



WARWYCK

PHOENIX SECURITIES LTD

ANNUAL
REPORT
2020

Warwyck Phoenix Securities Ltd

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Warwyck Phoenix Securities Ltd

Corporate data

		Date appointed
Directors	: Desai Rahul Girish Hasan Miyan Roomiza Muniah Vashish	27 November 2017 11 September 2019 08 November 2019
Registered office	: Warwyck House Nalletamby Road Phoenix 73538 Republic of Mauritius	
Administrator and Secretary	: Anex Management Services Ltd 8 th Floor, Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
Auditors	: Grant Thornton 9 th Floor, Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
Bankers	: Warwyck Private Bank Ltd Warwyck House Nalletamby Road Phoenix 73538 Republic of Mauritius	
	Saxo Bank A/S Philip Heymans Allé 15 DK 2900 Hellerup Denmark	
	BCP Bank (Mauritius) Ltd Level 9, Maeva Tower Corner Bank Street & Silicon Avenue Ebene 72201 Republic of Mauritius	

Warwyck Phoenix Securities Ltd

Annual report

The directors are pleased to present their report, together with the audited financial statements of Warwyck Phoenix Securities Ltd, the “Company”, for the year ended 31 December 2020.

Incorporation

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

Principal activity

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

Results and dividends

The results for the year are shown on page 23.

No dividend was declared and paid during the year under review (2019: USD 350,000).

Directors

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

Directors’ responsibilities in respect of the financial statements

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

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

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

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

Warwyck Phoenix Securities Ltd

Annual report (Contd)

Contracts of significance

There were no contract of significance to which the Company 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 Company has adequate resources to continue operations for the foreseeable future and consider that the going concern basis in preparing the financial statements be adopted.

Donations

No donation was made by the Company.

Directors' remuneration

The directors' remuneration is detailed in the Corporate Governance Report.

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)	19,500	19,000
Fees for non-audit services*	4,600	4,600

**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 the Company.*

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020

General Information

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

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

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

Principle 1: Governance Structure

The Company which is Category 1 Global Business Licence is not defined as a public interest entity in line with section 2 of the Financial Reporting Act.

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.

The Company has an updated Board Charter which defines the roles and responsibilities of the Chairperson, executive directors as well as the Company Secretary. The Board Charter is available on the Company’s website or can be provided upon written request to the Company Secretary.

The position statement for each senior governance position and the statement of accountabilities are described in the Board Charter of the Company. The organisational chart is included within the annual report which is published on the website. The Constitution of the Company does not have any clauses deemed material enough for specific disclosure on the website.

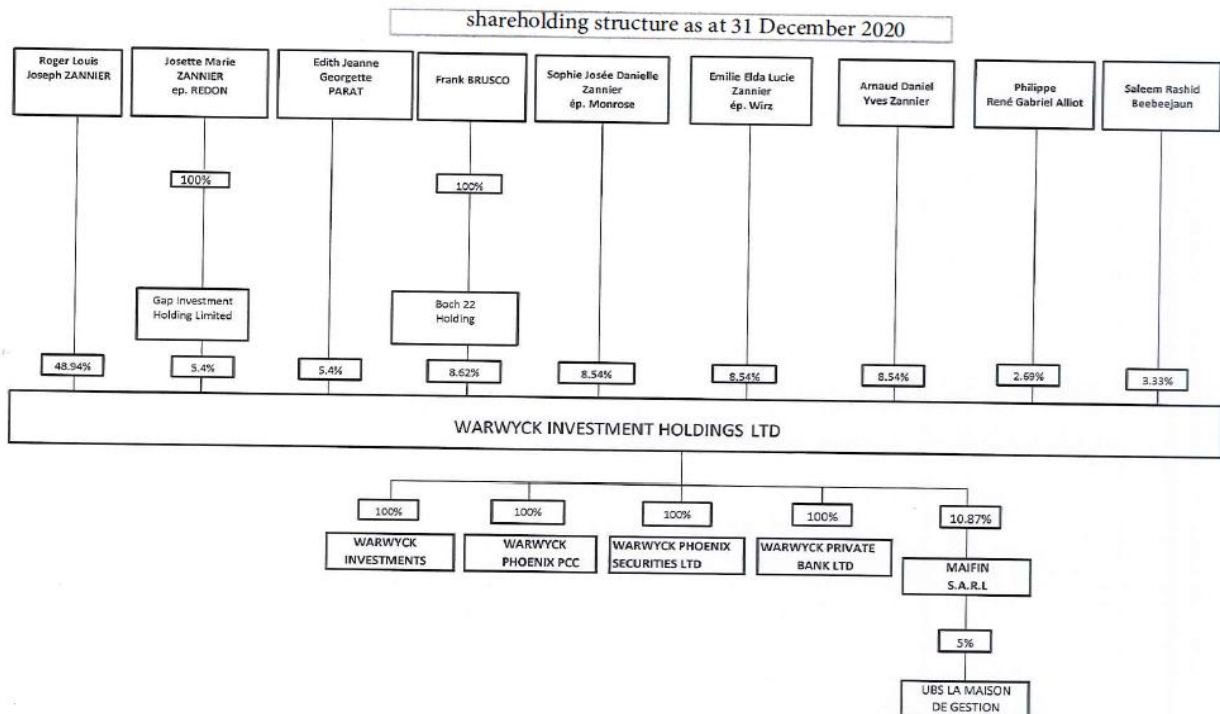
Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

