Audited Consolidated Financial Statements

Somers Limited
For the Year Ended September 30, 2022
With Report of Independent Auditor

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Somers Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Somers Limited (the "Company"), which comprise the consolidated statement of financial position as at September 30, 2022, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2022 , and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

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

Key audit matter

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

Valuation of unquoted financial investments

As presented in the Significant Accounting Policies in Note 2, and in Notes 3 and 21 to the consolidated financial statements, the Company holds investments in unquoted securities at September 30, 2022 with an estimated fair value of US$192 million, representing 45% of total assets, where quoted prices do not exist. Such unquoted securities are carried at their estimated fair values based upon management's judgment using the principles of the International Private Equity and Venture Capital Association ("IPEV") valuation guidelines.

The valuation of the unquoted securities held in the Company's investment portfolio is a key driver of its net asset value and total return to shareholders and results for the year. The valuation of these investments is complex and requires the application of judgment by the Investment Manager.

The fair values are based upon the market approach which estimates the enterprise value of each investee using a comparable public company multiple of revenues or earnings before interest, tax, depreciation and amortisation ("EBITDA"), assets under management ("AUM") or using information from recent comparable transactions observable in the marketplace, or the underlying net asset value.

The risk

The significance of the unquoted investments to the Company's consolidated financial statements, combined with the complexity and judgment required in estimating their fair values means this was an area of focus during our audit.

Our response to the risk

We performed the following key audit procedures:

- Obtained the Investment Manager's valuation models for valuing the unquoted equity investments.
- Challenged the Investment Manager on the methodologies followed and key assumptions used in determining the valuations in the context of the IPEV valuation guidelines.
- Using our own valuation specialists, we assessed the methodologies and assumptions used by the Investment Manager.
- Tested the key inputs used in the valuation models by obtaining the underlying financial information, including audited financial statements, management accounts, budgets and forecasts for revenues, EBITDA and AUM, which are often the key inputs used in the valuation models by the Investment Manager and compared this information to that used in the models.
- Independently sourced revenue, AUM and EBITDA multiples for comparable public companies used by the Investment Manager, considered whether those companies are comparable to the investee in each case and compared them to the multiples used in the valuations.
- Where a recent transaction was used, we obtained an understanding of the transaction and whether it was considered an arm's length transaction and was comparable for the purposes of the valuation.
- Performed media searches and other procedures to determine whether there was any contradictory evidence for any of the inputs used.
- Using our own valuation specialists, we assessed the adjustments made to the fair value estimates for control premiums and illiquidity discounts, where applicable.
- Tested the mathematical accuracy of the valuation models.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The Engagement Partner on the audit resulting in this independent auditor's report is Bron Turner.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
December 9, 2022

Somers Limited

Consolidated Statement of Financial Position

September 30, 2022

(Expressed in United States Dollars)

	2022	2021
ASSETS		
Cash and cash equivalents (Note 18)	$ 1,367,830	$ 793,653
Other assets (Note 7, 18)	152,679	572,949
Interest receivable (Note 18)	485,779	541,667
Loans and receivables (Note 6, 18)	43,424,196	52,780,838
Financial investments (Note 3, 18)	376,725,834	660,733,741
Total assets	**422,156,318**	**715,422,848**
LIABILITIES		
Bank overdraft (Note 10)	$ 4,867,335	$ 4,845,370
Interest payable (Note 18)	394,010	477,686
Other liabilities (Note 8, 18)	1,735,684	15,136,660
Loan notes (Note 11)	22,736,281	-
Interest bearing loans and borrowings (Note 9, 18)	54,996,617	77,130,000
Total liabilities	**84,729,927**	**97,589,716**
Net assets	**$ 337,426,391**	**$ 617,833,132**
EQUITY		
Capital stock (Note 12)	2,442	2,231
Contributed surplus (Note 12)	367,003,898	329,841,112
Accumulated other comprehensive loss	(564,135)	(229,551)
Retained (deficit)/earnings	(29,015,814)	288,219,340
Total equity	**$ 337,426,391**	**$ 617,833,132**

See accompanying notes.

Signed on behalf of the Board:

Chairman

Director

Somers Limited

Consolidated Statement of Income

For the Year Ended September 30, 2022
(Expressed in United States Dollars)

	2022	2021
INCOME		
Interest income (Note 15, 19)	$ 2,654,239	$ 673,416
Interest expense (Note 19)	(4,004,050)	(4,123,156)
Net interest expense	**(1,349,811)**	**(3,449,740)**
Net foreign exchange (losses)/ gains	(62,737,775)	3,964,534
Dividend income (Note 19)	30,693,172	15,978,018
(Losses)/gains on investments (Note 16, 19)	(171,106,665)	201,407,592
Impairment reversal on loans and receivables	-	50,337
Total (loss)/income	**(204,501,079)**	**217,950,741**
EXPENSES		
Investment management fees (Note 18)	4,152,573	18,368,803
Legal and professional fees	352,575	641,297
Audit and accounting fees	215,570	260,525
Directors' fees (Note 18)	140,000	150,333
General and administrative expenses	743,955	729,114
Total expenses	**5,604,673**	**20,150,072**
Net (loss)/income before tax	**(210,105,752)**	**197,800,669**
Income tax expense (Note 17)	(156,788)	(30,195)
Net (loss)/income after tax	**$ (210,262,540)**	**$ 197,770,474**

See accompanying notes.

