



WARWYCK

PHOENIX SECURITIES LTD



2017

ANNUAL REPORT

Warwyck Phoenix Securities Ltd

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Warwyck Phoenix Securities Ltd

Corporate data

		Date appointed	Date resigned
Directors	Vyapoorce Govinden Modeliar	02 March 2016	26 September 2017
	Loday Toyeshwar Sharma	08 March 2016	
	Dulau Pascal	16 June 2016	
	Desai Rahul Girish	27 November 2017	
Registered office	Warwyck House Nalletamby Road Phoenix 73538 Republic of Mauritius		
Administrator and Secretary	Anex Management Services Ltd 9 th Floor, Ebene Tower 52 Cybercity Ebcne 72201 Republic of Mauritius		
Auditors	Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius		
Bankers	Warwyck Private Bank Ltd \X!arwyck House Nalletamby Road Phoenix 73538 Republic of Mauritius		
	Saxo Bank A/S Philip Heymans Alie 15 DK 2900 Hellerup Denmark		
	Banque des Mascareignes Ltee Level 9, Maeva Tower Corner Bank Street & Silicon Avenue Ebene 72201 Republic of Mauritius		

Warwyck Phoenix Securities Ltd

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

General Information

Warwyck Phoenix Securities Ltd, (the "Company"), was incorporated in Mauritius on 22 January 2015 as a private company with liability limited by shares. The Company's principal activity is to serve end customers by offering trading services in various instruments. The Company is licensed by the Financial Services Commission to operate as an Investment Dealer (Full Service Dealer, Excluding Underwriting).

The Company's registered office is Warwyck House, Nalletamby Road, Phoenix 73538, Republic of Mauritius.

The Company upholds standards of corporate governance through awareness of business ethics and supervision of its operations by the Board of Directors.

The main objects and functions of the Board as regards Corporate Governance are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied, taking into consideration the small size of the Company which employs only two persons, that it has discharged its responsibilities for the year in respect of Corporate Governance.

Shareholding

At 31 December 2017, the stated capital of the Company stood at USD 34,000, represented by 34,000 ordinary shares with par value USD 1.

Warwyck Investment Holdings Ltd holds 100% of the Company shares.

The Board of Directors

The Board is composed of directors who have been selected based on their professional background and expertise to positively contribute to the Board's activities. The Board was made up of the following resident directors for the year under review.

- Mr Govinden Modeliar Vyapooree (appointed on 02 March 2016 and resigned on 26 September 2017)
- Mr Toyeshwar Sharma Loday (appointed on 08 March 2016)
- Mr Pascal Dulau (appointed on 16 June 2016)
- Mr Rahul Girish Desai (appointed on 27 November 2017)

The Board is responsible for directing the affairs of the Company in the best interests of its shareholder, in conformity with legal and regulatory frameworks, and consistent with its Constitution, the Mauritius Companies Act 2001 and best governance practices.

Warwyck Phoenix Securities Ltd

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTD)

The Directors' Profile

Mr Toyeshwar Sharma Laday (appointed 01/08 March 2016)

Currently Chief Executive Officer with over ten years of experience in the financial services industry. Mr. Loday started his career with one of the major audit firm in Mauritius before moving to the investment field where he acquired solid experience investing in the Sub-Saharan Africa, Emerging and Developed markets. Mr. Loday is a CFA Charterholder and a Fellow of the Association of Chartered Certified Accountants.

Mr Pascal Dulau (appointed 01/16 June 2016)

Mr. Pascal Dulau is of French Nationality and is a Mauritian resident. Mr Dulau holds an MBA in International Finance & Tax and a Master in Economics & Finance. He is a recognized leader with strong experience in change management and is familiar with managing multicultural and highly skilled team in challenging environments. He has twenty years' experience in Private Banking and Asset Management with the BNP PARIBAS Group. Mr Dulau started as portfolio manager and ended at the top management of BNP PARIBAS Switzerland. In his last position, he has been the head of credit offering for Switzerland and International Markets and has been a member of the Swiss Wealth Management Executive Committee. Previously, as CEO of BNP Paribas Bahamas, Mr Dulau used to be director of different in-house Mutual funds and Private Equity Funds (PAI Europe LBO III, IV, V) and was involved in investment committees.