Principle 1: Governance Structure (Contd)

1.1 Company structure and shareholding

The organisation structure is illustrated in the below diagram:



Shareholding:

At 31 December 2020, the stated capital of the Company stood at USD 34,000, represented by 34,000 ordinary shares with par value USD 1.

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

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 current Directors have the range of skills, expertise and experience to carry out their duties effectively. The Board is composed of 3 directors coming from different sectors. Every director has drawn from his professional background and expertise in positively contributing to the Board's activities.

All Directors are ordinarily resident in Mauritius and the Board considers that its size and composition is reasonably sufficient to meet the requirements of the business of the Company.

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

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

The following directors held office during the year under review:

- Mr Rahul Girish Desai (appointed on 27 November 2017)
- Ms Roomiza Hasan Miyan (appointed on 11 September 2019)
- Mr Vashish Muniah (appointed on 08 November 2019)

2.2 Board Composition

2.2.1 Chairperson

The members of the Board appointed Ms. Roomiza Hasan Miyan as Chairperson on 10 October 2019. 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. Rahul Girish Desai as Chief Executive Officer ("CEO") of the Company. In his capacity as CEO, Mr. Desai 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 executive director, namely Mr. Vashish Muniah, who is also involved in managing the daily affairs of the Company.

2.2.3 Non-executive Directors

Due to the size of the Company, the Company has not appointed additional non-executive Directors.

2.2.4 Independent Directors

Ms. Roomiza Hasan Miyan, appointed as Independent Director, has at all times exercised independence of character and judgement in assuming her role as independent director. Due to the size of the Company, there is only one independent director.

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

- has not been employed by the Company for the last three years;
- has 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;
- has not received additional remuneration from the organization apart from director's fee (as described hereunder)
- is not nominated directors representing a substantial shareholder;
- does not have any close family ties with any of the organisation's advisors, directors or senior employees; and
- has not served on the Board for more than nine continuous years from the date of their first election

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

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

2.2.5 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 Rahul Girish Desai	None	Not applicable
Mr Vashish Muniah	None	Not applicable
Ms Roomiza Hasan	Accuance Ltd	Director
Miyan	MSIM Limited	Director

2.2.6 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.

The Company Secretary further assists the Chairman, 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

The Board members are from both genders in compliance with the requirements of the Code.

2.3 Board meetings

Board meetings are held at least twice yearly and at any additional times as the Company requires. Decisions taken between meetings are confirmed 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 other supporting documents are circularized 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 reviews important accounting issues;
- to review the Company’s performance;
- to ensure compliance of the Company with the legislations;
- to take note of changes in the legislations which may affect the Company;
- to approve management accounts; and
- to discuss any other business.