Somers Limited

Consolidated Statement of Comprehensive Income

For the Year Ended September 30, 2022
(Expressed in United States Dollars)

		2022		2021
Net (loss)/income for the year	$	(210,262,540)	$	197,770,474
Other comprehensive (losses)/income				
Exchange differences on translation of foreign operations		(334,584)		66,450
Other comprehensive (losses)/income		**(334,584)**		**66,450**
Total comprehensive (losses)/income	**$**	**(210,597,124)**	**$**	**197,836,924**

See accompanying notes.

Somers Limited

Consolidated Statement of Changes in Equity
For the Year Ended September 30, 2022
(Expressed in United States Dollars)

	Capital Stock	Contributed Surplus	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings/ (Deficit)	Total
September 30, 2020	**$ 2,134**	**$ 314,196,939**	**$ -**	**$ (296,001)**	**$ 108,232,153**	**$ 422,135,225**
Net income for the period	-	-	-	-	197,770,474	197,770,474
Other comprehensive income	-	-	-	66,450	-	66,450
Issue of share capital (Note 12)	103	17,012,952	-	-	-	17,013,055
Net purchase of treasury stock (Note 12)	-	-	(1,368,785)	-	-	(1,368,785)
Cancellation of treasury stock (Note 12)	(6)	(1,368,779)	1,368,785	-	-	-
Dividends (Note 14)	-	-	-	-	(17,783,287)	(17,783,287)
September 30, 2021	**$ 2,231**	**$ 329,841,112**	**$ -**	**$ (229,551)**	**$ 288,219,340**	**$ 617,833,132**
Net loss for the period	-	-	-	-	(210,262,540)	(210,262,540)
Other comprehensive losses	-	-	-	(334,584)	-	(334,584)
Issue of share capital (Note 12)	45	8,089,849	-	-	-	8,089,894
Cancellation of shares under merger agreement	(108)	(22,784,768)		-	-	(22,784,876)
Exercise of warrants	276	52,235,195		-	-	52,235,471
Net purchase of treasury stock (Note 12)	-	-	(377,492)	-	-	(377,492)
Cancellation of treasury stock (Note 12)	(2)	(377,490)	377,492	-	-	-
Dividends (Note 14)	-	-	-	-	(106,972,614)	(106,972,614)
September 30, 2022	**$ 2,442**	**$ 367,003,898**	**$ -**	**$ (564,135)**	**$ (29,015,814)**	**$ 337,426,391**

See accompanying notes.

Somers Limited

Consolidated Statement of Cash Flows

For the Year Ended September 30, 2022

(Expressed in United States Dollars)

OPERATING ACTIVITIES		2022		2021
Net (loss)/income	$	(210,262,540)	$	197,770,474
Adjustments to reconcile net income to cash flows provided by operating activities:				
Losses/(gains) on investments		171,106,665		(201,407,592)
Foreign exchange (losses)/gains on investments		72,446,520		(5,705,713)
Interest income		(2,654,239)		(673,416)
Interest expense		4,004,050		4,123,156
Decrease in other assets		420,270		1,208,084
(Decrease)/increase in other liabilities		(13,400,976)		5,274,406
Net cash provided by operating activities		**21,659,750**		**589,399**
INVESTING ACTIVITIES				
Net decrease in loans and receivables		9,356,642		2,109,436
Proceeds from sale of financial investments		4,592,657		28,688,429
Capital distribution from investee		-		4,540,439
Purchases of financial investments		(13,849,786)		(38,668,857)
Interest received		2,616,746		185,424
Net cash provided by/(used in) investing activities		**2,716,259**		**(3,145,129)**
FINANCING ACTIVITIES				
Net (decrease)/increase in interest bearing loans and borrowings		(18,927,709)		1,092,967
Repayment of loan notes		(48,595)		-
Net purchase of treasury stock		(377,492)		(1,368,785)
Dividends paid		(382,275)		(770,232)
Interest paid		(4,087,726)		(4,215,368)
Net cash used in financing activities		**(23,823,797)**		**(5,261,418)**
Net increase/(decrease) in cash and cash equivalents		**552,212**		**(7,817,148)**
Cash and cash equivalents, beginning of year		(4,051,717)		3,765,431
Cash and cash equivalents, end of year	**$**	**(3,499,505)**	**$**	**(4,051,717)**
Comprised of:				
Cash		1,367,830		793,653
Bank overdraft		(4,867,335)		(4,845,370)
Total		**(3,499,505)**		**(4,051,717)**
Non-cash investing and financing activities:				
Issuance of shares under dividend reinvestment plan	$	8,089,849	$	17,013,055
Settlement of dividend through assets distribution		(98,500,490)		-
Warrants exercised		52,235,471		-
Non-cash proceeds from sale of financial investments		118,495,483		52,780,838
Settlement of purchases of financial investments through asset distribution		(69,118,215)		-

See accompanying notes.