Mr Rahul Girish Desai (appointed 01/27 November 2017)

Rahul Desai joined Warwyck Phoenix Securities Ltd in September 2017 as a Senior Trader and was subsequently appointed as Director of the Company. Mr. Desai is an astute trader with several years of experience in the investment field and extensive knowledge in the trading of international equities, forex, bonds, derivatives and funds. Rahul Desai is a Mechanical Engineering graduate from University College London (UCL).

Mr. Govinden Modeliar Vyapooree (appointed 01/02 March 2016 and resigned 01/26 September 2017)

Mr. Vyapooree has over fifteen years of experience in the financial services sector and has extensive experience on international derivatives, hedge funds, FX, securities trading, investments and portfolio management. He holds an MBA from the Heriot Watt University and is an associate of the Chartered Institute of Marketing UK. He also holds the ACI dealing qualification.

Constitution

The Constitution of the Company was adopted on 19 March 2015 through a minutes of the first directors' meeting. It is in line with the Mauritius Companies Act 2001.

Warwyck Phoenix Securities Ltd

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTD)

Board Meetings

The Board meets atleast once a year, and in addition, board meetings are convened as and when required. The matters considered at the meetings are as follows:

- to examine all statutory matters;
- to approve the audited financial statements and review important accounting issues;
- to review the Company's performance;
- to ensure compliance of the Company with the legislations;
- to take note of changes in the legislations which may affect the Company;
- to approve the management accounts; and
- to discuss any other business.

The Board papers are usually sent to the directors one week in advance, except where urgent meetings are convened.

The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate.

During the year under review, the Board met twice and the table below shows the attendance of directors either physically or by alternates at meetings held during the year ended 31 December 2017:

Directors	Attendance at Board
Mr. Vyapooree Govinden Modeliar (appointed on 02 March 2016)	2/2
Mr. Loday Toyeshwar Sharma (appointed on 08 March 2016)	2/2
Pascal Dulau (appointed on 16 June 2016)	2/2
Mr. Rahul Girish Desai (appointed on 27 November 2017)	N/A

For the next financial year, the Board will take reasonable steps to meet more frequently.

Board Committees

The Board of Directors collectively consider the measures in respect of the Code of Corporate Governance issues. Due to the size of the Board, no sub-committees (Audit Committees, the Corporate Governance Committee, Board Risk Committee, Remuneration Committee and the Nomination Committee) have been established.

Statement of Remuneration Policy

No director's fee was paid for the year under review.

The remuneration of the directors has not been disclosed on an individual basis due to commercial sensitivity.

Identification of Key Risks for the Company

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Warwyck Phoenix Securities Ltd

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 {CONTD}

Financial Risk Factors

The financial risk factors have been set out in Note 4 of these financial statements.

Related Party Transactions

The related party transactions have been set out in Note 17 of these financial statements.

Code of Ethics, Health and Safety and Social issues

The Company is committed to follow best practices and market standards in areas of accountability, transparency and business ethics in order to promote sustainability.

Environment

Due to the nature of its activities, the Company has no adverse impact on the environment.

Corporate Social Responsibility and Donations

The Company did not contribute any funds towards donations or corporate social responsibility (CSR) during the year under review, since it is a Global Business Category 1 company and CSR is not applicable.

Nature of business

The principal activity of the Company is to serve end customers by offering trading services in various financial instruments.

Auditor's Report and Financial Statements

The auditor's report is set out on pages 9 to 12 and the statement of comprehensive income is set out on page 14 of these financial statements.

Audit fees

Audit fees payable to Grant Thornton for the year amounted to USD 14,500, exclusive of VAT and disbursements.

Appreciation

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

Warwyck Phoenix Securities Ltd

Commentary of the directors

The directors are pleased to present their commentary, together with the audited financial statements of Warwyck Phoenix Securities Ltd, the "Company", for the year ended 31 December 2017.

Incorporation

The Company was incorporated in the Republic of Mauritius on 22 January 2015 under the Mauritius Companies Act 2001 as a private company with liability limited by shares.

