warwyck

ATHLAAS

# ANNUAL REPORT 2020

warwyck

PHOENIX PCC

# CONTENTS

**PAGES**

# CORPORATE DATA

| | | Date appointed | Date resigned |
|---|---|---|---|
| Directors : | Avinash Renga Sunassee | 10 October 2014 | 25 May 2020 |
| | Frank Brusco | 10 October 2014 | - |
| | Mohammad Shameer Mohuddy | 20 January 2017 | - |
| | Ramdhony Youmeshwar | 10 April 2017 | - |
| | Ramlochun Ashwin Bhimal | 10 April 2017 | 30 June 2020 |
| | Devika Matabudul | 14 August 2020 | - |
| | Oumila Sibartie | 3 November 2020 | - |

**Administrator and Secretary** : Anex Management Services Ltd
8th Floor, Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

**Registered office** : Warwyck House
Nalletamby Road, Phoenix 73538
Republic of Mauritius

**Auditors** : Grant Thornton
Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

**Bankers** : Warwyck Private Bank Ltd
Interactive Brokers LLC (Terminated on 21 December 2020)

# CORPORATE DATA (CONTD)

| | | |
|---|---|---|
| Custodians | : | Warwyck Private Bank Ltd<br>Warwyck House<br>Nalletamby Road, Phoenix 73538<br>Republic of Mauritius<br><br>Interactive Brokers LLC (Terminated on 21 December 2020)<br>8 Greenwich Office Park<br>Greenwich CT 06830<br>United States of America |
| Brokers | : | Warwyck Phoenix Securities Ltd<br>Warwyck House<br>Nalletamby Road, Phoenix 73538<br>Republic of Mauritius<br><br>Interactive Brokers LLC (Terminated on 21 December 2020)<br>8 Greenwich Office Park<br>Greenwich CT 06830<br>United States of America |
| Investment advisor | : | Warwyck Private Bank Ltd<br>Warwyck House<br>Nalletamby Road, Phoenix 73538<br>Republic of Mauritius |
| Legal advisor | : | Dentons Mauritius LLP<br>Les Jamalacs<br>Vieux Conseil Street<br>Port Louis<br>Republic of Mauritius |

# ANNUAL REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2020

The Board of Directors of Warwyck Phoenix PCC (the "Company") is pleased to present the annual report together with the audited financial statements of the Warwyck Athlaas (the "Cell") for the year ended 31 December 2020.

### Incorporation

The Company was incorporated in the Republic of Mauritius on 21 August 2014 as a private company limited by shares. Pursuant to a special resolution of the sole shareholder dated 03 May 2016, the status of the Company was changed to a public company with liability limited by shares.

The Cell commenced its operations on 01 June 2017.

### Principal activity

The Company is a Protected Cell Company (PCC) organised as a Collective Investment Scheme (CIS) and is categorised as an expert fund pursuant to the Securities Act 2005 and the regulation made hereunder.

The principal investment objective of the Cell is to generate consistent profit for investors regardless of the market general consensus. The Cell uses a proprietary algorithmic trading system which currently targets the major G20 currencies.

Warwyck Athlaas seeks to achieve consistent return with weak correlation to other asset classes such as equities and commodities.

The Cell may employ leverage or take a credit loan in cash from any bank or financial institution.

Effective 13 July 2018, the Company changed its presentation currency from United States Dollar (USD) to Euro (EUR). The approval from the Registrar of Companies was obtained to that effect.

### Results and dividends

The results for the year ended 31 December 2020 for the Cell are as shown on page 33.

The directors have not paid nor declared any dividend for the year under review (2019: Nil)

### 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 Cell. In preparing those financial statements, the directors are required to:

# ANNUAL REPORT (CONTD)
## FOR THE YEAR ENDED 31 DECEMBER 2020

### **Directors' responsibilities in respect of the financial statements** (Contd)

- correctly record and explain the transactions of the Cell;
- disclose with reasonable accuracy at any time the financial position of the Cell; and
- would enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The Directors confirm that:

- the financial statements present fairly the financial position of the Cell as at the reporting date and the results of operations and cash flows for the reporting year;
- the external auditors are responsible for reporting on whether the financial statements are presented fairly;
- adequate accounting records and an effective system of internal control have been maintained;
- the financial statements have been prepared in accordance with International Financial Reporting Standards;
- appropriate accounting policies are supported by reasonable and prudent judgements and estimates have been used consistently;
- the financial statements have been prepared on the going concern basis;
- they are responsible for safeguarding the assets of the Cell;
- they have taken reasonable steps for the prevention and detection of fraud and other irregularities; and
- the Cell has adhered to the Code of Corporate Governance.

<u>Internal Control</u>

The Board is responsible for the Cell's system of internal control and for reviewing its effectiveness. The internal audit function is outsourced to Warwyck Private Bank Limited. The Internal Auditor reports to the Audit and Risk Committee. It helps the Cell accomplish its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. The Internal Auditor has unrestricted access to all records, necessary for discharging its responsibilities.

<u>Risk Management</u>

The Board of directors is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Cell. It sets the appropriate risk level and tolerance of the Cell. The risk strategy covers all the major risk areas in which the Cell has significant exposure.

### Contracts of significance

There were no contracts of significance to which the Cell was a party and in which a Director was materially interested either directly or indirectly.

### Going concern statement

On the basis of current projections, the directors are confident that the Cell has adequate resources to continue operations for the foreseeable future and consider that the going concern basis in preparing the financial statements be adopted.

# ANNUAL REPORT (CONTD)
## FOR THE YEAR ENDED 31 DECEMBER 2020

### Directors' share interests

As at 31 December 2020, Mr. Frank Brusco had indirect interest of 8.62% in the shares of the Company.

### Donations

No donations made by the Company.

### Directors' remuneration

The Board of Directors has resolved not to disclose the remuneration paid due to commercial sensitivity of the information.

### External auditors

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

| | 2020 | 2019 |
|---|---|---|
| | USD | USD |
| **Fees for audit services (VAT exclusive)*** | **37,500** | 42,000 |
| **Fees for non-audit services**** | **6,500** | 7,000 |

**Total fees chargeable to the Company and its cells*

***These services are provided by Grant Thornton (Advisory Services) Ltd, a separate legal entity headed by non-audit partners. The fees paid during the year are in respect of tax compliance services for both the cells and the Company.*

**Approved by the Board of Directors on 29 March 2021 and signed on its behalf by:**

Director

Director

# CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

**General Information**

Warwyck Athlaas (the "Cell"), a cell of Warwyck Phoenix PCC, commenced operation on 01st June 2017. The principal investment objective of the Cell is to generate consistent profit for investors regardless of the market general consensus. The Cell uses a proprietary algorithmic trading system which currently targets the major G20 currencies.

## Principle 1: Governance Structure

1.1 Warwyck Phoenix PCC, formerly known as Warwyck Pheonip PCC (the "Company" or the "PCC"), was incorporated in the Republic of Mauritius on 21 August 2014 as a private company with liability limited by shares. It is also a Protected Cell Company and was converted into a public company by special resolution on 3 May 2016. The Company holds a Global Business Licence issued by the Financial Services Commission and was authorised to operate as a Collective Investment Scheme on 8 October 2014. In line with section 2 of the Financial Reporting Act, the Company is not defined as a public interest entity.

1.2. The Board and Management of the Company are committed to ensuring and maintaining a high standard of corporate governance within the Company. The Board recognises that the National Code of Corporate Governance for Mauritius 2016 (the "Code") is regarded as best practice and, therefore, uses its best endeavours to ensure compliance with the provisions set out in the Code.

The Board regularly monitors and evaluates compliance with its established ethical principles and standards.

The Board of Directors assumes full responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. In addition, the Board is collectively responsible for the long-term success, reputation and governance of the Company.

1.3 The Company has reassessed its Board Charter as well as its Code of Ethics copies of which are available on the Company's website or upon written request to the Company Secretary.

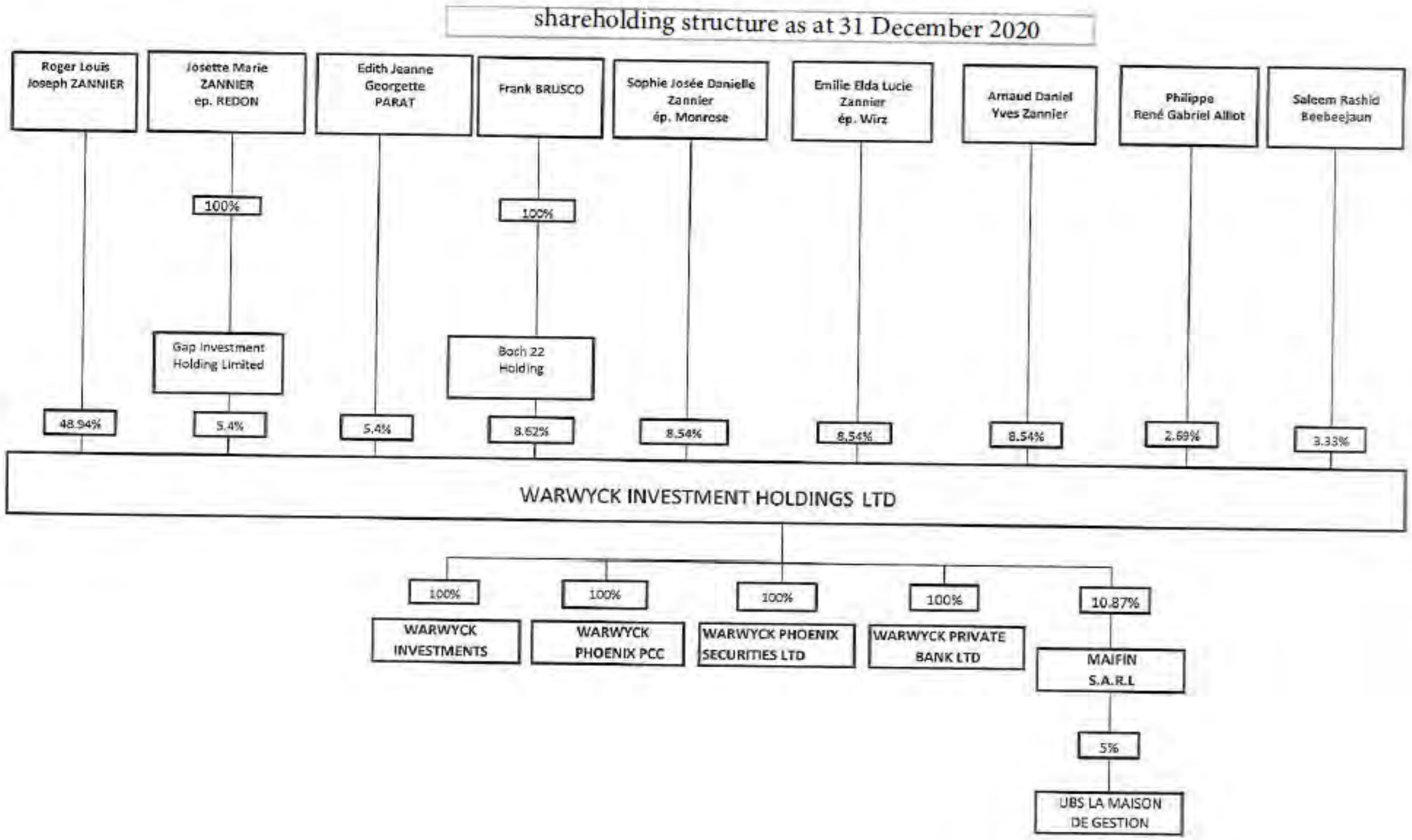
1.4 The Board Charter provides a clear definition of the roles and responsibilities of the Chairperson, executives directors as well as the Company Secretary. The role of the Chairperson is distinct and separate from that of the Chief Executive Officer ('CEO') and there is clear division of responsibilities with the Chairperson leading the Board and the Chief Executive Officer managing the day-to-day operations.

# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 1: Governance Structure (Contd)

1.5 Company structure and shareholding

The organisation structure is illustrated in the below diagram:



# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 1: Governance Structure (Contd)

**Shareholding:**

As at 31 December 2020, the stated capital of the Company stood at USD 100, represented by 100 management shares with a par value of USD 1.

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

## Principle 2: The Structure of the Board and its Committees

### 2.1 Board Structure

The Board of the Company has a unitary structure. The Board is of the view that its composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties effectively. The Board is composed of 5 directors coming from different sectors. Every director has drawn from his professional background and expertise in positively contributing to the Board's activities.

### 2.1.1 Board Size

As at 31 December 2020, the Board comprised of 5 members comprising of

- three executive directors; and
- two independent non-executive directors.

All Directors are ordinarily resident in Mauritius except for one of the directors who is a non-resident, namely, Mr. Frank Brusco.

Having regard to the size of the Company and the number of board committees, the Board considers that its size and composition is reasonably sufficient to meet the requirements of the business of the Company.

The following directors held office during the year under review:

| Name of Director | Date of Appointment | Date of Resignation | Status | Residency |
|---|---|---|---|---|
| Mr. Avinash Renga Sunassee | 10 October 2014 | 21 May 2020 | Independent Non–Executive Director, Previous Chairperson | Mauritius |
| Mr. Frank Brusco | 10 October 2014 | N/A | Executive Director (with effect from 27 May 2019) | France |
| Mr. Mohammad Shameer Mohuddy | 20 January 2017 | N/A | Independent Non-Executive Director , Chairperson | Mauritius |
| Mr. Youmeshwar Ramdhony | 10 April 2017 | N/A | Executive Director, Chief Executive Officer | Mauritius |
| Mr. Ashwin Bhimal Ramlochun | 10 April 2017 | 30 June 2020 | Executive Director | Mauritius |
| Ms. Oumila Sibartie | 03 November 2020 | N/A | Independent Non-Executive Director | Mauritius |
| Mrs. Devika Matabudul | 14 August 2020 | N/A | Executive Director | Mauritius |

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 2: The Structure of the Board and its Committees (Contd)

### 2.2 Board Composition

#### 2.2.1 Chairperson

The members of the Board appointed Mr. Mohammed Shameer Mohuddy as Chairperson on 12 November 2020 who is also an Independent Non-executive Director. The Chairperson is not involved in the day-to-day running of the business and is not a full-time employee of the Company. Additionally, the Chairperson's title, role and function is separate from that of the Chief Executive Officer of the Company.

#### 2.2.2 Executive Directors

The members of the Board appointed Mr. Youmeshwar Ramdhony as Chief Executive Officer ("CEO") and executive director of the Company on 10 April 2017. In his capacity as CEO, Mr. Ramdhony is involved in the day-to-day running of the business and ensures that information pertaining to the day-to-day management of the Company are communicated to the Board. Alongside the CEO, the Board has appointed an additional executive director, namely Mrs. Devika Matabudul on 14 August 2020, who is also involved in managing the daily affairs of the Company. Mr. Frank Brusco was also appointed as an Executive Director with effect from 27 May 2019. As of 31 December 2020, the board comprised of independent non-executive directors and executive directors. Mr. Ashwin Bhimal Ramlochun ceased to hold office as an Executive Director on 30 June 2020.

#### 2.2.3 Independent Directors

The members of the Board appointed Messrs. Avinash Renga Sunnassee and Mohammad Shameer Mohuddy and Ms. Oumila Sibartie as independent non-executive Directors. They have at all times exercised independence of character and judgement in assuming their role as independent directors. Mr. Avinash Renga Sunnassee resigned as independent non-executive Director on 21 May 2020 and Ms. Oumila Sibartie was appointed on 03 November 2020.

The Board further confirms that, the above-named independent directors:

- have not been employed by the Company for the last three years;
- have not had any material business relationship with the Board either directly or indirectly or as partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- have not received additional remuneration from the organization apart from director's fee (as described hereunder)
- are not nominated directors representing a substantial shareholder;
- do not have any close family ties with any of the organisation's advisors, directors, or senior employees; and
- have not served on the Board for more than nine continuous years from the date of their first election.

Except for Mr. Sunnassee who holds the position of Director on Warwyck Private Bank Ltd, a sister company of the PCC and who had served as independent Director on the Company until 21 May 2020, no other Directors had cross directorships within the Group for the year under review.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 2: The Structure of the Board and its Committees (Contd)

### 2.2 Board Composition (Contd)

### 2.2.4 Directorship in other Companies

The following table discloses the directorship held by each director in other companies for the financial year under review:

| Name of Director | Directorship in other Companies | Type of Directorship held |
|---|---|---|
| **Mr Frank Brusco** | Warwyck Phoenix PCC | Executive Director |
| | Boch 22 Holding | Director |
| | Vicgest | Director |
| | Efficiency Network | Director |
| | Boch 22 | Director |
| | Double TT Promotion | Director |
| | Brusco Mendes construction | Director |
| *** Mr. Avinash Renga Sunassee** | Warwyck Private Bank Ltd | Director |
| | Warwyck Phoenix PCC | Independent Non-Executive Director |
| | K.Sunassee Ltd | Director |
| | K.Sunassee Trading Ltd | Director |
| **Mr. Youmeshwar Ramdhony** | Warwyck Phoenix PCC | Executive Director |
| **Mr. Mohammad Shameer Mohuddy** | MAS&PAG Ltd | Director |
| | Harford Investments Ltd | Director |
| | Sibram Ltd | Director |
| | Far East Express (Holdings) Ltd | Director |
| | Warwyck Phoenix PCC | Independent Non-Executive Director |
| | Villa Invest Ltd | Director |
| | Datcha Ltd | Director |
| | CML Invest Ltd | Director |
| | Lavanya LMC Ltd | Director |
| | Latronpem Ltd | Director |
| | Safyr Capital Partners Ltd | Director |
| **** Mr. Ashwin Bhimal Ramlochun** | Warwyck Phoenix PCC | Executive Director |
| **Mrs. Devika Matabudul** | Warwyck Phoenix PCC | Executive Director |
| **Ms. Oumila Sibartie** | Warwyck Phoenix PCC | Independent Non-Executive Director |
| | Lineage Investment Services Ltd | Executive Director |
| | Lineage Hub Ltd | Executive Director |
| | Ocean Select Ltd | Director |
| | SBM Bank (Mauritius) Ltd | Independent Director |

** Mr. Avinash Renga Sunassee has resigned as Independent Non-Executive Director of the Company on 21 May 2020.*
*** Mr. Ashwin Bhimal Ramlochun has resigned as Executive Director of the Company on 30 June 2020.*

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 2: The Structure of the Board and its Committees (Contd)

### 2.2 Board Composition (Contd)

#### 2.2.5 Company Secretary

Anex Management Services Limited ("Anex") is responsible for the provision of corporate secretarial services to the Company.

Anex, in its capacity as Company Secretary, provides the Board with detailed guidance as to how its responsibilities should be properly discharged in the best interests of the Company. In addition, the Company Secretary provides guidance on the statutory duties of the Board and the regulatory requirements of the Company. In the performance of its duties and functions, the Company Secretary acts as a vital bridge between the Board and executive management.

The Company Secretary further assists the Chairperson, CEO, the Board and Board Committees in applying and implementing the principles of the Code with a view to enhancing long-term stakeholder's value.

#### 2.2.6 Board Diversity

During the year 2020, two female directors with the appropriate skills, knowledge and experience in the core business of the Company, have joined the board of directors of the Company.

#### 2.2.7 Board & Committee Charter

The Board has reassessed the charter of the Board and its Committees during the year under review.

### 2.3 Board meetings

Board meetings are held at least once every quarter but may also be held at any time as maybe required by the Company. Decisions that need to be taken between meetings are conducted by way of written resolutions, agreed and signed by all Directors entitled to receive notice.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to Directors. Detailed agenda together with relevant supporting documents are circulated in advance by the Company Secretary to the Directors to enable them to make focused and informed deliberations at Board meetings.

