose of such investments in a timely manner at or close to fair value, if the need arises.

In addition, the Group faces liquidity risk in the form of funding risk. This is the risk that the Group may encounter difficulty in raising funds to meet commitments associated with its investments and obligations as they fall due.

Maturities of assets and liabilities, and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates. The Group is not subject to any externally imposed liquidity requirements.

The Group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

An analysis of the undiscounted cash flows required to settle the Group's financial liabilities on the basis of their earliest possible contractual maturity is presented below. The Group does not expect that all its lenders will demand the payment of funds at the earliest date possible.

	Group 2023						
	Within 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	No specific maturity date $'000	Total contractual cashflows $'000	Total carrying amounts $'000
Financial assets							
Cash and cash equivalents	4,464,694	-	-	-	-	4,464,694	4,464,694
Interest receivable	5,199,704	-	-	-	-	5,199,704	5,199,704
Other receivables	907,424	-	-	-	-	907,424	907,424
Due from related parties	1,812,232	-	-	-	-	1,812,232	1,812,232
Lease receivables	150,172	124,403	-	-	-	274,575	263,200
Investments	23,734,962	45,057,825	25,849,112	47,072,972	24,884,276	166,599,147	151,213,530
	36,269,188	45,182,228	25,849,112	47,072,972	24,884,276	179,257,776	163,860,784
Financial liabilities							
Accounts payable and accrued liabilities	1,969,862	-	-	-	-	1,969,862	1,969,862
Due to related parties	1,106,066	-	-	-	-	1,106,066	1,106,066
Interest payable	415,741	-	-	-	-	415,741	415,741
Note payable	1,515,178	64,774,262	5,196,451	10,208,935	-	81,694,826	77,065,698
Preference shares	88,323	5,188,528	-	-	-	5,276,851	4,925,057
Loans and borrowings	116,601	8,178,528	-	-	-	8,295,129	7,958,745
	5,211,771	78,141,318	5,196,451	10,208,935	-	98,758,475	93,441,169
Total liquidity gap	31,057,417	(32,959,090)	20,652,661	36,864,037	24,884,276	80,499,301	70,419,615
Cumulative gap	31,057,417	(1,901,673)	18,750,988	55,615,025	80,499,301		

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended June 30, 2023
(Expressed in United States dollars)

26. Financial risk management (continued)

(c) Liquidity risk (continued)

	Group 2022						
	Within 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	No specific maturity date $'000	Total contractual cashflows $'000	Total carrying amounts $'000
Financial assets							
Cash and cash equivalents	8,470,884	-	-	-	-	8,470,884	8,470,884
Interest receivable	3,675,584	-	-	-	-	3,675,584	3,675,584
Other receivables	525,090	-	-	-	-	525,090	525,090
Due from related parties	1,612,232	-	-	-	-	1,612,232	1,612,232
Lease receivables	936,752	501,436	248,806	-	-	1,686,994	1,601,052
Investments	13,658,593	31,951,540	20,986,519	45,490,541	24,159,175	136,246,368	120,907,979
	28,879,135	32,452,976	21,235,325	45,490,541	24,159,175	152,217,152	136,792,821
Financial liabilities							
Accounts payable and accrued liabilities	3,958,088	-	-	-	-	3,958,088	3,958,088
Due to related parties	241,973	-	-	-	-	241,973	241,973
Interest payable	231,492	-	-	-	-	231,492	231,492
Note payable	876,537	34,376,838	19,145,418	10,747,142	-	65,145,935	60,285,928
Preference shares	23,558	73,742	1,245,931	-	-	1,343,231	1,147,609
Loans and borrowings	38,265	3,111,370	-	-	-	3,149,635	3,003,572
	5,369,913	37,561,950	20,391,349	10,747,142	-	74,070,354	68,868,662
Total liquidity gap	23,509,222	(5,108,974)	843,976	34,743,399	24,159,175	78,146,798	67,924,159
Cumulative gap	23,509,222	18,400,248	19,244,224	53,987,623	78,146,798		