Principal activity

The principal activity of the Company is to serve end customers by offering trading services in various instruments.

Results and dividends

The results for the year are shown on page 14.

No dividend were declared for the year under review (2016: USD 150,000).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual Meeting.

Warwyck Phoenix Securities Ltd

Certificate from the Secretary to the member of Warwyck Phoenix Securities Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Warwyck Phoenix Securities Ltd**, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 December 2017.



forAnex Management Services Ltd
Company Secretary

Registered office:

9th Floor, Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

Date: **22 MAR 2018**



Independent auditors' report To the member of Warwyck Phoenix Securities Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Warwyck Phoenix Securities Ltd**, the "Company", which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 13 to 33 give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data, Corporate Governance Report, Commentary of the Directors sections and Report from the Company's Secretary as required in the Mauritius Companies Act 2001, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.



Independent auditors' report (Contd) To the member of Warwyck Phoenix Securities Ltd

Report on the Audit of the Financial Statements (Contd)

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

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company'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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditors' report (Contd)
To the member of Warwyck Phoenix Securities Ltd

Report on the Audit of the Financial Statements (Contd)

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

- 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.

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.

Other matter

Our report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.



Independent auditors' report (Contd) To the member of Warwyck Phoenix Securities Ltd

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Gr^o" \:-o1

Grant Thornton
Chartered Accountants



JUNAID HAJEE ABDOULA, FCCA
Licensed by FRC

Date: **22 MAR 2018**

Ebene 72201, Republic of Mauritius

Warwyck Phoenix Securities Ltd

Statement of financial position as at 31 December 2017

	Notes	2017 USD	2016 USD
Assets			
Non-current			
Plant and equipment	7	39,656	47,925
Non-current assets		39,656	47,925
Current			
Other receivables	8	173,828	18,477
Current tax assets	16	1,489	5,600
Cash and cash equivalents	9	269,220	169,051
Current assets		444,537	193,128
Total assets		484,193	241,053
Equity and liabilities			
Equity			
Stated capital	10	34,000	34,000
Retained earnings		144,011	5,683
Total equity		178,012	89,683
Liabilities			
Non-current			
Obligations under finance leases	11	12,670	24,227
Deferred tax liabilities	16	282	282
Non-current liabilities		12,952	24,509
Current			
Obligations under finance leases	11	11,262	10,446
Payables and accruals	12	281,967	116,415
Current liabilities		293,229	126,861
Total liabilities		306,181	151,370
Total equity and liabilities		484,193	241,053

Approved by the Board of Directors on 01 July 2018

and signed on its behalf by:

Director



Director

The notes on pages 17 to 33 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of comprehensive income for the year ended 31 December 2017

	Notes	2017 USD	2016 USD
Revenue			
Commission income	13	319,015	497,998
Expenditure			
Salaries and related costs		119,730	87,651
Directors fees			18,661
Other expenses		17,167	15,297
Insurances		11,392	10,235
Licences and permits		18,386	22,861
Professional fees		49,932	68,280
Overseas travel expenses			21,925
Motor vehicle running expenses		97	10,947
Depreciation		8,269	3,446
Rent and rates			13,057
Shared expenses		36,000	90,000
Total expenditure		260,973	362,360
Operating profit		58,042	135,638
Foreign exchange gain/(losses)		9,566	(1,567)
Finance income/(cost)	14	21,391	(6,055)
Other income	15		50,000
Profit before tax		88,999	178,016
Tax expense	16	(670)	(7,135)
Profit for the year		88,329	170,881
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Items that will be reclassified subsequently to profit or loss			
Other comprehensive income for the year, net of tax			
Total comprehensive income for the year		88,329	170,881

The notes on pages 17 to 33 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of changes in equity for the year ended 31 December 2017