The matters being 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 and the performance of its various cells;
- to ensure compliance of the Company with the relevant legislations;
- to take note of changes in the legislations which may affect the Company;
- to approve the quarterly management accounts;
- to approve the release of the financial results announcements of each cell to the market; and
- to discuss any other business.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 2: The Structure of the Board and its Committees (Contd)

### 2.3 Board meetings (Contd)

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

During the year under review, the Board has met three times. Minutes of the proceedings of each Board meeting are recorded by the Company Secretary and submitted for confirmation at its next meeting where they are signed by the Chairperson and Company Secretary.

The table below shows the attendance of directors at Board meetings during the year ended 31 December 2020:

| Directors | 26 March 2020 | 13 August 2020 | 12 November 2020 | Total Number of meetings attended |
|---|---|---|---|---|
| * Avinash Renga Sunassee | ✓ | N/A | N/A | 1/1 |
| Frank Brusco | X | X | X | 0/3 |
| Mohammad Shameer Mohuddy | ✓ | ✓ | ✓ | 3/3 |
| Youmeshwar Ramdhony | ✓ | ✓ | ✓ | 3/3 |
| **Ashwin Bhimal Ramlochun | ✓ | N/A | N/A | 1/1 |
| ***Devika Matabudul | N/A | N/A | ✓ | 1/1 |
| ****Oumila Sibartie | N/A | N/A | ✓ | 1/1 |

** Mr. Avinash Renga Sunassee has resigned as Independent Non-Executive Director of the Company on 21 May 2020.*
*** Mr. Ashwin Bhimal Ramlochun has resigned as Executive Director of the Company on 30 June 2020.*
**** Mrs. Devika Matabudul has been appointed as Executive Director of the Company as from 14 August 2020.*
***** Ms.Oumila Sibartie has been appointed as Independent Non-Executive Director of the Company as from 03 November 2020.*

### 2.4 Board Committee

In line with the Code and in order to facilitate the effective management, the following Board Committees have been established by the Board which operate within a defined Terms of Reference:

*Audit & Risk Committee*

The Company has set-up an Audit & Risk Committee whose purpose is to assist the Board in fulfilling its corporate governance duties and overseeing its responsibilities in relation to the Company's and the Cells' financial reporting, internal control system, risk management system and internal and external audit functions. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference as approved by the Board.

The Audit & Risk Committee is composed of a majority of independent directors. A quorum of two directors is currently required for a meeting of the said committee.

The following table shows the members of the Audit & Risk committee and their attendance at the meetings of the Audit & Risk committee for the year under review:

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 2: The Structure of the Board and its Committees (Contd)

### 2.4 Board Committee (Contd)

| Name of Director / Member | Type of Membership | 26 March 2020 | 12 November 2020 | Total number of meetings attended |
|---|---|---|---|---|
| Mohammad Shameer Mohuddy | Previous Chairperson | ✓ | ✓ | 2/2 |
| *Avinash Renga Sunassee | Member | ✓ | N/A | 1/1 |
| **Ashwin Bhimal Ramlochun | Member | ✓ | N/A | 1/1 |
| ***Devika Matabudul | Member | N/A | ✓ | 1/1 |
| ****Oumila Sibartie | Chairperson | N/A | ✓ | 1/1 |

** Mr. Avinash Renga Sunassee has resigned as Independent Non-Executive Director of the Company on 21 May 2020.*
*** Mr. Ashwin Bhimal Ramlochun has resigned as Executive Director of the Company on 30 June 2020.*
**** Mrs. Devika Matabudul has been appointed as Executive Director of the Company as from14 August 2020.*
***** Ms.Oumila Sibartie has been appointed as Independent Non-Executive Director and Chairperson of the Risk & Audit Committee of the Company as from 03 November 2020.*

*Investment Committee*

The Company has set-up an Investment Committee whose purpose is to maintain prudent and effective investments and to formulate and oversee the investment policies and management. The following table shows the members of the Investment Committee and their attendance at the meetings held by the Investment Committee for the year under review:

| Name of Director / Member | Type of Membership | 24 January 2020 | 24 April 2020 | 07 October 2020 | 04 November 2020 | Total number of meetings attended |
|---|---|---|---|---|---|---|
| Frank Brusco | Chairperson | ✓ | ✓ | ✓ | ✓ | 4/4 |
| *Ashwin Bhimal Ramlochun | Member | ✓ | ✓ | N/A | N/A | 2/2 |
| Patrice Bouché | Member | ✓ | ✓ | ✓ | ✓ | 4/4 |
| Devika Matabudul** | Member | N/A | N/A | ✓ | ✓ | 2/2 |

** Mr. Ashwin Bhimal Ramlochun has resigned as Executive Director of the Company on 30 June 2020.*
*** Mrs. Devika Matabudul has been appointed as member of the Investment Committee effective from 15 October2020.*

The Investment Committee met four times on the 24th January 2020, 24th April 2020, 07th October 2020 and on the 4th November 2020. The Committees regularly recommend actions to the Board. Anex, the Company Secretary, acts as Secretary to the Board Committees and minutes of each meeting are taken and submitted to the Board for noting.

# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 3: Director appointment procedures

### 3.1 Directors' appointment and procedures

According to clause 25.1 of the Company's Constitution, the Directors shall be appointed by ordinary resolution of shareholders. Directors are eligible for re-election at the Annual meeting of the Company subject to the relevant procedures laid down in the Company's Constitution and the requirements of the Mauritian Companies Act 2001.

The re-election of directors is subject to continued satisfactory performance following a formal performance evaluation of the individual directors' performance.

Upon any change in directorship, the Board assumes the responsibilities for succession planning as well as for the appointment of the new directors.

Directors' profiles are given hereinafter:

### 3.2 Directors' Profile

**Avinash Renga Sunassee - Age 43**
*Independent Non-Executive Chairperson*

**Date of appointment:** 10 October 2014
**Date of resignation:** 21 May 2020

Avinash Sunassee was born in the Republic of Ireland. He has studied law at the London School of Economics and Political Science and is a practising barrister in Mauritius. He specialises in commercial matters and financial services, a sizeable proportion of which is in the banking sector. His practice consists of advising on transactions and leading litigation (including arbitrations) in commercial, financial services and regulatory matters.

**Directorship in other listed companies:** none

**Youmeshwar Ramdhony - Age 43**
*Chief Executive Officer*

**Date of appointment:** 10 April 2017

Youmeshwar is an Associate of the Chartered Institute for Securities and Investment (U.K.) and of the Chartered Management Institute (U.K.), a Fellow of the Institute of Chartered Secretaries and Administrators (U.K.), Member of the Society of Trust & Estate Practitioners (U.K.) while also holding an Executive MBA and B.A. in Economics. He has equally undergone management training from Harvard Business School Publishing of Harvard Business School, U.S.A. and the Singapore Institute of Management.

He has held various senior positions in the banking and global business sectors with local and international organisations in Mauritius, Guernsey, Jersey and Singapore. Youmeshwar has been involved in the management of global business companies, international SPVs and in providing estate and wealth planning solutions to HNWI around the world. He has also served on the board of directors of several global business companies for investment holding and fund structures.

Youmeshwar joined the company as Fund Manager in May 2016 and was, subsequently, appointed as Chief Executive Officer and to the Board of Directors in April 2017.

**Directorship in other listed companies:** none

# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 3: Director appointment procedures (Contd)

### 3.2 Directors' Profile (Contd)

**Ashwin Bhimal Ramlochun - Age 31**
*Executive Director*

**Date of appointment:** 10 April 2017
**Date of resignation:** 30 June 2020

Ashwin Ramlochun is a member of the Chartered Institute for Securities and Investment and the Association of Chartered Certified Accountants of the U.K.

Prior to joining Warwyck Phoenix PCC, Ashwin started his career with Crowe Horwath in 2011 as Auditor and moved to Deutsche Bank in 2012 where he took on the position of Private Equity Fund Analyst serving one of the world largest alternative asset managers.

Ashwin joined the company as Fund Accountant in August 2016 and was, subsequently, appointed as Fund Manager and to the Board of Directors in April 2017.

**Directorship in other listed companies:** none

**Mohammad Shameer Mohuddy - Age 45**
*Independent Non-Executive Director and Chairperson*

**Date of appointment:** 20 January 2017

Shameer Mohuddy is an independent legal practitioner in Mauritius with over 17 years experience in the legal industry. His main areas of practice are corporate law, commercial law, employment law, banking law and taxation. He was previously a Partner at Legis & Partners, a legal consultancy firm and prior to that, in-house legal for EY Financial Services Ltd, an ex-management company. He has also served as a Member of the Commission on the Prerogative of Mercy and was a former Commissioner of the Equal Opportunities Commission and also a former Vice-Chairperson of the National Economic and Social Council. He has read law at Queen Mary College, University of London (UK) and is a Member of the Honourable Society of the Inner Temple (UK).

**Directorship in other listed companies:** none

**Frank Brusco - Age 41**
*Non Executive Director: 10 October 2014-26 May 2019*
*Executive Director: With effect from 27 May 2019*

Frank Brusco, an accomplished businessman, has set up multiple businesses around the world. He holds a degree in Banking and Finance.

Frank Brusco has been active in the finance industry for many years and is currently the Director of Acquisition of Participations at Vicgest, a corporate/business consultancy firm.

**Directorship in other listed companies:** none

# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 3: Director appointment procedures (Contd)

### 3.2 Directors' Profile (Contd)

**Oumila Sibartie - Age 46**
*Independent Non-Executive Director*

**Date of appointment:** 03 November 2020

Oumila Sibartie has over 21 years of experience in the global financial markets including the U.S.A., U.K. and Mauritius in managing various projects, products and people; in the provision of investment and financial solutions to corporations, institutional clients and high net-worth individuals; in corporate directorship; and in the training of financial professionals. She has also developed expertise in the fields of investment advisory, asset management, wealth management, financial planning, corporate finance, strategic planning, economic & social impact assessment, training and consultancy.

**Directorship in other listed companies:** 1

**Devika Matabudul - Age 29**
*Executive Director*

**Date of appointment:** 14 August 2020

Devika Matabudul is a member of the Association of Chartered Certified Accountants of the U.K and has passed all three levels of the CFA Program.

Devika joined Deutsche Bank (Mauritius) Limited in 2012 where she took on the position of Private Equity Fund Analyst supporting the Private Equity & Real Estate client services team in Cayman, Singapore and New York.