1. Description of Business

Somers Limited ("Somers" or "the Company") is a Bermuda exempted investment company listed on the Mezzanine Market of the Bermuda Stock Exchange with investments in the financial services sector. Somers is engaged in a single segment of business, focusing on maximising shareholder returns by identifying and investing in companies where the assessed underlying value is not reflected in the market price. The Company's registered office is at Trinity Hall, 43 Cedar Avenue, Hamilton HM 12, Bermuda.

The investment activities of Somers are managed by ICM Limited ("ICM").

As at September 30, 2022, the significant shareholders (the "Major Shareholders") in the Company, who held, in aggregate 99.06% (2021: 94.24%) of Somers' issued share capital, are as follows:

- Union Mutual Pension Fund Limited ("Union Mutual") holds 57.40% (2021: 49.59%) - incorporated in Bermuda;
- UIL Limited ("UIL") holds 41.66% (2021: 44.65%) - incorporated in Bermuda.

The Company is deemed to meet the definition of an investment entity per IFRS 10 as it continues to meet the following requirements:

- The Company has obtained funds for the purpose of providing investors with investment management services.
- The Company's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- The performance of its investments is measured and evaluated on a fair value basis.

Therefore, in accordance with IFRS 10, subsidiaries held as part of the Company's investment portfolio are not consolidated but are accounted for as investments and carried at fair value through profit or loss.

These consolidated financial statements were authorised for issue in accordance with a resolution of the directors on December 9, 2022.

2. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are prepared on a going concern basis. In this regard, together with several other factors, Somers has assessed the impact of the Covid-19 pandemic (as declared by the World Health Organisation as a pandemic in 2020) on its business operations and ability to meet regulatory requirements. The assessment was based on information available at the end of the 2022 financial year and has considered the impact on certain key financial aspects based on multiple economic scenarios. The consolidated financial statements are presented in United States Dollars, which is the Company's functional and presentational currency. All values are rounded to the nearest dollar, except when otherwise indicated.

Statement of Compliance

The consolidated 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). The Company has consistently applied the significant accounting policies to all periods presented in these consolidated financial statements.

Presentation of Consolidated Financial Statements

The Company presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding the maturity or settlement of the financial assets and liabilities within 12 months after the reporting date (current), and more than 12 months after the reporting date (non-current), is presented in note 19.

Basis of Consolidation

Subsidiaries and associated undertakings held as part of the investment portfolio are carried at fair value through profit or loss and accounted for in accordance with IFRS 9, Financial Instruments: Recognition and Measurement.

2. Significant Accounting Policies (continued)

Those subsidiaries and associate undertakings that are not held for investment, or which provide services to Somers, are consolidated where Somers has control. The consolidated financial statements include the financial statements of its operating subsidiaries; Somers UK (Holdings) Limited, Somers Pte. Ltd and Somers Treasury Pty Ltd. All intercompany balances and transactions are eliminated on consolidation. Details of the subsidiaries and associates are included in notes 4 and 5 to the consolidated financial statements.

Significant Accounting Judgments, Estimates, and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain significant estimates, judgments, and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Estimates, judgments, and assumptions are continually evaluated, and are based on historical experience, and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The estimates, judgments, and assumptions, that have a significant risk of causing material adjustments to the consolidated financial statements within the next financial year, are discussed below:

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined, in compliance with IFRS 13, using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish their fair values.

The judgments include valuation assumptions and model inputs such as revenue, EBITDA, estimated future cash flows, multiples of comparable companies, volatility and discount rates. The estimates and judgments used in the valuation of financial instruments are described in more detail in note 21.

2. Significant Accounting Policies (continued)

Impairment Losses on financial assets held at amortised cost

The Company reviews its individually significant loans and receivables to assess impairment at least on an annual basis. Management judgment is required in the estimation of the amount and expected credit losses and timing of future cash flows when determining impairment losses. These estimates are based on assumptions about several factors and actual results may differ from current estimates resulting in future changes to the allowance.

Foreign Currency Translation

The consolidated financial statements are presented in United States Dollars. The Company and each of its subsidiaries determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Bermuda Dollar balances and transactions are translated into United States Dollars at par. Monetary assets and liabilities in other currencies are translated into United States Dollars at the rates of exchange prevailing at the reporting date and non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into United States Dollars at historic rates or the rates of exchange prevailing at the dates of the transactions.

Income and expense items in other currencies are translated into United States Dollars at the rates prevailing at the dates of the transactions. Realised and changes in unrealised gains and losses on investments denominated in foreign currencies and foreign currency positions are reported under net foreign exchange gains or losses in the consolidated statement of income.

Where subsidiaries are consolidated, the assets and liabilities of foreign operations are translated into US Dollars at the rate of exchange on the reporting date, and their statements of income and comprehensive income are translated at the weighted average exchange rates for the period. Exchange differences arising on translation of foreign consolidated subsidiaries are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of income as part of the gain or loss on sale.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement only.

2. Significant Accounting Policies (continued)

Financial Instruments

Recognition and initial measurement

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

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

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

All financial assets not classified as measured at amortised cost, as described above, are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2. Significant Accounting Policies (continued)

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. Financial assets at amortised cost are classified as other financial assets. This includes cash and cash equivalents, interest receivable, dividend receivable, loans and receivables and other assets.