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

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

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

During the year under review, the Board has met twice. 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 during the year ended 31 December 2020:

Directors	Attendance at Board
Rahul Girish Desai (appointed on 27 November 2017)	2/2
Roomiza Hasan Miyan (appointed on 11 September 2019)	2/2
Vashish Muniah (appointed on 08 November 2019)	2/2

2.4 Board Committees

Due to the size of the Company, all decisions are taken at the level of the Board.

Principle 3: Director appointment procedures

3.1 Directors' appointment and procedures

According to clause 15 of the Company's Constitution, the Directors shall be appointed by Ordinary resolution. 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 Companies Act 2001.

The re-election of directors is subject to continued satisfactory performance of the directors.

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

Rahul Girish Desai - Age 31

Director - Executive

Date of appointment: 27 November 2017

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

Directorship in other listed companies: none

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

Principle 3: Director appointment procedures (Contd)

Ms Roomiza Hasan Miyan - Age 40

Director – Non Executive

Date of appointment: 11 September 2019

Ms Roomiza Hasan Miyan joined as board member of Warwyck Phoenix Securities Ltd in September 2019. Ms. Hasan Miyan gathered several years of experience as an Officer in different companies and has a strong exposure to the global business sector. Ms Roomiza Hasan Miyan holds Bachelor of Laws LLB Hons and is partly qualified for the Chartered Secretaries Qualifying Scheme of the Institute of Chartered Secretaries and Administrators (ICSA).

Directorship in other listed companies: none

Mr Vashish Muniah - Age 28

Director – Executive

Date of appointment: 08 November 2019

Mr Vashish Muniah joined Warwyck Phoenix Securities Ltd in February 2019 as a Trader and was subsequently appointed as Director of the Company. Mr Muniah has a broad experience in the trading of securities gathered during his employment in the banking and investment sector. Mr Muniah holds a Bachelor of Science, Actuarial Studies and is a Chartered Financial Analyst (CFA).

Directorship in other listed companies: none

3.3 Board orientation and induction

An induction program is organized 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. The Company's relevant governing documents are provided to them.

3.4 Professional development

As part of the Board's commitment to continue improvement, an ongoing professional development and training programme is in place for directors. The Company ensures that the necessary resources for developing and updating its directors' knowledge and capabilities are provided as and when required. The Board has reviewed the professional development and ongoing education of directors.

3.5 Succession planning

The Board of Directors believes that suitable plans are in place for the orderly succession of appointments to the board and to senior management positions in order to maintain an appropriate balance of knowledge, skills and experience within the organization and on the Board.

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

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

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.

All directors are subject to the disclosure and formality requirements of the Companies Act 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.

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.

4.2 Code of ethics

In accordance with the requirements of 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.

4.2.1 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 a matter for the Board as a whole. Independent professional advice is available to directors in appropriate circumstances, at the Company's expense.

The Board members of the Company ensure 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. .

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

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

4.2.2 Related Party transactions

The related party transactions have been set out in Note 19 of these financial statements.

4.2.3 Board evaluation

No evaluation of the Board has been done for the year under review and same will be considered in the next financial year.

4.2.4 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, namely information governance system. The Board has adopted the Information Security Policy of WPBL which includes the provision of Information technology and Information Security services. 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 governance framework of the Company is regularly assessed by the Board.

4.2.5 Statement of Remuneration Policy

Setting a Statement of Remuneration Policy is to attract, retain and motivate the right level high calibre personnel and reward in alignment with their individual as well as joint contribution towards the achievement of the Company’s objective and performance, whilst taking into consideration the current market conditions and the Company’s financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board

The remunerations and benefits paid to the Directors for the year ended 31 December 2020 amounted to USD 72,118

The Board of directors has resolved not to disclose the detailed remuneration paid to Directors on an individual basis due to the commercial sensitivity of the information.

The Board has reviewed the adequacy of directors’ and senior executives’ remuneration and 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.