In September 2018, Devika joined the Company as Senior Fund Accountant and was, subsequently, appointed as Fund Manager and to the Board of Directors in August 2020.

**Directorship in other listed companies:** none

### 3.3 Board orientation and induction

An induction program is organised to ensure that newly appointed directors receive an induction upon joining the Board to familiarise them with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities. Newly appointed directors are provided with an induction pack comprising of the Board Charter which clearly defines their duties and obligations, the Company's Annual Report and relevant governing documents.

Two directors were appointed for the year under review.

### 3.4 Professional development

The Company ensures that the necessary resources for developing and updating its directors' knowledge and capabilities are provided as and when required. The Chairperson and the Board regularly reviews training development needs of Directors to ensure that they continually update their skills and relevant knowledge. Directors are encouraged to keep themselves abreast with the latest industry trends and professional practices and professional development programmes that are organised by the Company or any other organisation.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 3: Director appointment procedures (Contd)

### 3.4 Professional development (Contd)

For the year under review, the Board has reviewed the professional development and ongoing education of directors.

Two of the executive directors have attended some training to update their skills and knowledge. Due to COVID 19, relevant training programmes were not available. The Company in view of an innovative approach proceeded with the delivery of an inhouse training on Anti-money Laundering and Combatting of Financial Terrorism.

The Company catered for the members' needs and requirements amidst an evolving context, with a training log being maintained.

### 3.5 Succession planning

The Board is of the opinion that good succession planning contributes further to the delivery of the Company's strategy by ensuring the desired mix of skills and experience of current and future Board members. The Board is also committed to recognising and nurturing talent within executive and management levels across the Group to ensure that the Company creates opportunities to develop current and future leaders.

## Principle 4: Directors duties, Senior executive remuneration and performance

### 4.1 Directors Duties

The Directors are aware of their legal duties under the Mauritian Companies Act 2001 and other relevant legislations, such as the Securities Act 2005 and Financial Services Act 2007. Once they are appointed as directors, the board members are informed and communicated with a copy of the Board Charter, Company constitution and other internal rules and policies of the Company.

### 4.2 Code of ethics

In accordance with the requirements of the Stock Exchange of Mauritius Ltd and the Code, the Board has adopted a Code of Ethics to encourage honest and ethical conduct, including fair dealing and the ethical handling of conflicts; all directors, officers and employees of the Company are expected to be familiar with the Code of Ethics and to adhere to those principles and procedures set forth therein.

*Honest and Ethical Conduct*

Each director, officer, employee owes a duty to the Company to act with integrity. Integrity requires, among other things, being honest and ethical. This includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Deceit and subordination of principle are inconsistent with integrity.

Each director, officer and employee must:

- act with integrity, including being honest and ethical while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- observe both the form and spirit of laws and governmental rules and regulations and accounting standards.
- adhere to a high standard of business ethics.
- accept no improper or undisclosed material personal benefits from third parties as a result of any transactions of the Company.

The Code of Ethics is reassessed by the Board on an annual basis.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 4: Directors duties, Senior executive remuneration and performance (Contd)

### 4.3 Interest register, conflicts of interest and related party transactions

The Board strictly believes that a Director should make his best effort to avoid conflict of interest or situation where others might reasonably perceive as a conflict. According to clause 26.2 of the Company's Constitution, a Director who has declared an interest shall not inter alia:

- vote on any matter relating to transaction or proposed transaction in which he has an interest;
- be counted in the quorum present for the purpose of voting on that transaction;
- sign a document relating to the transaction on behalf of the Company;
- do any other thing in his capacity as director in relation to the transaction.

All directors are subject to the disclosure and formality requirements of the Mauritian Companies Act 2001 in relation to transactions in which they have an interest.

It is the responsibility of each Director to ensure that any conflict of interest be recorded in the interest register maintained by the Company Secretary. The said register is available to shareholders upon written request to the Company Secretary. The Directors are aware of their responsibility to make full and timely disclosure of any conflict, or potential conflict to the Board and / or to the Company Secretary.

All conflicts of interests and related party transactions are addressed by the Board in accordance with the internal policies of the Company and the Mauritian Companies Act 2001.

#### 4.3.1 Interest of Directors in the shares of the Company and in the issued redeemable participating shares of the cells

For the year under review and subsequent to amendments in the shareholding of the Company at holding's level, Mr Frank Brusco, Executive Director holds indirectly 8.62% of the management shares through Boch 22 Holding. None of the other Board members has any shareholding interest in the Company.

In addition, none of the Directors had any interest in the issued redeemable participating shares of the cells.

#### 4.3.2 Information, Information Technology and Information Security Governance

The Company has entered into a Service Level Agreement ("SLA") with Warwyck Private Bank Ltd ("WPBL") for various services, including information governance system. The Board has adopted the Information Security Policy of the Group which describes a set of rules  on information technology and information security . Monitoring and evaluation of significant expenditure is covered under the SLA with WPBL. Any significant expenditure in information technology is discussed and approved at the level of the Board.

The information Security Policy of the Company is regularly assessed by the Board.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 4: Directors duties, Senior executive remuneration and performance (Contd)

### 4.3.3 Board Information

All Directors receive regular information about the Company so that they are equipped to play their role fully in board meetings. Papers for board and committee meetings are circulated prior to the relevant meeting. All board members have access to the Company Secretary for any further information they require. The appointment and removal of the Company Secretary is at the sole discretion of the Board. Independent professional advice is available to directors in appropriate circumstances, at the Company's expense.

The board members are aware that matters relating to the Company, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to anyone without the express authority of the Board.

The Company Secretary maintains an interest register which is available to shareholders upon written request.

### 4.3.4 Board evaluation

An independent evaluation of the performance of the Board, its Committees and individual Directors was carried out by Anex Management Services Limited during the financial year ended 31 December 2020. The evaluation exercise was led by the Chairperson of the Board.

The objective of the performance appraisal of the Board was inter alia:

- To assess the performance of the Board against the vision, objectives and strategy of the Company and its cells;
- To assist the Board and its committees in highlighting their key competencies and strengths; and
- To identify and correct weaknesses and provide opportunities for sound development of the Board.

The evaluation exercise was carried through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment and governance issues.

A structured questionnaire was prepared after taking into consideration inputs received from the Chairperson, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations and governance.

All Directors were required to participate in the evaluation survey. The evaluation of the performance of the Board was done at two levels. First, the overall performance of the Board was evaluated through a questionnaire, based on criteria such as the board composition, size, gender, strategic planning, role of the Chairperson, non-executive directors and other senior management, assessment of the timeliness and quality of the flow of information by the Company to the Board and adherence to compliance and other regulatory issues. At the second level, the directors were required to do a self-evaluation of their performance, still through a questionnaire.

Some of the key findings & recommendations made to the Board were as follows:

- The Board is encouraged to adopt a no-discriminatory policy;
- The Board is encouraged to adopt a development plan to provide necessary resources for developing and updating its Directors' capabilities;
- The Board is encouraged to participate in ongoing trainings programmes.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 4: Directors duties, Senior executive remuneration and performance (Contd)

### 4.3.5 Directors' remuneration

The Board reasonably believes that the current remuneration policy is fair and reasonable having regard to the skills, knowledge and experience brought by the Directors to the Company. The Board has reviewed the adequacy of directors' and senior executives' remuneration together with the form of that remuneration and has deemed such remuneration to be adequate.

*Non-executive remuneration*

The independent directors' fee amounts to USD 16,818 for the year ended 31 December 2020. Independent Non-executive directors have not received remuneration in the form of share options or bonuses associated with the Company's/Cells' performance.

The below table shows the annual Independent Non-Executive Directors' fees on an individual basis:

| Name of Directors | Fees in USD (2020) |
|---|---|
| Avinash Renga Sunassee | 4,526 |
| Shameer Mohuddy | 10,625 |
| Oumila Sibartie | 1,667 |
| **Total Amount** | **16,818** |

*Executive remuneration*

Directors who are in full time employment with the Company (i.e. Mr. Youmeshwar Ramdhony, Mr. Ashwin Bhimal Ramlochun, Mrs. Devika Matabudul and Mr. Frank Brusco) are entitled to a fixed salary as per their contract of employment. They do not receive any additional remuneration for attending Board meetings and Committees.

## Principle 5: Risk Governance and Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

The Board has the overall responsibility for the Company's systems of risk management and internal control and for reviewing their effectiveness. The responsibility for setting risk strategy remains with the Board but the responsibility for assessing and assuring the quality of the risk management process has been delegated to the Audit and Risk Committee. In its bid to promote sound and balanced growth, the Board places key emphasis on the Company's risk management framework and internal control system.

The Company has entered into a Service Level Agreement with WPBL for various services, including general internal audit support. As part of internal control system, the PCC has a Procedure Manual in place for implementing, maintaining and monitoring the internal controls. The activities of the PCC are subject to internal audit reviews. The objective of those functional reviews is to identify the risks involved in a view to mitigate the risks to a certain level.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 5: Risk Governance and Internal Control (Contd)

The areas, systems and processes covered by the internal audit which also include non-financial matters are listed on the internal audit plan which is approved by the Audit and Risk Committee. The internal auditor is authorised to have full and unrestricted access to records, personnel, and physical properties relevant to the performance of its engagements.

The internal audit function reports to the Audit and Risk Committee which meets twice yearly. Hence, internal audit reports are tabled to the Audit and Risk Committee while also obtaining reports from the Company's external auditor.

The reports from the internal and external auditors are, thereafter, tabled directly to the Board.

### 5.1 Risk Management and internal controls

The Audit & Risk Committee under the supervision of the Board is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Company. It sets the appropriate risk level and tolerance of the Company. The risk strategy covers all the major risk areas in which the Company has significant exposure. The risk management framework is based on diversification and acceptable levels of exposure/limits to different asset classes, currencies, issuers, regions and risk levels.

The Company has established control procedures to mitigate any operational risks related to the management of the Company. The major risk areas addressed are investment, liquidity, currency risks and supervisory control. Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit & Risk Committee which ensure that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Audit & Risk Committee has monitored and reviewed the Company's strategic, financial, operational and compliance risk during the year under review.