Financial liabilities

Financial liabilities are classified at amortised cost and subsequent to initial recognition, are measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost are classified as other financial liabilities. This includes bank overdraft, interest payable, dividends payable, accrued expenses, other liabilities and interest-bearing loans and borrowings.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred substantially all the risks and rewards of the asset.

2. Significant Accounting Policies (continued)

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Determination of Fair Value

The fair values of financial instruments traded in active markets at the reporting date are determined based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deductions for transaction costs. For all other financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

An analysis of fair values of financial instruments and further details as to how they are measured is provided in note 21.

Impairment of Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

2. Significant Accounting Policies (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Presentation

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

Measurement of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Recognition of Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income

Interest income is recognised in the consolidated statement of income for all interest-bearing instruments on the accrual basis, using the effective interest rate method.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established.

Expenses

Expenses are recognised in the consolidated statement of income on the accrual basis. Interest expense is calculated using the effective interest rate method.

Dividends on Common Shares

Dividends on common shares are recognised as a liability and are deducted from equity in the period in which they are declared.

2. Significant Accounting Policies (continued)

Earnings Per Share

Basic earnings per share (EPS), is calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding during the period. The diluted EPS calculation assumes that stock warrants are only exercised and converted when the exercise price is below the average market price of the Company's shares. It also assumed that the Company will use any proceeds to purchase its common shares at their average market price during the period. Consequently, there is no imputed income on the proceeds and the number of weighted average shares are only increased by the difference between the number of warrants exercised, outstanding warrants, and the number of shares purchased by the Company.

Treasury Stock

The Company's own equity acquired by Somers or by any of its subsidiaries (treasury stock) is recognised at cost and deducted from equity. Consideration paid or received on the purchase, sale, issue or cancellation of the Company's own equity instruments is recognised directly in equity.

No gain or loss is recognised in net income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

New Standards, Interpretations, and Amendments to Published Standards Relevant to the Company

At the date of authorisation of these consolidated financial statements, the following standards affecting the company were in issue, but are not yet effective:

Presentation of liabilities (Amendments to IAS 1) – effective for annual periods beginning on or after 1 January 2023
Annual Improvements to IFRS Standards 2018 -2020 – effective for annual periods beginning on or after 1 January 2022
Reference to Conceptual Framework (Amendments to IFRS 3) – effective for annual periods beginning on or after 1 January 2022
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – effective for annual periods beginning on or after 1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8) – effective for annual periods beginning on or after 1 January 2023

(Expressed in United States Dollars)

2. Significant Accounting Policies (continued)

The Company has chosen not to early adopt these new and revised standards. Based on management's initial assessment, these standards are not expected to have a material impact on the Company.

3. Financial Investments

The following table is an analysis of the investment portfolio disclosing fair value balances by category:

	2022	2021
Financial assets at fair value through profit or loss		
Equity investments	$ 369,383,334	$ 652,055,491
Other financial investments	7,342,500	8,678,250
Total financial investments	$ 376,725,834	$ 660,733,741

Other financial investments consist of contractual rights to receive financial assets from other entities.

The following table is an analysis of the investment portfolio disclosing fair value balances and fair value movements of the investments:

	2022	2021
Financial assets at fair value through profit or loss		
Fair value at beginning of year	$ 660,733,741	$ 500,894,835
Purchase of investments	82,968,001	39,218,310
Proceeds from disposal of investments	(123,088,141)	(81,469,267)
Capital distribution from investee	-	(5,089,892)
Net fair value movement in the year (including foreign exchange gains and losses)	(243,887,767)	207,179,755
Fair value at end of year	$ 376,725,834	$ 660,733,741

Notes to the Consolidated Financial Statements (continued)

(Expressed in United States Dollars)

4. Subsidiary Undertakings

The following were consolidated subsidiary undertakings of the Company at September 30, 2022 and September 30, 2021.

	Country of operation, registration and incorporation	Holdings and voting rights % 2022	2021
Somers AM Pty Ltd (Deregistered in 2022)	Australia	N/A	100%
Somers Treasury Pty Ltd	Australia	100%	100%
Somers Pte. Ltd	Singapore	100%	100%
Somers UK (Holdings) Limited	United Kingdom	100%	100%

In accordance with IFRS 10, subsidiaries held as part of the Company's investment portfolio are not consolidated but are accounted for as investments and carried at fair value through profit or loss.

Details of these underlying investments are as follows:

	Country of registration, incorporation and operations	Number of ordinary shares held	Percentage of ordinary shares held
Resimac Group Limited ("Resimac")	Australia	218,433,737	53.83%
West Hamilton Holdings Limited ("West Hamilton")	Bermuda	1,659,390	57.06%
Waverton Investment Management Group Limited ("Waverton")	UK	10,750,000	61.81%
PCF Group plc ("PCF")	UK	244,489,880	73.24%

(Expressed in United States Dollars)

5. Associate Undertakings

The associate undertakings are held as part of the investment portfolio and consequently are carried at fair value through profit or loss. The Company had the following associate undertakings at September 30, 2022:

	AK Jensen Group Limited ("AKJ")	AKJT Holdings Limited ("AKJT")	Dfinitive Capital Limited ("Dfinitive")	Incol Limited ("Incol")	Thorn Group Limited ("Thorn")	Quest Finance Technologies ("Quest")	Terra Firma Capital Corporation ("Terra Firma")
Country of registration, incorporation and operations	Bermuda	Malta	Ireland	Ireland	Australia	Australia	Canada
Number of ordinary shares held	19,880,471	10,034	125,000	171,143	170,251,196	428,750	1,124,400
Percentage of ordinary shares held	33.94%	22.05%	45.45%	32.00%	48.97%	27.78%	20.14%

Transactions with associate undertakings are disclosed in note 19.