Non-executive remuneration

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

The non-executive directors have not received remuneration in the form of share options or bonuses associated with the performance of the organisation.

Executive remuneration

Directors who are in full time employment with the Company are entitled to a fixed salary as per their contract of employment. They do not receive any additional remuneration for attending the 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, assessing and assuring the quality of the risk management process remains with the Board. 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.

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

Principle 5: Risk Governance and Internal Control (Contd)

The Company has entered into a Service Level Agreement with Warwyck Private Bank Ltd for various services, including general internal audit. As part of internal control system, the Company has a procedures Manual in place for implementing, maintaining and monitoring the internal controls.

The areas, systems and processes covered by the internal audit through a service level agreement which also include non-financial matters are listed on the internal audit plan which is approved by the Board. 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 reports of internal auditor and external auditors are, thereafter, tabled directly to the Board.

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 whilst also overseeing the effectiveness of the Company's internal control systems. Management acknowledges there maybe risks or deficiencies but work with Internal Auditor and external auditors to identify same. The Board has received assurance that internal controls are adequate and effective

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

5.2 Whistle blowing policy

The Company has adopted the whistle blowing policy of Warwyck Private Bank Ltd

Principle 6: Reporting with integrity

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's 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 then 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") and the Mauritius Companies Act 2001.

The directors' responsibility includes designing, implementing and maintaining internal control 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.

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;
- not made any donations during the current or in previous year.

The Statement of Directors Responsibilities is found on Page 3 of the Annual Report.

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

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

Principle 7: Audit

7.1 Internal Audit

The internal audit function of the Company is carried by the internal audit team by virtue of a Service Level Agreement with the bank. It regularly reports to the Board.

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

7.2 External Audit

Grant Thornton was re-appointed as External Auditors of the Company through written resolution in lieu of annual meeting on 30 June 2020 for the ensuing year.

Since there is no Audit & Risk Committee, the board 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.

Since there is no Audit & Risk Committee, the board meets with the External Auditors and during the meetings, the financial statements of the Company and the accounting principles adopted are discussed and no significant issues were identified.

Audit fees payable to Grant Thornton for the year under review amounted to USD 19,500 (31 December 2019: USD 19,000).

The Company has appointed Grant Thornton (Advisory Services) Ltd for tax compliance and other services. Non-audit fees for tax services for the year under review amounted to USD 4,600 (31 December 2019: USD 4,600).

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.

Principle 8: Relations with Shareholders and other key stakeholders

8.1 Shareholders' Agreement

The Board has no knowledge of any Shareholders' Agreement entered by Shareholders.

8.2 Employee Share Option Plan

The Company has no Employee Share Option Plan.

8.3 Third Party Management Agreement

Save and except for the Service Level Agreement with Warwyck Private Bank Ltd, no agreement relating to management services between third parties and the Company was entered during the year under review.

Warwyck Phoenix Securities Ltd

Corporate Governance Report for the year ended 31 December 2020 (Contd)

Principle 8: Relations with Shareholders and other key stakeholders (Contd)

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 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 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 14 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.

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.

8.5 Appreciation

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

Statement of Compliance

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

Name of Company: Warwyck Phoenix Securities Ltd

Reporting Period: Financial year ended 31 December 2020

We, the directors of Warwyck Phoenix Securities Ltd, (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’) except for the following sections:

Principle 1 and 6: Governance Structure and Reporting with Integrity

- Disclosure on website – Constitution of the Company and Code of ethics


Principle 2: The Structure of the Board and its Committees

- No committees in place

Principle 4: Director Duties, Remuneration and Performance

- Board evaluation
- No disclosure of remuneration paid to individual director..

The reasons of non-compliance with the above principles of the Code are provided in the Corporate Governance Report.


.....
Director


.....
Director

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Warwyck Phoenix Securities Ltd**, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 31 December 2020.



for Anex Management Services Ltd
Company Secretary

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

Date: 30 March 2021

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Warwyck Phoenix Securities Ltd**, the “Company”, which comprise the statement of financial position as at 31 December 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 22 to 42 give a true and fair view of the financial position of the Company 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.