In addition, the internal auditors ensure that appropriate controls are in place to mitigate all potential risk areas of the Company and their recommendation is considered by the Audit & Risk Committee on a regular basis. The internal auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at management and Audit & Risk Committee levels.

Corrective actions are promptly taken, and regular follow ups are done. This enables the Board to derive assurance that the internal control systems are effective.

Based on the issues or risks identified by the internal and external auditors, their recommendations and management actions adopted to mitigate the risks, the Board received assurance that the internal control systems are adequate and effective. Subsequently, the Board ensures that controls in place result in an acceptable level of risk with the Audit and Risk Committee overseeing the effectiveness of the Company's internal control systems. The Board has ensured that risk management framework have been communicated to management and all existing and new employees as appropriate to their roles within the organisation and has ensured that communication has been effective and understood.

The Board is of the opinion that all significant areas of the business are covered by the internal controls of the Company. Management acknowledges that there may be risks and deficiencies in the internal controls and actively works in close collaboration with the internal audit function and the external auditors in identifying/ resolving risks or deficiencies in the organisation's system of internal controls.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 5: Risk Governance and Internal Control (Contd)

### 5.2 Whistleblowing rules and procedures

The Company has adopted the whistle blowing policy of WPBL.

For any suspicious or illegal transactions or behaviour, officers and directors are encouraged to lodge reports promptly to the Money Laundering Officer as per the Financial Intelligence and Anti Money Laundering Act 2002 and Prevention of Corruption Act 2002.

### 5.3 Financial risk

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

## Principle 6: Reporting with integrity

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's and the cells' statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS"), the Financial Reporting Act 2004, and the Mauritian Companies Act 2001.

The directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Notice of Annual Meeting is sent to shareholders in a timely manner and minutes of Annual Meetings are sent to shareholders for review and comments, in accordance with the Mauritian Companies Act 2001.

The directors assess the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

Due to the nature of its activities the Company has:

- no adverse impact on environment;
- no health and safety issues;
- no adverse social issues;
- no corporate social responsibility in place; and
- not made any donations during the current or in previous year.

The Statement of Directors Responsibilities is found on the Annual Report.

The Annual Report of the Company will be published on the Company's website, within ninety (90) business days after the financial year-end.

# CORPORATE GOVERNANCE REPORT (CONTD)

FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 7: Audit

### 7.1 Internal Audit

The internal audit function of the Company is carried out by WPBL by virtue of the SLA. As the internal audit team is not involved in the Company's operations and are independent from the activities of the Company, the Board does not consider that there is any independence issues. The internal auditor regularly reports to the Audit and Risk Committee which meets twice yearly.

More information on the internal audit function is given under Principle 5 of the Corporate Governance Report.

### 7.2 Audit Committee

The Audit Committee assists the Board in overseeing the financial reporting process to ensure the balance, integrity and transparency of the financial information. It also monitors internal control processes and ensures compliance with relevant laws and regulations.

(i) The Annual Audit Reports were tabled during the Committee meeting dated 26 March 2020 and no major areas of concerned were identified. The Committee recommended the Annual Audit Reports for the Board's approval.

(ii) The Audit Committee also took note of the Key Issues Memorandum and the re-appointment of the External Auditors.

(iii) The Audit Committee during its meeting for the year under review discussed the internal procedure manuals and the external audit findings. The Audit Committee is of opinion that the internal controls of the Company are adequate and effective.

### 7.3 External Audit

Grant Thornton has been appointed as external auditors of the Company since the incorporation of the Company in 2014. Also, there has been a partner rotation at Grant Thornton in 2017 with regards to the audit of the Company.

The Audit & Risk Committee has reviewed the audit process, the effectiveness and performance of the audit team and the output, quality and cost effectiveness of the audit and concluded that the services of Grant Thornton be retained. The appointment/reappointment of external auditors is subject to shareholder's approval at the Annual Meeting.

During the meetings, the financial statements of the Company and its cells and the critical accounting principles, judgements and estimates were discussed and no significant issues were identified.

Audit fees payable to Grant Thornton for the year under review amounted to USD 37,500 (2019: USD 42,000).

The Company has appointed Grant Thornton (Advisory Services) Ltd for tax compliance and other services. Non audit fees for tax services fees for the year under review amounted to USD 6,500 (2019: USD 7,000).

The audit and advisory department of Grant Thornton are two separate departments and the manager and signing partner for the provision of each service are different persons.

# CORPORATE GOVERNANCE REPORT (CONTD)
FOR THE YEAR ENDED 31 DECEMBER 2020

## Principle 8: Relations with Shareholders and other key stakeholders

### 8.1 Shareholders' Agreement

There are no agreements in place between the Company and any shareholder.

### 8.2 Employee Share Option Plan

The Company has no Employee Share Option Plan in place.

### 8.3 Third Party Management Agreement

Save and except for the SLA with WPBL, no agreement relating to management services between third parties and the Company was entered during the year under review.

### 8.4 Shareholders and Stakeholders communication

The Board of Directors places great importance on transparency and optimal disclosure to shareholders and hence ensures that shareholders are kept informed on matters affecting the Company. All material business developments that influence the Company or the cells are communicated to stakeholders in a transparent and timely manner through various communication channels including official press announcements.

Annual audited financial statements are provided to shareholders and investors of the cells of the PCC within ninety (90) business days after each financial year-end.

Shareholders are also invited to attend the Company's Annual Meeting, which remains the ideal forum for discussions with Directors and the Management Team. Through the services of the Company Secretary, notice of the Annual Meeting or other Shareholder meetings and other related papers are provided to Shareholders at least 21 days prior to such meetings. The Management presents the major operational development of the Company during the Annual meeting and Shareholders are invited to raise any questions and discussions they deem necessary.

### 8.5 Key Stakeholders

Key stakeholders of the Company include international financial institutions and/or their relevant divisions (banking/custody/brokerage/asset management) with which the Company is in regular communication to ensure that all the requirements of the stakeholders are met for proper business conduct and for them to also understand the Company's requirements and exigencies.

### 8.6 Dividend policy

The Company declares dividend in accordance with the Companies Act 2001 of Mauritius. Payment of dividend is approved by the Board. The aim of the Board is to provide its shareholders with a fair return on their investments. In line with sound management principle, dividend declaration is subject to positive results and solvency test as defined by the Mauritius Companies Act 2001.

### 8.7 Appreciation

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

### 8.8 Time-table of important events

| Month | Events |
|---|---|
| May 2021 | Publication of 1st quarter results |
| May 2021 | Annual meeting |
| May 2021 | Interim dividend to holder of Management shares |
| August 2021 | Publication of 2nd quarter results |
| November 2021 | Publication of 3rd quarter results |
| December 2021 | Financial year end |

# STATEMENT OF COMPLIANCE

*(Section 75(3) of the Financial Reporting Act 2004)*

**Name of Reporting Issuer:** Warwyck Phoenix PCC

**Reporting Period:** Financial year ended 31 December 2020

We, the directors of Warwyck Phoenix PCC, (the 'Company'), hereby confirm to the best of our knowledge that the Company has complied with all its obligations and requirements under the Code of Corporate Governance (the 'Code').

..................................................
***Director***

..................................................
***Director***

## Certificate from the Secretary to the members of Warwyck Athlaas

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as required by the Company under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 December 2020.

**C/o Anex Management Services Ltd**
**Secretary**

8th Floor, Ebene Tower
52 Cybercity
Ebene 72201
Republic of Mauritius

**Date:** 29 March 2021

**Independent auditors' report**
To the members of Warwyck Athlaas

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Warwyck Athlaas, the "Cell", which comprise the statement of financial position as at 31 December 2020, 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 32 to 56 give a true and fair view of the financial position of the Cell as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

### 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 Cell 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 the information included in the Corporate Data, Annual Report, Corporate Governance Report, Statement of Compliance and Report from the Cell's secretary as required by 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, with the exception of the information provided below.

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**Independent auditors' report (Contd)**
To the members of Warwyck Athlaas

## Report on the Audit of the Financial Statements (Contd)

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

*Corporate Governance Report*

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirements of the Code. From our assessment of the disclosures made on Corporate Governance in the annual report, the Cell has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

### 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 comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, 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 Cell'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 Cell or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cell'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.

Grant Thornton Mauritius is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

**Independent auditors' report (Contd)**
To the members of Warwyck Athlaas

## Report on the Audit of the Financial Statements (Contd)

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

- 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 Cell'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 Cell'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 Cell 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.

## Report on Other Legal and Regulatory Requirements

*Mauritius Companies Act 2001*

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

- we have no relationship with, or any interests in, the Cell 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 Cell as far as it appears from our examination of those records.

Grant Thornton Mauritius is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

**Independent auditors' report (Contd)**
To the members of Warwyck Athlaas

## Other matter

Our report is made solely to the members of the Cell 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 Cell's members those matters we are required to state to them 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 Cell and the Cell's members as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton

**Grant Thornton**
**Chartered Accountants**

**JUNAID HAJEE ABDOULA, FCCA**
**Licensed by FRC**

**Date: 29.03.2021**

**Ebene 72201, Republic of Mauritius**

# STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2020

| | Notes | 2020 EUR | 2019 EUR |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current** | | | |
| Financial assets at fair value through profit and loss | 8 | **9,226,422** | 48,149,803 |
| **Non-current assets** | | **9,226,422** | 48,149,803 |
| **Current** | | | |
| Other receivables | | **3,486** | 30,774 |
| Cash and cash equivalents | 10 | **1,621,112** | 15,125,641 |
| **Current assets** | | **1,624,598** | 15,156,415 |
| **Total Assets** | | **10,851,020** | 63,306,218 |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Accumulated losses | | **(4,509,212)** | (2,700,059) |
| Participating shares | 11 | **15,204,488** | 61,528,086 |
| **Total equity** | | **10,695,276** | 58,828,027 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Derivative financial instruments | 9 | **-** | 607,272 |
| **Current** | | | |
| Borrowings | 12 | **-** | 3,302,547 |
| Payables and accruals | 13 | **155,744** | 568,065 |
| Current tax liability | 7 | **-** | 307 |
| **Current liabilities** | | **155,744** | 3,870,919 |
| **Total liabilities** | | **155,744** | 4,478,191 |
| **Total equity and liabilities** | | **10,851,020** | 63,306,218 |
| **Net assets value per share** | 14 | **595** | 782 |