	Company 2023					
	Within 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	Total contractual cashflows $'000	Total carrying amounts $'000
Financial assets						
Cash and cash equivalents	4,406,522	-	-	-	4,406,522	4,406,522
Interest receivable	4,945,545	-	-	-	4,945,545	4,945,545
Other receivables	906,741	-	-	-	906,741	906,741
Due from related parties	25,227,258	-	-	-	25,227,258	25,227,258
Lease receivables	150,172	124,403	-	-	274,575	263,200
Investments	22,248,071	46,755,315	25,849,112	47,072,972	141,925,470	126,601,155
	57,884,309	46,879,718	25,849,112	47,072,972	177,686,111	162,350,421
Financial liabilities						
Accounts payable and accrued liabilities	1,934,712	-	-	-	1,934,712	1,934,712
Due to related parties	23,891,891	-	-	-	23,891,891	23,891,891
Interest payable	415,741	-	-	-	415,741	415,741
Note payable	1,414,390	46,818,127	5,196,451	10,208,935	63,637,903	59,212,591
Preference shares	88,323	5,188,528	-	-	5,276,851	4,925,057
Loans and borrowings	425,409	25,913,110	-	-	26,338,519	25,384,520
	28,170,466	77,919,765	5,196,451	10,208,935	121,495,617	115,764,512
Total liquidity gap	29,713,843	(31,040,047)	20,652,661	36,864,037	56,190,494	46,585,909
Cumulative gap	29,713,843	(1,326,204)	19,326,457	56,190,494		

26. Financial risk management (continued)

(c) Liquidity risk (continued)

	Company					
	2022					
Financial assets	Within 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	Total contractual cashflows $'000	Total carrying amounts $'000
Cash and cash equivalents	8,164,108	-	-	-	8,164,108	8,164,108
Interest receivable	3,675,584	-	-	-	3,675,584	3,675,584
Other receivables	522,970	-	-	-	522,970	522,970
Due from related parties	22,920,226	-	-	-	22,920,226	22,920,226
Lease receivables	936,752	501,436	248,806	-	1,686,994	1,601,052
Investments	13,658,593	31,951,540	20,986,519	45,490,541	112,087,193	96,748,804
	49,878,233	32,452,976	21,235,325	45,490,541	149,057,075	133,632,744
Financial liabilities						
Accounts payable and accrued liabilities	2,147,047	-	-	-	2,147,047	2,147,047
Due to related parties	23,024,247	-	-	-	23,024,247	23,024,247
Interest payable	231,492	-	-	-	231,492	231,492
Note payable	610,287	16,279,408	19,145,418	10,747,142	46,782,255	42,454,748
Preference shares	23,558	73,742	1,245,931	-	1,343,231	1,147,609
Loans and borrowings	304,515	20,563,241	-	-	20,867,756	20,189,193
	26,341,146	36,916,391	20,391,349	10,747,142	94,396,028	89,194,336
Total liquidity gap	23,537,087	(4,463,415)	843,976	34,743,399	54,661,047	44,438,408
Cumulative gap	23,537,087	19,073,672	19,917,648	54,661,047		

(d) Market risk

Market risk is the risk that the value or cash flows 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 security or its issuer or factors affecting all securities traded in the market.

Such risks arise from open positions in interest rates and currency products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as foreign exchange and interest rates.

The market risk arising from investment activities is reviewed and assessed by the Investment Advisory Committee and the Investment and Risk Management Committee of the Investment Manager. Investment transactions are monitored by the Investment Manager.

The elements of market risk that affect the Group are as follows:

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, financial instruments will vary because of exchange rate fluctuations. The Group incurs foreign currency risk on transactions that are denominated in currencies other than the United States dollar. The currency giving rise to this risk is the Jamaica dollar.