6. Loans and Receivables

Loans and receivables at September 30 were as follows:

	2022	2021
Loans to associates	$ 195,800	$ -
Other loans	43,228,396	52,780,838
Total	$ 43,424,196	$ 52,780,838

Other loans consist of a loan to Provident Holdings Ltd ("Provident") of $42,817,772 and a loan to Polycrest Limited of $410,625.

Somers sold its holding in BCB to Provident in July 2021 which was satisfied by a combination of cash and a loan facility provided by Somers to Provident. This loan carries a fixed interest rate of 5.625%. Provident made a repayment of $10,000,000 on January 10, 2022, with the remaining balance is receivable on January 20, 2024. This loan is secured by 7,003,318 ordinary shares in BCB. The loan is still performing, as no contractual breaches have occurred, and the credit risk has not increased significantly since initial recognition.

The loan to Polycrest Limited does not carry interest and is repayable on September 29, 2024. The loan is still performing, as no contractual breaches have occurred, and the credit risk has not increased significantly since initial recognition

(Expressed in United States Dollars)

6. Loans and Receivables (continued)

Loans to associates consists of a loan to Incol. This loan carries a fixed interest rate of 5%. The matures on April 25, 2025. The loan is still performing, as no contractual breaches have occurred, and the credit risk has not increased significantly since initial recognition.

7. Other Assets

Other assets at September 30 were as follows:

	2022	2021
Prepayments and other receivables	$ 152,679	$ 127,572
Amounts receivable from brokers	-	445,377
Total	$ 152,679	$ 572,949

8. Other Liabilities

Other liabilities at September 30 were as follows:

	2022	2021
Accounts payable	$ 575,287	$ 638,594
Accrued performance fees	-	12,971,764
Accrued liabilities	1,160,397	1,526,302
Total	$ 1,735,684	$ 15,136,660

(Expressed in United States Dollars)

9. Interest Bearing Loans and Borrowings

Interest bearing loans and borrowings at September 30 were as follows:

	2022	2021
Loan facility from BCB	$ 6,000,000	$ 7,000,000
Loan facility from Bell Potter	-	554,399
Loan facility from BNTB	40,346,250	43,075,200
Total commercial borrowings	46,346,250	50,629,599
Loan facility from UIL	612,150	12,605,751
Loan facility from Union Mutual	8,038,217	13,894,650
Total	$ 54,996,617	$ 77,130,000

Bermuda Commercial Bank Limited ("BCB") Loan

This $6 million loan facility from BCB carries an interest rate of the BCB base rate (3% as at September 30, 2022) plus 2.7%. The facility is subject to annual principal repayments of $1.0 million, with a final repayment date of March 31, 2025. In order to secure the loan the Company has pledged 21,946,090 ordinary shares in Resimac Group Limited with a carrying value at September 30, 2022 of $13,758,552.

The Bank of N.T. Butterfield & Son Limited ("BNTB") Loan

This loan facility from BNTB carries an interest rate of 5.25%. The facility is subject to bi-annual principal repayments of GBP 2.5 million. At September 30, 2022, GBP 36.25 million was drawn down on this facility. In order to secure the loans, the Company has pledged 10,750,000 ordinary shares in Waverton Investment Management Group Limited with a carrying value at September 30, 2022 of $144,752,812 and 79 million ordinary shares in Resimac Group Limited with a carrying value at September 30, 2022 of $49,527,075.

Loan Facility from UIL

The unsecured facilities from UIL carry a fixed interest rate of 6%. Each facility is repayable upon UIL giving Somers not less than 12 months' notice. At year end, a balance of GBP 550,000 (2021: $9,025,000, GBP 2,205,000 and AUD 849,300) were drawn down on these facilities.

Loan Facility from Union Mutual

The unsecured facilities from Union Mutual carry a fixed interest rate of 6%. Each facility is repayable upon Union Mutual giving Somers not less than 12 months' notice. At year end, balances of $7,356,286 and AUD 1,060,547 (2021: $11,242,036 and AUD 3,677,547) were drawn down on these facilities.

Compliance with Loan Covenants

Under the terms of its BCB and BNTB loan facilities, Somers is required to comply with principal lending covenants in respect of the ratio of borrowings to equity, the ratio of cash income to interest expense, and minimum net assets levels. Somers was in compliance during the year.

10. Bank overdraft

This $4.9 million overdraft facility from BCB carries an interest rate of the BCB base rate (3% as at September 30, 2022) plus 3%. The overdraft facility matures on January 31, 2023. In order to secure the facility, the Company has pledged 17 million ordinary shares in Resimac Group Limited with a carrying value at September 30, 2022 of $10,657,725.