Basis for Opinion

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

Information Other than the Financial Statements and Auditors’ Report Thereon (“Other Information”)

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

Our opinion on the financial statements does not cover the Other Information and, except to the extent otherwise explicitly stated in our report, 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.

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

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 Company has 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 for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Report on the Audit of the Financial Statements (Contd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

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

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

Report on Other Legal and Regulatory Requirements

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

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



Grant Thornton
Chartered Accountants



JUNAID HAJEE ABDOULA, FCCA
Licensed by FRC

Date: 30.03.2021

Ebene 72201, Republic of Mauritius

Warwyck Phoenix Securities Ltd

Statement of financial position as at 31 December

	Notes	2020 USD	2019 USD
Assets			
Current			
Other receivables	7	63,230	47,367
Current tax assets	18	10,283	4,673
Cash and cash equivalents	8	171,057	418,635
Current assets		244,570	470,675
Total assets		244,570	470,675
Equity and liabilities			
Equity			
Stated capital	9	34,000	34,000
Retained earnings		182,517	242,587
Total equity		216,517	276,587
Liabilities			
Current			
Payables and accruals	10	28,053	194,088
Current liabilities		28,053	194,088
Total equity and liabilities		244,570	470,675

Approved by the Board of Directors on 30 March 2021 and signed on its behalf by:



Director



Director

The notes on pages 26 to 42 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of comprehensive income for the year ended 31 December

	Notes	2020 USD	2019 USD
Revenue			
Commission income	11	314,125	711,098
Expenditure			
Salaries and related costs	12	78,701	88,827
Other expenses	17	10,485	51,930
Insurances		3,313	13,717
Licences and permits		8,021	7,647
Professional fees		45,558	46,275
Motor vehicle running expenses		-	702
Depreciation		-	5,599
Shared expenses	13	198,000	198,000
Rent		63,900	59,400
Exchange fees	14	24,635	29,800
Retrocession	15	18,922	50,356
Loss on disposal on sales of vehicle		-	9,146
Total expenditure		451,535	561,399
Operating (loss)/profit		(137,410)	149,699
Foreign exchange gain/(losses)		22,310	(16,673)
Finance cost		-	(454)
Net finance income	16	55,030	54,830
(Loss)/profit before tax		(60,070)	187,402
Tax expense	18	-	(7,192)
(Loss)/profit for the year		(60,070)	180,210
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		(60,070)	180,210

The notes on pages 26 to 42 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of changes in equity for the year ended 31 December

	Stated capital USD	Retained earnings USD	Total USD
At 01 January 2020	34,000	242,587	276,587
Transactions with the shareholder	-	-	-
Loss for the year	-	(60,070)	(60,070)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(60,070)	(60,070)
At 31 December 2020	34,000	182,517	216,517
At 01 January 2019	34,000	412,377	446,377
Dividend (Note 9.1)	-	(350,000)	(350,000)
Transactions with the shareholder	-	(350,000)	(350,000)
Profit for the year	-	180,210	180,210
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	180,210	180,210
At 31 December 2019	34,000	242,587	276,587

The notes on pages 26 to 42 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Statement of cash flows for the year ended 31 December

	2020	2019
	USD	USD
Operating activities		
(Loss)/before tax	(60,070)	187,402
<i>Adjustments for:</i>		
Depreciation	-	5,599
Loss on disposal	-	9,146
Total adjustments	-	14,745
<i>Net changes in working capital:</i>		
Change in other receivables	(15,863)	63,142
Change in payables and accruals	(166,035)	(289,468)
Total changes in working capital	(181,898)	(226,326)
Tax paid	(5,610)	(26,610)
Net cash flow used in operating activities	(247,578)	(50,789)
Investing activities		
Proceeds from sales of plant and equipment	-	16,643
Net cash flow from investing activities	-	16,643
Financing activities		
Dividends paid	-	(350,000)
Repayment of finance leases	-	(12,211)
Net cash used in financing activities	-	(362,211)
Net change in cash and cash equivalents	(247,578)	(396,357)
Cash and cash equivalents at the beginning of the year	418,635	814,992
Cash and cash equivalents at the end of the year	171,057	418,635
Cash and cash equivalents made up of:		
Cash at bank (Note 8)	171,057	418,635