	Stated capital USD	Retained earnings USD	Total USO
At 01 January 2017	34,000	55,683	89,683
Profit for the year		88,329	88,329
Other comprehensive income			
Total comprehensive income for the year		88,329	88,329
At 31 December 2017	34,000	144,012	178,012
At 31 December 2015	34,000	23,559	57,559
Prior year adjustment (Note 19)		11,243	11,243
At 01 January 2016	34,000	34,802	68,802
Dividend (Note 10.1)		(150,000)	(150,000)
Transactions with the shareholder		(150,000)	(150,000)
Profit for the year		170,881	170,881
Other comprehensive income			
Total comprehensive income for the year		170,881	170,881
At 31 December 2016	34,000	55,683	89,683

The notes on pages 17 to 33 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of cash flows for the year ended
31 December 2017

	2017	2016
	USD	USD
Operating activities		
Profit before tax	88,999	178,016
<i>Adjustments for:</i>		
Prior year adjustment		11,243
Depreciation	8,269	3,446
Total adjustments	8,269	14,689
<i>Net changes in working capital:</i>		
Change in other receivables	(155,351)	(14,852)
Change in payables and accruals	165,552	(125,164)
Total changes in working capital	10,201	(140,016)
Tax paid	(3,831)	(29,059)
Tax refund	7,272	
Net cash flow from operating activities	110,910	23,630
Investing activities		
Purchase of plant and equipment		(16,698)
Net cash used in investing activities		(16,698)
Financing activities		
Dividends paid		(150,000)
Repayment of finance leases (Note 18)	(10,741)	
Net cash used in financing activities	(10,741)	(150,000)
Net change in cash and cash equivalents	100,169	(143,068)
Cash and cash equivalents at the beginning of the year	169,051	312,118
Cash and cash equivalents at the end of the year	269,220	169,051
Cash and cash equivalents made up of:		
Cash at bank (Note 9)	269,220	169,051

The notes on pages 17 to 33 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

1. General information and statement of compliance with IFRS

Warwyck Phoenix Securities Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 22 January 2015 as a private company with liability limited by shares. The Company holds a Category 1 Global Business Licence and an Investment Dealer (Full Service Dealer, Excluding Underwriting) Licence issued by the Financial Services Commission. The Company's registered office is Warwyck House, Nalletamby Road, Phoenix 73538, Republic of Mauritius.

The principal activity of the Company is to serve end customers by offering trading services in various instruments.

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

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual periods beginning on 01 January 2017

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 January 2017:

IAS 7	Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS for Sized SMEs	Amendments to the International Financial Reporting Standard for Small and Medium Entities

The directors have assessed the impact of these revised standards and concluded that only *IAS 7, Disclosure Initiative (Amendments to IAS 7)* has an impact on the disclosures of these financial statements.

2.2 Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments to existing standards and interpretations, have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on the new standards, amendments to existing standards and interpretations is provided below.

IFRS 17	Insurance Contracts
IFRS 16	Leases
IFRS 9	Financial Instruments (2014)
IFRS 9	Prepayments Features with Negative Compensation (Amendments to IFRS 9)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
IFRS 15	Revenue from Contracts with Customers
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

2. Application of new and revised IFRS (Contd)

2.2 Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company (Contd)

IFRIC 23	Uncertainty over Income Tax Treatments
IAS 40	Transfer of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IAS 12/ IAS 23	
IFRS 3/IFRS 11	Annual Improvements to IFRS Standards 2015 - 2017 Cycle
IFRS 1/IFRS 12,	
IAS 28	Annual Improvements to IFRS Standards 2014- 2016 Cycle

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in comprehensive income.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance income or finance costs, except for impairment of financial assets which is presented within other expenses.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

3. Summary of accounting policies (Contd)

3.2 Financial instruments (Contd)

Classification and subsequent measurement of financial assets (Contd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents and most of other receivables falls into this category of financial instruments.

An allowance for credit losses is established if there is objective evidence that the Company will be unable to collect all amounts due.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables and accruals and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 Foreign currency

Functional and presentation currency

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency translations and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

3. Summary of accounting policies (Contd)

3.4 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.5 Equity, reserves and dividend payments

Stated capital represents the nominal value of shares that have been issued.

Retained earnings include all the current and prior period's results.