11. Loan notes

On July 26, 2022 the Company merged with SNB Investments Limited ("SNB"). On this date all shareholders not associated with SNB were issued loan notes amounting to $21.00 for each ordinary share of the Company that they owned. These $1 loan notes carry an interest rate of 6% have a two-year term. The outstanding loan notes as of September 30, 2022 had a value of $22,736,281.

(Expressed in United States Dollars)

12. Equity

All shares are common shares with a par value of $0.0001 each.

	Authorised Shares	Par Value	Issued & Fully Paid Shares	Par Value	Contributed Surplus
Balance at September 30, 2020	120,000,000	$ 12,000	21,341,482	$ 2,134	$ 314,196,939
Issuance of shares under dividend reinvestment plan	-	-	1,023,749	103	17,012,952
Cancellation of treasury stock	-	-	(61,305)	(6)	(1,368,779)
Balance at September 30, 2021	120,000,000	$ 12,000	22,303,926	$ 2,231	$ 329,841,112
Issuance of shares under dividend reinvestment plan	-	-	449,189	45	8,089,849
Cancellation of treasury stock	-	-	(19,868)	(2)	(377,490)
Cancellation of shares under merger agreement	-	-	(1,084,992)	(108)	(22,784,768)
Issuance of shares under merger agreement	-	-	1,000	-	-
Exercise of warrants	-	-	2,760,860	276	52,235,195
Balance at September 30, 2022	120,000,000	$ 12,000	24,410,115	$ 2,442	$ 367,003,898

Treasury Stock

	2022		2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	-	$ -	-	$ -
Purchase of treasury stock	19,868	377,492	61,305	1,368,785
Cancellation of treasury stock	(19,868)	(377,492)	(61,305)	(1,368,785)
Balance at end of year	-	$ -	-	$ -

(Expressed in United States Dollars)

12. Equity (continued)

Take-Private Transaction

On June 13, 2022 Somers Limited received a take-private offer from SNB Investments Limited (the shareholders of which represented approximately 95% of the Company's issued share capital). The offer proposed that Somers merge with SNB, with Somers being the surviving company.

The transaction completed on July 26, 2022, and under the terms and subject to the conditions set out in the plan of merger, on that date, SNB acquired Somers by way of a statutory merger pursuant to which: each issued Somers share held by shareholders not associated with SNB was cancelled; each issued common share of SNB was cancelled and converted into the right to receive one validly issued and fully paid share of Somers as the surviving company of the merger; Somers merged with SNB; and each shareholder not associated with SNB received $21.00 per Somers share by way of a redeemable 6% loan note to be issued by Somers (see note 11).

Accordingly, on July 26, 2022, 1,084,992 shares held by shareholders not associated with SNB were cancelled with 22,784,876 loan notes being issued to these shareholders, and 1,000 Somers shares were issued to the shareholders of SNB.

Warrants

On August 1, 2022 the Company issued 5,412,314 warrants pro-rata to all of its shareholders on a one for four basis (the "Warrants"). The Warrants are unlisted and the exercise price of the Warrants is $18.92 per share. They will mature on September 30, 2023.

	Warrants
Balance as at September 30, 2021	-
Warrants issued on August 5, 2022	5,412,314
Warrants exercised	(2,760,860)
Balance as at September 30, 2022	2,651,454

Capital Management

The Company's capital levels are regularly reviewed by the Board of Directors in light of changes in economic conditions and the risk characteristics of the Company's activities. To maintain or adjust the capital structure, the Company may adjust the amount of dividend payments to shareholders, return capital to shareholders, or issue new capital securities. There were no changes in the Company's approach to capital management during the year.

(Expressed in United States Dollars)

12. Equity (continued)

Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan based on the Company's average share price on the Bermuda Stock Exchange for a predetermined period prior to the dividend payment date.

13. Earnings Per Share

		Net Earnings	Weighted Average Shares		Earnings per Share
2022					
Basic Loss Per Share					
Net loss	$	(210,262,540)	22,684,824	$	(9.27)
Add: Incremental shares from assumed exercise of warrants (Note 12)			11,164		
Adjusted weighted average shares outstanding			22,695,988		
Diluted Loss Per Share					
Net loss		(210,262,540)	22,695,988		(9.26)
2021					
Basic Earnings Per Share					
Net income	$	197,770,474	21,698,646	$	9.11
Diluted Earnings Per Share					
Net income		197,770,474	21,698,646		9.11

The weighted average number of ordinary shares outstanding during the year has been adjusted for the bonus element of warrants exercised in 2022. This adjustment is made retrospectively to comparative information.