The notes on pages 26 to 42 form an integral part of these financial statements.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

1. General information and statement of compliance with IFRS

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

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

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

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for the financial year beginning on 01 January 2020

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

Various	Amendments to References to the Conceptual Framework in IFRS Standards
IFRS 3	Definition of a Business (Amendments to IFRS 3)
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 9)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

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

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

At the date of authorisation of these financial statements, certain new standards 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 16	COVID - 19 Related Rent Concessions (Amendment to IFRS 16)
Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contract – Cost of Fulfilling a Contract (Amendments to IAS 37)

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

2. Application of new and revised IFRS (Contd)

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

IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 17	Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management has yet to assess the impact of the above standards and amendments 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 Company 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.

Classification and subsequent measurement of financial assets

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

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

In the current year, the Company does not have any financial assets categorised as FVOCI and FVTPL.

Warwyck Phoenix Securities Ltd

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)

The classification is determined by both:

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

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 other receivables which is presented within other expenses.

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 and other receivables 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'. This replaces IAS 39's 'incurred loss model'. Instrument within the scope of this requirement includes other receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company 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.

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.

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

3. Summary of accounting policies (Contd)

3.2 Financial instruments (Contd)

Impairment of financial assets (Contd)

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised 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 Company's financial liabilities include payables and accruals.

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

Subsequent measurement of financial liabilities

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.

Offsetting financial instruments

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

3.3 Foreign currency

Functional and presentation currency

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

Foreign currency translations and balances

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

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

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

3. Summary of accounting policies (Contd)

3.4 Cash and cash equivalents

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

3.5 Equity, reserves and dividend payments

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

Retained earnings include all the current and prior years' results.

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

3.6 Provisions

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

3.7 Revenue

The Company assesses its revenue arrangements against specific criteria in order to determine it is acting as broker or agent. The Company has concluded that it is acting as a broker in all of its revenue arrangements. Commission income is recognised in accordance with the substance of the relevant agreements in place.

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; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company recognises revenue when it has fulfilled its performance obligations by delivering the contractual services to its customers.

Interest income is reported on an accrual basis using the effective interest method.

3.8 Expense recognition

All expenses are accounted for on the accrual basis.

3.9 Income taxes

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

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

3. Summary of accounting policies (Contd)

3.9 Income taxes (Contd)

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting 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 period 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 Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

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

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

3.10 Related party transactions

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

3.11 Leased assets

For any new contracts entered into on or after 01 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

3. Summary of accounting policies (Contd)

3.11 Leased assets (Contd)

- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets is included within property, plant and equipment and lease liabilities disclosed as a separate line.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. The Company has no lease for the year ended 31 December 2020.

Operating leases

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.12 Impairment of assets

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

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

3. Summary of accounting policies (Contd)

3.13 Post-employment benefits and short-term employee benefits

National pension scheme

Contributions to the National Pension Scheme are expensed to the statement of comprehensive income in the year in which they fall due.

Short-term employee benefits

Short-term employee benefits, including passage benefit, holiday entitlements, sick and local leaves are included in salaries and related costs.

3.14 Comparatives

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

3.15 Significant management judgements in applying accounting policies and estimation uncertainty

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

Significant management judgement

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

Determination of functional currency

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

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.

Recognition of deferred tax assets

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

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

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

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.

Impairment of financial assets

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its other receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

4. Financial instrument risk

Risk management objectives and policies

The Company's activity exposes it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's risk management is carried out under policies approved by the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The Company's financial assets and financial liabilities by category are summarised below.