Dividend payments to the equity shareholder are included in retained earnings when the dividends have been approved by the Board prior to the reporting date.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required from the Company and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The Company assesses its revenue arrangements against specific criteria in order to determine it is acting as broker or agent. The Company has concluded that it is acting as a broker in all of its revenue arrangements. Commission income is recognised in accordance with the substance of the relevant agreements in place.

3.8 Expense recognition

All expenses are accounted for on the accrual basis.

3.9 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

3. Summary of accounting policies (Contd)

3.9 Income taxes (Contd)

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.10 Related party transactions

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.11 Plant and equipment

Motor vehicles

Motor vehicles are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Motor vehicles are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values. The depreciation rate is 20%.

Plant and equipment held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of motor vehicles are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of an asset, the difference between the carrying value of the asset and sale consideration is taken to the statement of comprehensive income.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

3. Summary of accounting policies (Contd)

3.12 Leased assets

Finance leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards of ownership of the leased asset. Where the Company is a lessee in this type of arrangement, the related asset is recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance lease liability.

See Note 3.11 for the depreciation method and useful lives for assets held under finance leases. The corresponding finance lease liability is reduced by lease payments net of finance charges. The interest element of lease payments represents a constant proportion of the outstanding capital balance and is charged to statement of comprehensive income as finance costs over the period of the lease.

3.13 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.14 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.15 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on the financial statements is set out below.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

3. Summary of accounting policies (Contd)

3.15 Significant management judgements in applying accounting policies and estimation uncertainty (Contd)

Estimation uncertainty (Contd)

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. At year end, management considered that the useful lives represent the expected utility of the assets of the Company. The carrying amounts are analysed in Note 7.

4. Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are summarised below.

	2017	2016
	USD	USD
Financial assets		
<i>Loans and receivables:</i>		
other receivables	154,453	2,971
Cash and cash equivalents	269,220	169,051
Total financial assets	423,673	172,022
Financial liabilities		
<i>Financial liabilities measured at amortised cost:</i>		
Non-current		
Obligations under finance leases	12,670	24,227
Current		
Obligations under finance leases	11,262	10,446
Payables and accruals	281,967	116,415
	293,229	126,861
Total financial liabilities	305,899	151,088

The main types of risks are market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's risk management is carried out under policies approved by the Board and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed are described below:

4.1 Market risk analysis

Foreign currency sensitivity

The Company is exposed to foreign exchange risk arising from its currency exposures, primarily with respect to the Euro ("EUR"), the Mauritian Rupee ("MUR") and the Swiss Franc ("CHF"). Consequently, the Company is exposed to the risk that the exchange rates of the USD relative to the EUR, the MUR and the CHF may change in a manner which has a material effect on the reported value of the Company's assets and liabilities which are in EUR, MUR and CHF. The Company does not use any financial instruments to hedge its foreign exchange risk.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into USD at the closing rate:

	Financial assets 2017 USD	Financial liabilities 2017 USD	Financial assets 2016 USD	Financial liabilities 2016 USD
EUR	279,716	3,806	14,582	
USD	14,2910	274,414	157,440	115,341
MUR	1,044	27,679		35,747
CHF	3			
	423,673	305,899	172,022	151,088

The following table illustrates principally the sensitivity of profit and equity with regards to the Company's financial assets and financial liabilities and the USD/ EUR, USD/MUR and USD / CHF exchange rate, " all other things being equal".

It assumes the following percentage changes in the exchange rates for the year ended 31 December 2017:

	2017 0/o change	2016 0/o change
USD/EUR	13%	4%
USD/ MUR	70/o	3%
USD/CHF	4%	

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.1 Market risk analysis (Contd)

If the USD had strengthened against EUR by 13% (2016: 4%) and MUR by 7% (2016: 3%) respectively, then this would have the following impact:

	Profit and equity	
	2017	2016
	USD	USD
EUR	(35,868)	(6,298)
MUR	(1,864)	(1,072)

If the USD had weakened against the EUR by 13% (2016: 4%) and MUR by 7% (2016: 3%) respectively, then this would have the following impact:

	Profit and equity	
	2017	2016
	USO	USD
EUR	35,868	6,298
MUR	1,864	1,072

If the USD had strengthened /weakened against CHF by 4% (2016: nil), then the profit and equity of the Company would only be marginally affected.