(Expressed in United States dollars)

26. Financial risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

The exposure to foreign currency risk at the reporting date was as follows:

	Group			
	2023		2022	
	J$	US$ equivalent	J$	US$ equivalent
Foreign currency assets:				
Cash and cash equivalents	28,800,972	187,100	65,384,383	434,320
Interest receivable	75,708,519	491,826	89,944,980	597,466
Other receivables	-	-	46,796,361	310,848
Investments	1,034,646,637	6,721,378	1,086,480,105	7,217,022
	1,139,156,128	7,400,304	1,288,605,829	8,559,656

	Group			
	2023		2022	
	J$	US$ equivalent	J$	US$ equivalent
Foreign currency liabilities:				
Accounts payable and accrued liabilities	9,939,739	64,572	5,940,810	39,462
Due to related parties	-	-	4,068,128	27,023
Dividends payable	15,521,857	100,835	12,205,081	81,073
Interest payable	21,413,522	139,109	21,306,812	141,532
Notes payable	1,498,140,070	9,732,372	1,487,545,060	9,881,125
Preference shares	321,797,018	2,090,491	-	-
Loans and borrowings	369,863,431	2,402,745	452,170,030	3,003,572
	2,236,675,637	14,530,124	1,983,235,921	13,173,787
Net exposure	(1,097,519,509)	(7,129,820)	(694,630,092)	(4,614,131)

	Company			
	2023		2022	
	J$	US$ equivalent	J$	US$ equivalent
Foreign currency assets:				
Cash and cash equivalents	28,791,519	187,039	65,374,898	434,257
Interest receivable	75,708,519	491,826	89,944,980	597,466
Other receivables	-	-	46,796,361	310,848
Due from related parties	10,000	65	-	-
Investments	1,034,646,637	6,721,378	1,086,480,106	7,217,022
	1,139,156,675	7,400,308	1,288,596,345	8,559,593
Foreign currency liabilities:				
Accounts payable and accrued liabilities	9,939,739	64,572	5,940,810	39,462
Due to related parties	-	-	4,068,128	27,023
Dividends payable	15,521,857	100,835	12,205,081	81,073
Interest payable	21,413,522	139,109	21,306,812	141,532
Notes payable	1,498,140,070	9,732,372	1,487,545,060	9,881,125
Preference shares	321,797,018	2,090,491	-	-
Loans and borrowings	369,863,431	2,402,745	452,170,030	3,003,572
	2,236,675,637	14,530,124	1,983,235,921	13,173,787
Net exposure	(1,097,518,962)	(7,129,816)	(694,639,576)	(4,614,194)

Exchange rate for the US dollar to the Jamaica dollar was US$1 to J$153.94 (2022: J$150.54)

(Expressed in United States dollars)

26. Financial risk management (continued)

(d) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity to foreign exchange movements

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis represents outstanding Jamaica dollar denominated assets and liabilities as at the year-end, and the analysis is done on the same basis as 2022.

	Group			
	2023		2022	
	% change in currency rate	Effect on profit $	% change in currency rate	Effect on profit $
JMD	-4%	274,224	-4%	177,467
JMD	+1%	(72,018)	+1%	(46,607)

	Company			
	2023		2022	
	% change in currency rate	Effect on profit $	% change in currency rate	Effect on profit $
JMD	-4%	274,224	-4%	177,469
JMD	+1%	(72,018)	+1%	(46,608)

(ii) Interest rate risk

Interest rate risk is the risk that the value or cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Group manages this risk by monitoring interest rates daily. Even though there are no formally predetermined gap limits, to the extent judged appropriate, the maturity profile of the financial assets is matched with that of the financial liabilities. Where gaps occur, management expects that its monitoring will, on a timely basis, identify the need to take quick action to close a gap, if it becomes necessary.

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis. Interest rate risk is managed by maintaining an appropriate mix of variable and fixed rate instruments.