Approved by the Board of Directors on **29 March 2021** and signed on its behalf by:

..................................
Director

..................................
Director

The notes on pages 36 to 56 form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020<br>EUR | 2019<br>EUR |
|---|---|---|---|
| **INCOME** | | | |
| Net gain on investments | | **-** | 2,810,612 |
| Other income | | **180,738** | - |
| Total income | | **180,738** | 2,810,612 |
| **EXPENSES** | | | |
| Net loss on investments | | **10,443,045** | - |
| Impairment of intangible assets | | **-** | 109,055 |
| Directors' fees | | **-** | 3,106 |
| Legal and professional fees | | **3,366** | 3,259 |
| Management fees | 16 | **263,773** | 475,001 |
| Custodian fees | | **3,917** | 13,114 |
| Investment advisory fees | 16 | **183,304** | 396,291 |
| Administration fees | | **2,620** | 2,683 |
| Licence fees | | **1,442** | 852 |
| Audit fees | | **6,043** | 3,633 |
| Performance Fees | 16 | **-** | 218,618 |
| Server fees | | **14,154** | 42,217 |
| Market data provider | | **10,216** | 38,242 |
| Other expenses | | **12,751** | 18,746 |
| **Total expenses** | | **10,944,631** | 1,324,817 |
| **Operating (loss) /profit** | | **(10,763,893)** | 1,485,795 |
| Finance cost | | **(12,603)** | (46,653) |
| Net foreign exchange gains | | **30,015** | 7,555 |
| **(Loss)/profit before tax** | | **(10,746,481)** | 1,446,697 |
| Tax expense | 7 | **(3,271)** | (307) |
| **(Loss)/profit for the year** | | **(10,749,752)** | 1,446,390 |
| **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** | | **(10,749,752)** | 1,446,390 |
| **Earnings per share ("EPS")** | 15 | **(598)** | 19 |

The notes on pages 36 to 56 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Participating Shares | Accumulated losses | Total |
|---|---|---|---|
| | EUR | EUR | EUR |
| **At 01 January 2020** | **61,528,086** | **(2,700,059)** | **58,828,027** |
| **Issue of shares** | **-** | **-** | **-** |
| **Redemption of shares** | **(46,323,598)** | **8,940,599** | **(37,382,999)** |
| **Transaction with the shareholders** | **(46,323,598)** | **8,940,599** | **(37,382,999)** |
| **Loss for the year** | **-** | **(10,749,752)** | **(10,749,752)** |
| **Other comprehensive income for the year** | **-** | **-** | **-** |
| **Total comprehensive loss for the year** | **-** | **(10,749,752)** | **(10,749,752)** |
| **At 31 December 2020** | **15,204,488** | **(4,509,212)** | **10,695,276** |
| | | | |
| At 01 January 2019 | 45,150,386 | (4,183,140) | 40,967,246 |
| Issue of shares | 31,751,861 | - | 31,751,861 |
| Redemption of shares | (15,374,161) | 36,691 | (15,337,470) |
| Transaction with the shareholders | 16,377,700 | 36,691 | 16,414,391 |
| Profit for the year | - | 1,446,390 | 1,446,390 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the year | - | 1,446,390 | 1,446,390 |
| **At 31 December 2019** | 61,528,086 | (2,700,059) | 58,828,027 |

The notes on pages 36 to 56 form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| **Operating activities** | | |
| (Loss) /profit before tax | **(10,746,481)** | 1,446,697 |
| *Changes in working capital:* | | |
| Change in prepayments | **27,288** | 6,545 |
| Change in payables and accruals | **(412,321)** | 410,729 |
| Taxes paid | **(3,271)** | - |
| **Net cash (used in)/from operating activities** | **(11,134,785)** | 1,863,971 |
| **Investing activities** | | |
| Investment in bonds and stocks | **38,923,074** | (32,914,384) |
| Investment in derivative financial liabilities | **(607,272)** | (7,120,186) |
| Investment in intangible assets | **-** | 98,921 |
| **Net cash flow from/(used in) investing activities** | **38,315,802** | (39,935,649) |
| **Financing activities** | | |
| Proceeds from issue of participating shares | **-** | 31,751,861 |
| Redemption of participating shares | **(37,382,999)** | (15,337,470) |
| **Net cash (used in)/ from financing activities** | **(37,382,999)** | 16,414,391 |
| **Net change in cash and cash equivalents** | **(10,201,982)** | (21,657,287) |
| Cash and cash equivalents at the beginning of the year | **11,823,094** | 33,480,381 |
| **Cash and cash equivalents at end of the year** | **1,621,112** | 11,823,094 |
| **Cash and cash equivalents made up of:** | | |
| Cash at bank (Note 10) | **1,621,112** | 15,125,641 |
| Bank overdraft (Note 12) | **-** | (3,302,547) |
| **Total** | **1,621,112** | 11,823,094 |

The notes on pages 36 to 56 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

**1. General information and statement of compliance with International Financial Reporting Standards ("IFRS")**

Warwyck Athlaas, "the Cell", is a cell of Warwyck Phoenix PCC, the "Company" which commenced trading on 01 June 2017. The Company was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 21 August 2014 as a private company with liability limited by shares. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company is licensed to act as Collective Investment Scheme Manager pursuant to the Securities Act 2005. The Company's registered office is Warwyck House, Nalletamby Road, Phoenix 73538, Republic of Mauritius.

Pursuant to a special resolution of the sole shareholder dated 03 May 2016, the status of the Company was changed to a public company with liability limited by shares.

Effective 13 July 2018, the Company changed its presentation currency from United States Dollar (USD) to Euro (EUR). The approval from the Registrar of Companies was obtained to that effect.

The Company is a Protected Cell Company (PCC) organised as a Collective Investment Scheme (CIS) and is categorised as an expert fund pursuant to the Securities Act 2005 and the regulation made hereunder.

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

**2. Adoption of new and revised International Financial Reporting Standards**

**2.1 New and revised standards that are effective for the annual period beginning on 01 January 2020**

In the current year, the following new and revised standards and interpretation issued by IASB became mandatory for the first time for the financial year beginning on 01 January 2020:

**IAS 1/ IAS 8, Definition of Material (Amendments to IAS 1 and IAS 8)**

The International Accounting Standards Board (IASB) has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

**IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform**

The IASB has issued amendments to IFRS 9, IAS 39 and IFRS 7 that provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

**IFRS 3 Definition of a Business (Amendments to IFRS 3)**

The International Accounting Standards Board (Board) has issued narrow-scope amendments to IFRS 3 Business Combinations to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets, effective for accounting periods beginning on or after 01 January 2020.

**Various – Amendments to references to the Conceptual Framework in IFRS Standards**

The International Accounting Standards Board (Board) has revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include increasing the prominence of stewardship in the objective of financial reporting, reinstating prudence as a component of neutrality among others.

Management has assessed the impact of these new and revised standards and interpretation and concluded that they have no major impact on these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Adoption of new and revised International Financial Reporting Standards (Contd)**

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

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published 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 year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below.

**IFRS 17, Insurance Contracts**

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts as of 01 January 2021.

**Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions**

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**Amendments to IAS 1, Presentation of financial statements on classification of liabilities**

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

**Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)**

In September 2016, the IASB published "Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts" (Amendments to IFRS 4). The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4:

(i) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets (the "overlay approach");

(ii) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4 (the "deferral approach").

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

**2. Adoption of new and revised International Financial Reporting Standards (Contd)**

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

**Reference to the Conceptual Framework (Amendments to IFRS 3)**

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. The mandatory implementation required by the standard is for years beginning on or after 1 January 2022. This change in accounting policy will be implemented for the first time for the financial year ending 30 June 2023.

**Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The mandatory implementation required by the standard is for years beginning on or after 1 January 2022. This change in accounting policy will be implemented for the first time for the financial year ending 30 June 2023.

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

The Phase 2 amendments apply only to changes required by the reform to financial instruments and hedging relationships. The amendments address the effects of the reform on a company's financial statements that arise when, for example, an interest rate benchmark used to calculate interest on a financial asset is replaced with an alternative benchmark rate.

In Phase 2 of its project, the Board amended requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 Insurance Contracts and IFRS 16 Leases relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

The Phase 2 amendments provide specific guidance on how to treat financial assets and financial liabilities where the basis for determining the contractual cash flows changes as a result of IBOR reform. This can include cases where the contractual terms are amended, cases where the contractual terms are not amended but for example where the method for calculating the interest rate benchmark is altered, and cases where an existing contractual term is activated such as when a fall-back clause is triggered.

**Annual Improvements to IFRS Standards 2018–2020**

Makes amendments to the following standards:

• IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

• IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

• IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

## 2. Adoption of new and revised International Financial Reporting Standards (Contd)

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

**Annual Improvements to IFRS Standards 2018–2020 (Contd)**

• IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

**Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37**

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The effective date is 01 January 2022.

Management has yet to assess the impact of the above standards, amendments and interpretation on the Company's financial statements.

## 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 Cell becomes a party to the contractual provisions of the financial instrument. Subsequent measurement of financial assets and 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.

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instrument, are classified into the following categories upon initial recognition:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI).

**Classification and subsequent measurement of financial assets**

In the current year, the Cell does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

**3. Summary of accounting policies (Contd)**

**3.2 Financial instruments (Contd)**

**Classification and subsequent measurement of financial assets (Contd)**

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income.

*Financial assets at fair value through profit or loss*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Cell's financial assets at fair value through profit or loss consist of investments in options listed on trading platform and in the Company's other Cell namely, Warwyck Phoenix Global Invest Fund 2 which is listed on the Stock Exchange of Mauritius (SEM). Additionally, the Cell has investments in unquoted stocks in EEPLE SAS (Aka Melty) and in another cell namely, Warwyck ITS Fund.

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents fall into this category of financial instruments.

**Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. For the Cell, there is no instruments applicable within the scope of the new requirements.