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market rates. At 31 December 2017, the bank balance stood at USD 269,220 (2016: USD 169,051) and no bank interest was earned during the financial year.

4.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarised below:

	2017	2016
	USO	USO
Current assets		
Other receivables	154,453	2,971
Cash and cash equivalents	269,220	169,051
Total	423,673	172,022

The credit risk associated with other receivables is considered low since the Company transacts with a related company with good credit history. The intercompany receivables were recovered after year end.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.2 Credit risk analysis (Contd)

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

None of the above financial assets are secured by collateral or other credit enhancements.

4.3 Liquidity risk analysis

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

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Company's short, medium, and long-term funding and liquidity management requirements.

The following are the contractual maturities of financial liabilities:

	Carrying amount USD	Contractual cash flows USD	Less than one year USD	More than one year USD
<u>31 December 2017</u>				
Payables and accruals	281,967	281,967	281,967	
Obligations under finance leases	23,932	26,205	12,909	13,296
Total	305,899	308,172	294,876	13,296
	Carrying amount USD	Contractual cash flows USD	Less than one year USD	More than one year USD
<u>31 December 2016</u>				
Payables and accruals	116,415	116,415	116,415	
Obligations under <u>finance leases</u>	34,673	39,587	13,067	26,250
Total	151,088	156,002	129,482	26,250

5. Fair value measurement

5.1. Fair value measurement of financial instruments

The Company's financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

5. Fair value measurement (Contd)

5.2 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of prepayments and deposits and its non-financial liabilities consist of current tax liabilities and deferred tax liabilities, for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

6. Capital management policies and procedures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio. The Company was not geared for the years ended 31 December 2017 and 31 December 2016 since its net debts did not exceed its equity.

7. Plant and equipment

	Motor vehicles	
	2017	2016
	USD	USD
Cost		
At 01 January	51,371	
Additions		51,371
At 31 December	51,371	51,371
Depreciation		
At 01 January	3,446	
Charge for the year	8,269	3,446
At 31 December	11,715	3,446
Net book values		
At 31 December	39,656	47,925

All depreciation and impairment charges are included within depreciation of non-financial assets.

The net book values of plant and equipment held under finance leases amounted to USD 39,656 at 31 December 2017 (2016: USD 47,925).

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

8. Other receivables

	2017	2016
	USD	USD
Due from a related party	153,993	
Prepayments	7,358	4,859
Custody fees receivable	460	2,971
Deposit	12,017	10,647
Total	173,828	18,477

The amount due from a related party relates to commissions receivable from normal business transactions and is interest free, unsecured and receivable on demand.

The carrying amount of other receivables is considered as a reasonable approximation of the fair value.

9. Cash and cash equivalents

	2017	2016
	USD	USD
Cash at bank:		
USO	33,978	29,468
EUR	6,869	5,851
MUR	1,044	
	41,891	35,319
Cash in Saxo Bank:		
USO	108,472	125,001
EUR	118,854	8,731
CHF	3	
	227,329	133,732
Total	269,220	169,051

10. Stated capital

	2017	2016
	USD	USD
34,000 Ordinary share of USO 1 each	34,000	34,000

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

10. Stated capital (Contd)

10.1 Dividend

	2017	2016
	USD	USD
Dividend paid		150,000
Dividend per share		4.4

11. Obligations under finance leases

	2017	2016
	USD	USD
Not later than 1 year	12,909	13,067
Later than 1 year and not later than 5 years	13,296	26,520
	26,205	39,587
Future finance charges	(2,273)	(4,914)
Present value of finance lease liabilities	23,932	34,673
	2017	2016
	USD	USD
<i>Apportioned as follows:</i>		
Portion repayable within one year	11,262	10,446
Portion repayable after more than one year	12,670	24,227
Total	23,932	34,673

Summary of borrowings arrangements

Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

Leasing arrangements

Finance leases relate to motor vehicles with leases of approximately 3 years. The Company has options to purchase the leased assets for a nominal amount at the conclusion of the lease arrangements. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

12. Payables and accruals

	2017	2016
	USD	USD
<i>Payables</i>		
Due to a related party	240,584	99,234
Other payables	17,734	4,857
	258,318	104,091
<hr/>		
Accruals	23,649	12,324
Total	281,967	116,415

The amount due to a related party is interest free, unsecured and repayable on demand.