(Expressed in United States dollars)

26. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments were:

	Group and Company	
	2023	2022
	$	$
Variable rate instruments	2,269,305	2,019,140
Fixed rate instruments	126,592,454	98,349,856

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates. These are substantially the interest sensitive instruments impacting the Group's financial results. For floating rate assets, the analysis assumes the amount of the asset outstanding at the reporting date was outstanding for the whole period.

A 50 (2022: 200) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If market interest rates had been 25 (2022: 50) basis points higher or lower and all other variables were held constant, the effect on the Group's profit would have been as follows:

	Group and Company	
	2023	2022
	$	$
Effect on profit		
Increase 50 (2022: 200) basis points	11,347	40,383
Effect on profit		
Decrease 25 (2022: 50) basis points	(5,673)	(10,096)

The analysis is done on the same basis as 2022 and assumes that all other variables remain constant.

The following table summarises the carrying amounts of recognised financial assets and financial liabilities to arrive at the Group's interest rate gap based on the earlier of contractual repricing and maturity dates. There were no off-balance-sheet financial instruments giving rise to interest rate risk.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Year ended June 30, 2023
(Expressed in United States dollars)

26. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Group 2023					
	Within 3 months $'000	3-12 months $'000	Over 1 year $'000	No-rate sensitive $'000	Total $'000	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	4,269,305	-	-	195,389	4,464,694	4.45
Interest receivable	-		-	5,199,704	5,199,704	-
Other receivables	-	-	-	907,424	907,424	-
Due from related parties	-	-	-	1,812,232	1,812,232	-
Lease receivables	-	263,200	-	-	263,200	11.25
Investments	20,662,106	39,546,494	66,120,654	24,884,276	151,213,530	12.35
	24,931,411	39,809,694	66,120,654	32,999,025	163,860,784	
Financial liabilities						
Accounts payable and accrued liabilities	-	-	-	1,969,862	1,969,862	-
Due to related parties	-	-	-	1,106,066	1,106,066	-
Interest payable	-	-	-	415,741	415,741	-
Dividends payable	-	-	-	484,214	484,214	-
Note payable	-	63,173,982	13,891,716	-	77,065,698	6.82
Preference shares	-	4,925,057	-	-	4,925,057	7.25
Loans and borrowings	-	7,958,745	-	-	7,958,745	7.69
	-	76,057,784	13,891,716	3,975,883	93,925,383	
Total interest rate sensitivity	24,931,411	(36,248,090)	52,228,938	29,023,142	69,935,401	
Cumulative interest rate sensitivity gap	24,931,411	(11,316,679)	40,912,259	69,935,401		

26. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Group					
	2022					
	Within 3 months $'000	3-12 months $'000	Over 1 year $'000	No-rate sensitive $'000	Total $'000	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	7,271,111	-	-	1,199,773	8,470,884	4.56
Interest receivable	-	-	-	3,675,584	3,675,584	-
Other receivables	-	-	-	525,090	525,090	-
Due from related parties	-	-	-	1,612,232	1,612,232	-
Lease receivables	-	-	1,601,052	-	1,601,052	10.75
Investments	11,492,400	26,724,070	58,532,334	24,159,175	120,907,979	11.42
	18,763,511	26,724,070	60,133,386	31,171,854	136,792,821	
Financial liabilities						
Accounts payable and accrued liabilities	-	-	-	3,958,088	3,958,088	-
Due to related parties	-	-	-	241,973	241,973	-
Interest payable	-	-	-	231,492	231,492	-
Dividends payable	-	-	-	388,885	388,885	-
Note payable	-	32,733,739	27,552,189	-	60,285,928	5.88
Preference shares	-	-	1,147,609	-	1,147,609	7.25
Loans and borrowings	-	3,003,572	-	-	3,003,572	6.50
	-	35,737,311	28,699,798	4,820,438	69,257,547	
Total interest rate sensitivity	18,763,511	(9,013,241)	31,433,588	26,351,416	67,535,274	
Cumulative interest rate sensitivity gap	18,763,511	9,750,270	41,183,858	67,535,274		

26. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Company 2023					
	Within 3 months $'000	3-12 months $'000	Over 1 year $'000	No-rate sensitive $'000	Total $'000	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	4,269,305	-	-	137,217	4,406,522	4.45
Interest receivable	-	-	-	4,945,545	4,945,545	-
Other receivable	-	-	-	906,741	906,741	-
Due from related parties	-	-	-	25,227,258	25,227,258	-
Lease receivables	-	263,200	-	-	263,200	11.25
Investments	19,221,112	41,259,389	66,120,654	-	126,601,155	12.23
	23,490,417	41,522,589	66,120,654	31,216,761	162,350,421	
Financial liabilities						
Accounts payable and accrued liabilities	-	-	-	1,934,712	1,934,712	-
Due to related parties	-	-	-	23,891,891	23,891,891	-
Interest payable	-	-	-	415,741	415,741	-
Dividend payable	-	-	-	484,214	484,214	-
Note payable	-	45,320,875	13,891,716	-	59,212,591	5.88
Preference shares	-	4,925,057	-	-	4,925,057	7.25
Loans and borrowings	-	25,384,520	-	-	25,384,520	6.50
	-	75,630,452	13,891,716	26,726,558	116,248,726	
Total interest rate sensitivity	23,490,417	(34,107,863)	52,228,938	4,490,203	46,101,695	
Cumulative interest rate sensitivity gap	23,490,417	(10,617,446)	41,611,492	46,101,695		

26. Financial risk management (continued)

(d) Market risk (continued)

(ii) Interest rate risk (continued)

	Company 2022					
	Within 3 months $'000	3-12 months $'000	Over 1 year $'000	No-rate sensitive $'000	Total $'000	Weighted average interest rate %
Financial assets						
Cash and cash equivalents	7,271,111	-	-	892,997	8,164,108	4.56
Interest receivable	-	-	-	3,675,584	3,675,584	-
Other receivable	-	-	-	522,970	522,970	-
Due from related parties	-	-	-	22,920,226	22,920,226	-
Lease receivables	-	-	1,601,052	-	1,601,052	10.75
Investments	11,492,400	26,724,070	58,532,334	-	96,748,804	11.42
	18,763,511	26,724,070	60,133,386	28,011,777	133,632,744	
Financial liabilities						
Accounts payable and accrued liabilities	-		-	2,147,047	2,147,047	-
Due to related parties	-		-	23,024,247	23,024,247	-
Interest payable	-		-	231,492	231,492	-
Dividend payable	-	-	-	388,885	388,885	-
Note payable	-	14,902,559	27,552,189	-	42,454,748	5.84
Preference shares	-	-	1,147,609	-	1,147,609	7.25
Loans and borrowings	-	20,189,193	-	-	20,189,193	6.50
	-	35,091,752	28,699,798	25,791,671	89,583,221	
Total interest rate sensitivity	18,763,511	(8,367,682)	31,433,588	2,220,106	44,049,523	
Cumulative interest rate sensitivity gap	18,763,511	10,395,829	41,829,417	44,049,523		

(iii) Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. A non–trading equity price risk exposure arises from the Group's investment in a private credit fund. As at the end of the reporting period, a 6% (2022: 5%) increase in the value of the Group's equity investment at FVTPL would have increased equity by $1,493,057 (2022: $1,207,942). A decrease of 3% (2022: 5%) in the value of the Group's equity investment at FVTPL would have reduced equity by $746,528 (2022: 1,207,942).

27. Capital management

The Group’s objective when managing capital is to safeguard its ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to enable investments with additional companies. The Company may utilise leverage and may borrow up to 50% of its total assets to fund investments in additional portfolio companies. There are no externally imposed capital requirements.

The Group's approach to capital management is monitored by the Enterprise Risk Committee and Board of Directors.