Financial assets at amortised cost	2020	2019
	USD	USD
Current		
Other receivables*	46,963	29,583
Cash and cash equivalents	171,057	418,635
Total financial assets	218,020	448,218

**Other receivables exclude prepayment and deposit.*

Financial liabilities at amortised cost	2020	2019
	USD	USD
Current		
Payables and accruals	28,053	194,088
Total financial liabilities	28,053	194,088

The most significant financial risks to which the Company is exposed are described below:

Warwyck Phoenix Securities Ltd

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 risk analysis

Foreign currency sensitivity

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

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

	Financial assets 2020 USD	Financial liabilities 2020 USD	Financial assets 2019 USD	Financial liabilities 2019 USD
EUR	156,919	-	308,581	-
USD	43,502	28,053	120,717	194,088
MUR	16,933	-	18,284	-
CHF	666	-	636	-
	218,020	28,053	448,218	194,088

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

It assumes the following percentage changes in the exchange rates for the year ended 31 December 2020:

	2020 % change	2019 % change
USD/EUR	9%	2%
USD/MUR	8%	6%

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

Warwyck Phoenix Securities Ltd

Notes to the financial statements

For the year ended 31 December 2020

4. Financial instrument risk (Contd)

Risk management objectives and policies (Contd)

4.1 Market risk analysis (Contd)

Foreign currency sensitivity (Contd)

If the USD had strengthened against EUR by 9% (2019: 2%) and MUR by 8% (2019: 6%) respectively, then this would have the following impact:

	Loss/Profit and equity	
	2020	2019
	USD	USD
EUR	(14,123)	(6,172)
MUR	(1,355)	(1,097)

If the USD had weakened against the EUR by 9% (2019: 2%) and MUR by 8% (2019: 6%) respectively, then this would have the following impact:

	Loss/Profit and equity	
	2020	2019
	USD	USD
EUR	14,123	6,172
MUR	1,355	1,097

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market rates. At 31 December 2020, the bank balance stood at USD 171,057 (2019: USD 418,635) and no bank interest was earned during the financial year. Interest earned is based on the transaction that the Company enters into on the trading platforms.

4.2 Credit risk analysis

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

	2020	2019
	USD	USD
Current assets		
Other receivables	46,963	29,583
Cash and cash equivalents	171,057	418,635
Total	218,020	448,218

Warwyck Phoenix Securities Ltd

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 (Contd)

The credit risk associated with other receivables is considered low since the Company transacts with a related company with good credit history.

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

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

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

4.3 Liquidity risk analysis

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

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

The following are the contractual maturities of financial liabilities:

31 December 2020	Carrying amount USD	Contractual cash flows USD	Less than one year USD	More than one year USD
Payables and accruals	28,053	28,053	28,053	-

31 December 2019	Carrying amount USD	Contractual cash flows USD	Less than one year USD	More than one year USD
Payables and accruals	194,088	194,088	194,088	-

5. Fair value measurement

5.1. Fair value measurement of financial instruments

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

5.2 Fair value measurement of non-financial instruments

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

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Notes to the financial statements

For the year ended 31 December 2020

6. Capital management policies and procedures

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

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

The Company monitors capital on the basis of the gearing ratio. The Company was not geared for the years 31 December 2019 and 31 December 2020.

7. Other receivables

	2020	2019
	USD	USD
Due from a related party	46,963	29,583
Prepayments	4,258	5,775
Deposit	12,009	12,009
Total	63,230	47,367

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

Management considers the probability of default to be close to zero for the amount due from a related party since the latter has strong capacity to meet its contractual obligations. As a result, no loss allowance has been recognised based on a 12 – months expected credit loss model.

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

8. Cash and cash equivalents

	2020	2019
	USD	USD
Cash at bank:		
USD	27,408	37,506
EUR	45,980	170,095
MUR	16,933	18,284
CHF	645	612
	90,966	226,497
Cash in Saxo Bank:		
USD	16,094	83,211
EUR	63,976	108,903
CHF	21	24
	80,091	192,138
Total	171,057	418,635

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Notes to the financial statements

For the year ended 31 December 2020

9. Stated capital

	2020	2019
	USD	USD
34,000 ordinary shares of USD 1 each	34,000	34,000

9.1 Dividend

	2020	2019
	USD	USD
Dividend paid	-	350,000
Number of shares	-	34,000
Dividend per share	-	10.3