Recognition of credit losses is no longer dependent on the Cell's first identifying a credit loss event. Instead the Cell considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

**3. Summary of accounting policies (Contd)**

**3.2 Financial instruments (Contd)**

**Impairment of financial assets Contd)**

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

**Classification and subsequent measurement of financial liabilities**

The Cell's financial liabilities comprise of derivative financial instruments, borrowings, payables and accruals.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Cell designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of comprehensive income depends on the nature of the hedge relationship.

The Cell has not designated the derivative contracts as a hedging instrument.

**3. Summary of accounting policies (Contd)**

**3.2 Financial instruments (Contd)**

**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 Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and bank overdrafts. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown separately within current liabilities under the heading of "Borrowings" in the statement of financial position.

**3.4 Equity and reserves**

Participating shares may be redeemable upon satisfying certain conditions imposed by the Company and are hence classified as equity. Moreover, the participating shares meet the definition of a puttable instrument in accordance with IAS 32, Financial Instruments: Presentation and have met the conditions to achieve the equity classification.

Accumulated losses include all the current year and prior years' results.

**3.5 Revenue recognition**

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Other income is recognised when the right to receive payment is established.

Net gain on investments relates to realised and unrealised gain on various investment made.

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

**3. Summary of accounting policies (Contd)**

**3.6 Expense recognition**

All expenses are accounted for on the accrual basis in the statement of comprehensive income.

Net loss on investments relates to realised and unrealised loss on various investment made.

**3.7 Income tax**

Tax expense recognised in the statement of comprehensive income 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 obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, 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 year.

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 year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

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 Cell'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 Cell 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.

**3.8 Foreign currency translation**

**Functional and presentation currency**

The financial statements are presented in currency EURO ("EUR"), which is also the functional currency of the Cell.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

**3. Summary of accounting policies (Contd)**

**3.8 Foreign currency translation (Contd)**

**Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency of the Cell, 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.

**3.9 Impairment of assets**

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

**3.11 Provisions**

Provisions are recognised when the Cell 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 to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at reporting date are reviewed in detail and provision is made where necessary.

**3.12 Related party**

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.

**3.13 Comparatives**

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

**3.14 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 Cell that has the most significant effect on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

**3. Summary of accounting policies (Contd)**

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

*Determination of functional currency*

The determination of the functional currency of the Cell 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 Cell is the EUR.

*Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Cell's future taxable income against which the deferred tax assets can be utilised.

*Allocation of expenses*

The directors determine the revenues and expenses directly attributable to each cell. For those revenues and expenses that cannot be directly allocated to their specific cell, the classification between the cells involve significant judgement.

*Going concern*

The World Health Organisation ("WHO") declared the new coronavirus ("COVID-19") outbreak to be a pandemic on 11 March 2020. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. The directors acknowledge the current outbreak of COVID-19 and its adverse impact on industries and markets. The directors have assessed that COVID-19 had no significant impact on the business operations and results for the year ended 31 December 2020. However, the long term impact of COVID-19 on the Company's operations is still unclear and the directors are monitoring the situation closely and have adopted various measures to mitigate the risk involved such as business continuity planning so that it does not affect the going concern of the Company.

**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.

*Fair value measurement*

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets as described in Note 8 to these financial statements. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

## 4. Financial instrument risk

### Risk management objectives and policies

The Cell is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Cell's financial assets and liabilities by category are summarised below.

### Financial assets and financial liabilities

| | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | Total | FVTPL | Amortised cost | Total |
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Financial assets | | | | | | |
| Non-current | | | | | | |
| Financial assets at fair value | | | | | | |
| through profit or loss | 9,226,422 | - | 9,226,422 | 48,149,803 | - | 48,149,803 |
| Current | | | | | | |
| Cash and cash equivalents | - | 1,621,112 | 1,621,112 | - | 15,125,641 | 15,125,641 |
| Total financial assets | 9,226,422 | 1,621,112 | 10,847,534 | 48,149,803 | 15,125,641 | 63,275,444 |

| | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| | FVTPL | Amortised cost | Total | FVTPL | Amortised cost | Total |
| | EUR | EUR | EUR | EUR | EUR | EUR |
| Financial liabilities | | | | | | |
| Non-current | | | | | | |
| Derivative financial instruments | - | - | - | 607,272 | - | 607,272 |
| Current | | | | | | |
| Borrowings | - | - | - | - | 3,302,547 | 3,302,547 |
| Payables and accruals | - | 155,744 | 155,744 | - | 568,065 | 568,065 |
| Total financial liabilities | - | 155,744 | 155,744 | 607,272 | 3,870,612 | 4,477,884 |

The main types of risks are market risk, credit risk, liquidity risk and concentration risk.

The Cell's risk management is coordinated by management in close cooperation with the Board of Directors and focuses on securing the Cell's short to medium-term cash flows by minimising the exposure to financial markets.

The Cell is engaged in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Cell is exposed are described below.

## 4.1 Market risks analysis

The Cell is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

***Foreign currency sensitivity***

The Cell is exposed to foreign exchange risk arising from its currency exposures, primarily with respect to the United States Dollar (USD), the Canadian Dollar (CAD) and the New Zealand Dollar (NZD). Consequently, the Cell is exposed to the risks that the exchange rate of the EURO (EUR) relative to the USD, the CAD and the NZD may change in a manner which has a material effect on the reported values of the Cell's assets and liabilities which are in these currencies. The Cell does not use any financial instruments to hedge its foreign exchange risk.

The Cell manages its foreign currency exposures by forecasting its need for foreign currencies and also entered into derivative options to mitigate foreign currency risk exposure.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 4. Financial instrument risk (Contd)

**Risk management objectives and policies (Contd)**

### 4.1 Market risks analysis (Contd)

***Foreign currency sensitivity (Contd)***

Foreign currencies denominated financial assets and liabilities which expose the Cell to currency risks are disclosed below.

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Financial assets | | |
| EUR | 10,672,816 | 62,546,252 |
| USD | 174,718 | 507,951 |
| NZD | - | 221,241 |
| Total | 10,847,534 | 63,275,444 |

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Financial liabilities | | |
| EUR | 155,744 | 565,820 |
| USD | - | 2,310,364 |
| CAD | - | 1,601,693 |
| MXN | - | 7 |
| Total | 155,744 | 4,477,884 |

The table below illustrates the sensitivity of (loss)/profit and equity in regards to the Cell's financial instruments and the USD/EUR, NZD/EUR and CAD/EUR exchange rates "all other things being equal".

It assumes the following percentage changes in the exchange rates:

| | 2020<br>% change | 2019<br>% change |
|---|---|---|
| USD | 9.10% | 2.20% |
| CAD | - | 6.80% |
| NZD | - | 2.40% |

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 Cell's foreign currency financial instruments held at each reporting date.

If the EUR had strengthened against the stated currencies by the above percentages, then this would have had the following impact:

| | Loss and equity | |
|---|---|---|
| | 2020<br>EUR | 2019<br>EUR |
| USD | (15,899) | (39,653) |
| CAD | - | (108,915) |
| NZD | - | 5,310 |
| Total | (15,899) | (143,258) |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2019

**4. Financial instrument risk (Contd)**

**Risk management objectives and policies (Contd)**

**4.1 Market risks analysis (Contd)**

If the EUR had weakened against the stated currencies by the above percentages, then this would have had the following impact:

| | Profit and equity | |
|---|---|---|
| | 2020 | 2019 |
| | EUR | EUR |
| USD | 15,899 | 39,653 |
| CAD | - | 108,915 |
| NZD | - | (5,310) |
| Total | 15,899 | 143,258 |

Exposures to foreign exchange rates vary during the year depending upon the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Cell's exposure to currency risk.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is limited to its bank overdraft and the interest thereon is based on market rates. The company did not have any interest-bearing financial instrument for the year.

***Price risk sensitivity***

The Company's securities are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of its investment portfolio.

An estimate of the effect on the increase or decrease in total equity for the year due to a reasonably possible change in equity indices, with all other variables held constant is indicated below. S&P 500 Index has been used as benchmark to determine the change in rates over the years. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices would have resulted in an equivalent, but opposite, impact.

If rate had been 7% (31%) higher/lower, the effect on (loss)/profit would have been EUR 645,850 (2019: EUR 14,905,771) lower/higher.

The risk is managed by maintaining an appropriate investment mix in the portfolio of investment.

***Concentration risk***

The Cell has invested in unquoted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Cell to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However, the directors consider the investments to be a strategic one and the concentration risk is manageable.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

**4. Financial instrument risk (Contd)**

**Risk management objectives and policies (Contd)**

**4.2 Credit risk analysis**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Cell. The Cell has policies in place to deal with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Cell has no history of default clients. The Cell continuously monitors defaults of customers and incorporates this information into its credit risk controls. The Cell's policy is to deal only with creditworthy counterparties.

The Cell's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Non-current | | |
| Financial assets at fair value through profit or loss | 9,226,422 | 48,149,803 |
| Current | | |
| Cash and cash equivalents | 1,621,112 | 15,125,641 |
| Total | 10,847,534 | 63,275,444 |

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

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high credit-ratings assigned by international credit-rating agencies.

The extent of the Cell's exposure to credit risk in respect of the financial assets at fair values through profit and loss approximates the carrying amount as at the reporting date.

**4.3 Liquidity risk analysis**

Liquidity risk is the risk that the Cell will not be able to meet its financial obligations as they fall due. The Cell'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 Cell's reputation.

Ultimate responsibility for liquidity risk management rests with the holding company which also monitors the Company's short, medium and long-term funding and liquidity management requirements.

The Cell's financial liabilities have contractual maturities within one year which are summarised below:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Borrowings | - | 3,302,547 |
| Payables and accruals | 155,744 | 568,065 |
| Total | 155,744 | 3,870,612 |

The Cell's financial liabilities have contractual maturities more than one year which are summarised below:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Derivative financial instruments | - | 607,272 |

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. Capital management policies and procedures

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

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

The Cell monitors capital on the basis of the gearing ratio.