(Expressed in United States Dollars)

14. Dividends

The Company declared and paid dividends as follows:

	2022	2021
Final dividend for the year ended September 30, 2021 of 38 cents (2020: 34 cents) per common share. Paid February 2022.	$ 8,468,503	$ 7,255,628
No interim dividend paid in 2022 (2021: 24 cents).	-	5,228,430
Special dividend of $4.55 (2021:24 cents) per common share. Paid August 2022.	98,504,111	5,299,229
Total	$ 106,972,614	$ 17,783,287

Dividends paid in cash, satisfied by the issue of shares under the dividend reinvestment plan or through distribution of assets during the years ended September 30, 2022 and 2021 were as follows:

	2022	2021
Paid in cash	$ 382,230	$ 770,232
Satisfied by issue of shares	8,089,894	17,013,055
Satisfied by distribution of assets	98,500,490	-
Total	$ 106,972,614	$ 17,783,287

The Board resolved to pay a special dividend of $4.55 per share, with a payment date of August 05, 2022. The dividend was settled principally by a distribution of assets (Resimac Group Limited and The Market Herald shares) to the Somers shareholders and a small cash payment.

(Expressed in United States Dollars)

15. Interest Income

The Company earned interest income as follows:

	2022	2021
Loans and receivables	$ 2,654,239	$ 673,416
Total	$ 2,654,239	$ 673,416

16. (Losses)/Gains on Investments

The Company recorded the following net gains on investments:

	2022	2022
Financial assets at fair value through profit or loss		
Unrealised (losses)/gains on investments	$ (101,108,226)	$ 193,187,433
Realised (losses)/gains on sale of investments	(69,998,439)	8,220,159
Total (losses)/gains on investments	$ (171,106,665)	$ 201,407,592

17. Income Tax Expense

Somers and its Bermuda domiciled subsidiaries are not subject to income tax on their net income for the period. Somers' subsidiaries domiciled in other jurisdictions are subject to the tax laws of those jurisdictions. The Company records income taxes based on the tax rates applicable in the relevant jurisdiction.

The income tax expense for the year was as follows:

	2022	2021
Overseas taxation	$ 156,788	$ 30,195
Total	$ 156,788	$ 30,195

18. Related-Party Disclosures

As at September 30, 2022, the Major Shareholders held, in aggregate, 99.06% (2021: 94.24%) of Somers' common shares. Details of the Major Shareholders are disclosed in note 1.

The following are considered related parties of the Company: the Major Shareholders, Somers Isles Private Trust Company Limited ("SIPTCL") (which controls 100% of Union Mutual, ICM, General Provincial Company Limited and 74.54% of UIL's ordinary shares), Mr Duncan Saville (who owns 100% of SIPTCL), entities controlled by these entities and individuals, ICM (the investment manager of Somers) and the board of directors of ICM, the subsidiaries of the Company set out under note 4, the associates of the Company set out under note 5, and the Board of Directors.

The following transactions were carried out during the year ended September 30, 2022, between the Company and its related parties:

Resimac Group Limited

Somers received $13,373,575 (AUD 18,916,089) (2021: $12,023,465 (AUD 16,285,983)) of dividends during the year from Resimac.

Waverton Investment Management Group Limited

Somers received $1,191,766 (GBP 898,700) (2021: $2,385,124 (GBP 1,720,000)) of dividends during the year from Waverton.

West Hamilton Holdings Limited

Somers received $1,327,512 (2021: $531,005) of dividends during the year from West Hamilton.

Thorn Group Limited

Somers received $12,672,766 (AUD 18,012,888) (2021: $5,945,515 (AUD 8,272,899)) of dividends during the year from Thorn Group Limited.

18. Related-Party Disclosures (continued)

Incol Limited

Somers had a loan receivable from Incol of $195,800 (EUR 200,000) (2021: nil) at September 30, 2022. Somers earned interest of $4,079 (2021: nil) during the year of which $4,079 (2021: nil) was receivable at year end.

UIL Limited

Somers has entered into a number of loan facilities with UIL. At year end a balance of $612,150 (GBP 550,000) (2021: $12,605,751 ($9,025,000, GBP 2,205,000 and AUD 849,300)) was drawn down on these facilities. Somers incurred interest expense of $266,206 ($220,017, GBP 31,365 and AUD 9,082) (2021: $720,009) on these loans during the year, of which $10,300 (GBP 9,255) (2021: $234,993) was payable at year end.

Somers acquired 19,426,131 Resimac shares at their fair value of $17,297,800 (AUD 25,093,817) from UIL throughout the period.

Somers sold the following shares to UIL throughout the period, 342,343 Assetco plc shares at their fair value of $4,630,202 (GBP 3,784,432), 17,127,747 Resimac shares at their fair value of $14,994,452 (AUD 21,580,961) and 2,691,811 MJ Hudson plc shares at their fair value of $1,147,825 (GBP 963,668.)

Union Mutual Pension Fund Limited

Somers has entered into a number of loan facilities with Union Mutual. At year end a balance of $8,038,217 ($7,356,286 and AUD 1,060,547) (2021: $13,894,651) was drawn down on these facilities. Somers incurred interest expense of $633,411 ($535,197 and AUD 136,591) (2021: 277,229) on these loans during the year, of which $123,050 ($112,737 and AUD 16,039) (2021: $242,693) was payable at year end.

18. Related-Party Disclosures (continued)

ICM Limited and the Board of Directors of ICM Limited

ICM Limited is the investment manager to Somers and joint investment manager to UIL. The Directors of ICM are Duncan Saville, Charles Jillings and Alasdair Younie. Charles Jillings and Alasdair Younie are also directors of Somers.