10. Payables and accruals

	2020	2019
	USD	USD
Due to a related party	-	154,630
Accruals	28,053	39,458
Total	28,053	194,088

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

11. Revenue

	2020	2019
	USD	USD
Commission on dealings	226,318	268,906
Commission from a related party	87,807	442,192
Total	314,125	711,098

12. Salaries and related costs

	2020	2019
	USD	USD
Wages and salaries	55,585	65,373
Social security and other related cost	23,116	23,454
Total	78,701	88,827
Number of employees	2	2

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For the year ended 31 December 2020

13. Shared expenses

Shared expenses are fees payable to a related party for accounting, compliance and other services.

14. Exchange fees

The exchange fees relate to fees paid to various global stock exchanges to provide trading access to these stock exchanges.

15. Retrocession

Retrocessions are fees paid to business introducers who bring in clients to the Company.

16. Net finance income

	2020	2019
	USD	USD
Interest income	55,030	54,830

17. Other expenses

Other expenses comprise of miscellaneous expenses such as repairs and maintenance, bank charges, telephone expenses among others incurred during the year. For the year ended 31 December 2019, other expenses also comprised of compensation claim made by a customer to the Company due to unexpected closure of its position on the trading platform where an amount of USD 35,000 was refunded to the latter upon mutual agreement.

18. Taxation

(i) Income tax

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Company 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.

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Notes to the financial statements

For the year ended 31 December 2020

18. Taxation (Contd)

(i) Income tax (Contd)

At 31 December 2020, the Company had an income tax asset of USD 10,283 (2019: USD 4,673).

Statement of comprehensive income

	2020 USD	2019 USD
Income tax on the adjusted profit	-	7,483
Movement in deferred taxation	-	(291)
Tax expense	-	7,192

Statement of financial position

	2020 USD	2019 USD
At 01 January	(4,673)	14,454
Tax during the year	-	(14,454)
Tax liability for the year	-	7,483
Tax paid under APS	(5,610)	(12,156)
At 31 December	(10,283)	(4,673)

(ii) Income tax reconciliation

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

	2020 USD	2019 USD
(Loss)/Profit before tax	(60,070)	187,402
Tax calculated at the rate 15%	(9,011)	28,110
Non-allowable expenses	223	10,060
Exempt income	(3,347)	-
Annual allowances	-	(754)
Movement in deferred taxation	-	(291)
Unutilised tax losses	2,427	-
Deemed tax credit	9,708	(29,933)
Tax expense	-	7,192

(iii) Deferred taxation

Deferred income tax is calculated on all temporary differences under the liability method and on tax losses at the rate of 3%. At 31 December 2020, the Company has not recognised a deferred tax asset of USD 2,427 since it is immaterial to the financial statements.

	2020 USD	2019 USD
At 01 January	-	291
Movement for the year	-	(291)
At 31 December	-	-

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Notes to the financial statements

For the year ended 31 December 2020

19. Related party transactions

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

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit balance at 31 December 2020 USD	Debit/(credit) balance at 31 December 2019 USD
Ultimate shareholders	Commission income	1,862	-	-
Common shareholding (Warwyck Phoenix PCC Ltd)	Commission income	19,821	-	-
Common shareholding (Companies own by ultimate shareholders)	Commission income	8,883	-	-
Related to the ultimate shareholders	Commission income	481	-	-
Common shareholding (Warwyck Private Bank Ltd)	Bank Account	134,180	74,033	208,213
	Shared expenses (Note 10)	154,630	-	(154,630)
Common shareholding (Warwyck Investments)	Commission Income (Note 7)	17,380	46,963	29,583

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

20. Holding company

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

21. Events after the reporting date

Mauritius began its second nationwide lockdown in March 2021 for a period of two weeks. The Board of directors acknowledges the uncertainty resulting from the outbreak of the virus. However, the Board does not foresee any major impact on the Company's operations.

Based on the Board strategies, management is of the view that the financial year 2021 will generally be better than the financial year 2020.