The carrying amount of payables and accmals is a reasonable approximation of the fair value.

13. Revenue**Commission income**

	2017	2016
	USD	USD
Commission - Saxo Bank	165,022	497,998
<u>Commission - Related party</u>	<u>153,993</u>	
Total	319,015	497,998

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes.

14. Finance income/ (cost)

	2017	2016
	USD	USD
Finance income/ (cost) on securities	21,391	(6,055)

15. Other income

	2017	2016
	USD	USD
Reversal of provision		50,000

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017
16. Taxation
(i) Income tax

The Company, under current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends paid by the Company to its shareholder will be exempt in Mauritius from any withholding tax.

At 31 December 2017, the Company had an income tax receivable of USD 1,489 (2016: USD 5,600).

Statement of comprehensive income

	2017	2016
	USD	USD
Incometax on the adjusted profit	2,342	6,853
Movement in deferred taxation		282
Over provision for prior year	<u>{1,672}</u>	
Tax expense	670	7,135

Statement of financial position

	2017	2016
	USD	USD
At 01 January	5,600	(16,606)
Tax (refund)/ paid during the year	(7,272)	16,606
Tax liability for the year	(2,342)	(6,853)
Tax paid under APS	3,831	12,453
Over provision for prior year	<u>1,672</u>	
At 31 December	1,489	5,600

(ii) Income tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2017	2016
	USD	USD
Profit before tax	<u>88,999</u>	<u>178,016</u>
Tax calculated at the rate 15%	13,350	26,702
Non-allowable expenses	1,240	9,487
Annual allowances	{2,880}	(1,926)
Movement in deferred taxation		282
Over provision for prior year	(1,672)	
Deemed tax credit	<u>{9,368}</u>	<u>(27,410)</u>
Tax expense	670	7,135

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

16. Taxation (Contd)

(iii) Deferred taxation

Deferred income tax is calculated on aU te mporar y differen ces under the liability method at the rate of 3%. At 31 December 2017, the deferred tax liability recognised in the statement of financial position amounted to USD 282 (2016: 282).

	2017	2016
	USD	USD
At 01 January	282	
Moveme nt for the year		282
At 31 December	282	282

The deferred tax liability is made up of:

	2017	2016
	USD	USD
Annual allowances	282	282

17. Related party transactions

The nature, volume of transactions and the balances with the related parties are as follows:

Nature of relationship	Nature of transactions	Volume of transactions	Debit/(credit)	Debit/(credit)
			balance at	balance at
		USD	31 December	31 December
			2017	2016
		USD	USD	USD
Ultimate shareholders	Commission income	5,205		
Common shareholding (Warwyck Phoenix PCC Ltd)	Commission income	72,150		
Re lated to the ultimate shareholders	Commission income	7,822		
Director	Commission income	582		
Common shareholding (Warwyck Private Bank Ltd)	Bank Account	5,528	40,847	35,319
	Expenses (Note 12)	141,350	(240,584)	(99,234)
Common shar eholding (Warwyck Investments)	Commission Income (Note 8)	153,993	153,993	

The transactions with the related parties are ca rried out at arm's length.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2017

18. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities:

	01 January 2017		Foreign exchange movements		Total non-cash movements		31 December 2017	
	USD	Acquisition USD	USD	Other USD	USD	Cash flows USD	USD	USD
Lease liabilities	34,673					(10,741)		23,932

19. Prior year adjustment

The adjustment relates to the reclassification of a cash deposit on the trading platform "Interactive Brokers" during the year under review. This adjustment does not necessitate the presentation of a third statement of financial position since it does not affect the decision making capacity of users.

20. Holding company

The directors regard Wanvyck Investment Holdings Ltd, a company incorporated in the Republic of Mauritius, as the Company's holding company.

21. Events after the reporting date

There are no subsequent events after the reporting date which requires additional disclosures or amendments to the financial statements.