The gearing ratio of the Cell is as follows:

| | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Debts (i) | - | 3,302,547 |
| Cash and cash equivalents | (1,621,112) | (15,125,641) |
| Net debt | - | - |
| Equity | 10,695,276 | 58,828,027 |
| Total capital | 10,695,276 | 58,828,027 |
| Net debt to total capital | - | - |

(i) Debt is defined as bank overdrafts as detailed in Note 12.

(ii) Equity relates to both capital and reserves.

### 6. Fair value measurement

### 6.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2020:

| Level 1 | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Financial assets | | |
| Financial asset at fair value though profit or loss | 3,413,191 | 35,932,856 |
| Financial liabilities | | |
| Derivative financial instruments | - | (607,272) |

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

## 6. Fair value measurement (Contd)

### 6.1 Fair value measurement of financial instruments (Contd)

| Level 3 | 2020<br>EUR | 2019<br>EUR |
|---|---|---|
| Financial assets | | |
| Financial asset at fair value though profit or loss | 5,813,231 | 12,216,947 |
| Net fair value | 9,226,422 | 47,542,531 |

There were no transfers between the Levels during the year.

**Measurement of fair value of financial instruments**

The method used for the purpose of measuring fair value are detailed below:

*Listed stocks and options (Level 1)*

The listed investments are denominated in different currencies and are publicly traded on platforms. Fair values have been determined by reference to their respective quoted closing prices/dirty prices prevailing on the trading platforms at 31 December 2020.

The fair value of the investment in Warwyck Phoenix Global Invest Fund 2 has been determined by reference to the quoted bid price at the reporting date.

*Unquoted investment (Level 3)*

The Cell has invested in an unquoted company, namely, EEPLE SAS (AKA Melty). The investment has been fair valued using the share price at 31 December 2020.

The Cell has also invested in the Company's other cell namely, Warwyck ITS. These investments has been fair valued using it's net asset value.

No reconciliation of the carrying amounts of financial instrument within Level 3 has been shown since it is impracticable due to the volume of transactions during the year.

### 6.2 Fair value measurement of financial instruments not carried at fair value

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

### 6.3 Fair value measurement of non-financial assets and non-financial liabilities

The Cell's non-financial assets consist of prepayments and intangible assets and non-financial liabilities consist of current tax liability.

For both non-financial assets and non-financial liabilities, the 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

## 7. Taxation

### 7.1 Income tax

The Cell, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Cell has received its Category 1 Global Business Licence ("GBL1") on or before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 1st July 2021, the Company's GBL1 licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all of its foreign sourced income. The Company's GBL1 licence will convert to a GBL licence on 1st July 2021 and will operate under the new tax regime. Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

The Cell has received a tax certificate from the Mauritian tax authorities that it is a tax resident of the Republic of Mauritius, and such certification is renewed on an annual basis subject to satisfying certain conditions.

The Cell is subject to the Advance Payment Scheme (APS) under Section 50B and 50C of the Mauritian Income Tax Act 1995 whereby it is required to submit an APS statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

At 31 December 2020, the Cell has an income tax liability of EUR 3,271 (2019: EUR 307).

### (i) Statement of comprehensive income

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Income tax expense | 3,271 | 307 |

Tax expense relates to tax withheld on dividend received which has been expensed during the year.

### (ii) Statement of financial position

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Current tax liability (Note (iii)) | - | 307 |

### (iii) Income tax reconciliation

A numerical reconciliation between (loss)/profit before tax and the actual income tax charge is shown below:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| (Loss)/profit before tax | (10,746,481) | 1,446,697 |
| Tax at 15% | (1,611,972) | 217,005 |
| Disallowed expenses | 1,566,457 | 41,224 |
| Exempt income | - | (84,318) |
| Tax withheld | 3,271 | - |
| Tax credit (80%) | 45,515 | (173,604) |
| Tax expense | 3,271 | 307 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 7. Taxation

### 7.2 Deferred taxation

The Cell has not recognised any deferred tax asset since there are no temporary differences or tax losses carried forward.

### 8. Financial assets at fair value through profit or loss

**Quoted and at fair value:**

| Level 1 | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Stocks | 3,413,191 | 35,932,856 |

The Cell's quoted investments are measured at fair value based on the quoted prices/dirty prices prevailing on trading platforms at the reporting date. The fair value of the investment in Warwyck Phoenix Global Invest Fund 2 has been determined by reference to the quoted bid price at the reporting date.

**Unquoted and at fair value:**

| Level 3 | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Stocks | 5,746,561 | 12,216,947 |
| EEPLE | 66,670 | - |

The Cell's investment in unquoted stocks include investment in Warwyck ITS Fund and EEPLE SAS (Aka Melty).

| Total | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Financial assets at fair value through profit or loss | 9,226,422 | 48,149,803 |

### 9. Derivative financial instruments

The Cell had the following derivative financial instruments at 31 December:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Non-current liabilities | | |
| Contract option | - | 607,272 |

An option contract is a contract that allows the holder to buy or sell an underlying security at a given price, known as the strike price. The two most common types of options contracts are put and call options, which give the holder-buyer the right to sell or buy respectively the underlying at the strike if the price of the underlying crosses the strike. The Cell did not have any derivatives as at 31 December 2020.

### 10. Cash and cash equivalents

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Cash at bank: | | |
| EUR | 1,446,394 | 14,904,400 |
| USD | 174,718 | - |
| NZD | - | 221,241 |
| Total | 1,621,112 | 15,125,641 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

## 11. Participating shares

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| At 31 December | 15,204,488 | 61,528,086 |

The table below analyses the movement of the participating shares for the year:

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| At 01 January | 61,528,086 | 45,150,386 |
| Issue of shares | - | 31,751,861 |
| Redemption of shares | (46,323,598) | (15,374,161) |
| At 31 December | 15,204,488 | 61,528,086 |

The participating shares meet the definition of a puttable instrument and the directors have assessed the rights and obligations attached to the participating shares and that these participating shares should be accounted as equity instead of financial liability, in accordance with IAS 32, Financial Instruments: Presentation. As approved in the Constitution of the Company, the main rights attached to the participating shares are as follows:

- Holders of participating shares shall be entitled to receive notice of and attend meetings of shareholders of the Cell, but this right shall not confer on such shareholder the right to vote at any meeting of the shareholders other than class meetings and except that the vote of the shareholders holding participating shares representing seventy five percent of such participating shares voting as a class shall be required to effect any amendment which materially and adversely affects the rights, preference or privileges of the shareholders holding Participating Shares.
- Participating shares may carry dividend rights.
- Participating shares shall be redeemable in accordance with Article 17 of the Constitution.
- Participating shares shall be transferred subject to the provision of Article 22 of the Constitution
- In liquidation, dissolution or winding up of the Company, shareholders holding participating shares shall be entitled to repayment in accordance with Article 37 of the Constitution.

The Company shall not redeem participating shares of a particular Cell unless immediately after the redemption:

(i) The Company and the Cell are able to pay its debts as they become due in the normal course of business;

(ii) The value of the Company's and the Cell's assets is greater that the value of their respective liabilities including contingent liabilities; and

(iii) The valuation of assets and the estimate of liabilities of both the Company and the Cell are reasonable, having regard to the most recent financial statements, and such other facts as are known and circumstances as prevail at the time of redemption.

## 12. Borrowings

| | 2020 | 2019 |
|---|---|---|
| | EUR | EUR |
| Bank overdrafts | - | 3,302,547 |

The bank overdrafts were pledged against the Cells' accounts held with the banks and carry interests at the market prevailing rates.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 13. Payables and accruals

| | 2020 EUR | 2019 EUR |
|---|---|---|
| Due to related party (Note (i)) | 34,650 | 120,092 |
| Accruals | 121,094 | 447,973 |
| Total | 155,744 | 568,065 |

(i) The amount due to the related party is unsecured, interest free and repayable on demand.

(ii) The carrying amounts of payables and accruals is a reasonable approximation of their fair values.

### 14. Net Assets Value per share

| | 2020 EUR | 2019 EUR |
|---|---|---|
| Net asset value | 10,695,276 | 58,828,027 |
| Number of participating shares | 17,962 | 75,198 |
| Net asset value per share | 595 | 782 |

### 15. Earnings per share

The earnings and number of shares in issue used in the calculation of loss per share as follows:

| | 2020 EUR | 2019 EUR |
|---|---|---|
| (Loss)/profit for the year attributable to equity holder | (10,749,752) | 1,446,390 |
| Number of shares in issue | 17,962 | 75,198 |
| Earnings per share | (598) | 19 |

Note that EPS has been calculated using the number of shares at year end. No weighted average EPS has been calculated since it is impractical due to the high volume of transaction for issue and redemption of the participating shares that took place during the year.

### 16. Expenses

Management fees and investment advisory fees are paid by the Cell to the Company and the investment advisor respectively based on a percentage of the asset under management.

An amount of EUR 263,773 was charged for management fees (2019: EUR 475,001) and EUR 183,304 for investment advisory fees (2019: EUR 396,291) during the year under review.

Performance fees are paid by the Cell to the Company based on a percentage by which the Net Asset Value per share is greater than the Rolling Target (as defined in their respective agreements). No such fees was paid in 2020 as the performance of the fund was negative during the year.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 17. Related party transactions

During the year ended 31 December 2020, the Company had transactions with the following related party. Details of the nature, volume of transactions and the balances with the entity are as follows:

| Nature of relationship | Nature of transactions | Volume of transactions EUR | Credit balances at 31 December 2020 EUR | Credit balances at 31 December 2019 EUR |
|---|---|---|---|---|
| Related company | Expenses paid | 187,221 | 34,650 | 120,092 |

The terms and conditions of the balances are stated in Note 13 to these financial statements.

The transactions are carried out at arm's length.

### 18. Contingent liabilities

The Cell has no litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Cell's financial position or results as at 31 December 2020.

### 19. Events after the reporting date

Subsequent to the reporting date, the following event took place:

Since the Covid-19 pandemic is still impacting on the economies around the world, Mauritius began its second nationwide lockdown on 10 March 2021 for a period of two weeks. The Cell remains fully operational with minimal disruption. The Board of Directors acknowledges the uncertainty resulting from the outbreak of this virus.

### 20. Holding Company

The directors regard Warwyck Investment Holdings Ltd, a company incorporated in Republic of Mauritius, as the holding company.