In December 2019, Somers entered into a revised investment manager agreement with ICM. This revised agreement replaced an agreement entered into in December 2014 and remains in force until terminated by Somers, by giving ICM not less than six months' written notice of termination, or by ICM giving Somers not less than three months' written notice of termination, or such lesser period of notice as Somers and ICM agree.

Somers has agreed to pay ICM an annual fee for its investment management services equal to 0.75% (2021: 0.75%) of the gross asset value of qualifying investments within Somers' financial investment portfolio. For the year ended September 30, 2022, this fee amounted to $4,152,573 (2021: $5,397,039), of which $706,361 (2021: $1,238,876) remained payable at year end. Included within the terms of the revised investment manager agreement is a performance fee payable to ICM if the growth in the Company's equity exceeds a hurdle rate equal to the higher of 8% or 4% plus the UK Retail Price Index inflation ("Hurdle Rate"). The fee arrangement is payable at a rate of 15% on the amount by which the growth in the Company's equity exceeds the Hurdle Rate, subject to a cap of 2% of Somers' net asset value. The performance fee for the year ended September 30, 2022 was nil (2021: $12,971,764).

ICM provided administration and other professional services to Somers for which Somers paid fees of $101,250 (2021: $100,000) and this is included in "Audit and accounting fees" in the Consolidated Statement of Income.

(Expressed in United States Dollars)

18. Related-Party Disclosures (continued)

The Board of Directors

Directors had the following beneficial interest in the Company's issued share capital:

	2022	2021
Charles Jillings	119,000	95,926
Peter Durhager	-	7,706
David Morgan	-	7,089
Alasdair Younie	-	765

The Company's directors' fees for the year ended September 30, 2022, amounted to $140,000 (2021: $150,333).

Charles Jillings was a director of Waverton during the year ended September 30, 2022 and received directors' fees of $49,888 in the year (2021: $53,844). Mr Jillings held 913 Somers warrants at September 30, 2022.

Alasdair Younie was a director of West Hamilton during the year ended September 30, 2022 and received directors' fees of $15,000 in the year (2021: $15,000). Mr Younie held 39,461 $1 loan notes at September 30, 2022.

David Morgan was a director of Waverton and PCF during the year ended September 30, 2022 and received directors' fees of $62,360 and $53,630, respectively (2021: $63,940 and $57,209). Morwill Ltd, a company related to Mr Morgan, also received fees for providing consultancy services to Somers of $91,670 for the year (2021: $106,629). Mr Morgan held 152,003 $1 loan notes at September 30, 2022.

Mr Durhager held 165,249 $1 loan notes at September 30, 2022.

Ultimate Parent Undertaking

In the opinion of the Directors, the Company's ultimate parent undertaking is Somers Isles Private Trust Company Limited, a company incorporated in Bermuda.

19. Risk Management

The Company's investment objective is to maximise shareholders' returns by identifying and investing in investments when management believes the underlying value is not reflected in the market price.

The Company seeks to meet its investment objective by investing in a portfolio of listed and unlisted companies. Derivative instruments may be used for purposes of hedging the underlying portfolio of investments that are denominated in foreign currencies. The Company has the power to enter into short and long-term borrowings. In pursuing its objectives, the Company is exposed to financial risks. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk. The Board of Directors is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a) to (e) below.

(a) Market Risk

The fair value of the financial securities held in the Company's portfolio fluctuate with changes in market prices. Market risk embodies currency risk, interest rate risk and price risk. Prices are affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Company's investments may be materially affected by economic conditions in the global financial markets and those markets where Somers has material exposures. Capital and credit markets have experienced significant volatility and disruption over recent periods. Uncertainty created by market and economic conditions and a tightening of credit could lead to declines in valuations of financial securities without regard to the underlying financial condition of the issuer.

The Board sets policies for managing these risks within the Company's objectives and meets regularly to review full, timely and relevant information on investment performance and financial results. The Investment Manager assesses exposure to market risks when making each investment decision and monitors ongoing market risk within the portfolio. The Investment Manager consults with the Board of Directors on a quarterly basis, or more frequently as required.

The Company's other assets and liabilities may be denominated in currencies other than US Dollars and may also be exposed to exchange rate risks. The Investment Manager and the Board regularly monitor these risks.

19. Risk Management (continued)

The Company does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates.

Borrowings may be short or long term, in US Dollars and foreign currencies, and enable the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short term volatility. Income earned in foreign currencies is ordinarily converted to US Dollars on receipt. The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on borrowings.

Currency exposure

Currency risk arises from the possibility that fluctuations in foreign currency exchange rates will affect the value of certain of the Company's assets and liabilities. The Company's functional currency is the US Dollar. As a result, foreign currency assets and liabilities are translated to US Dollars.

The Company maintains investments in Australian Dollars, Sterling, Euros, Canadian Dollars, and other currencies, and may invest in financial instruments and enter into transactions denominated in currencies other than US Dollars.

When valuing investments that are denominated in currencies other than the functional currency, the Company is required to convert the values of such investments into its functional currency based on prevailing exchange rates as at the end of the applicable accounting period. Changes in exchange rates between the functional currency and other currencies could lead to significant changes in its net asset values that the Company reports from time to time and could subject such net asset values to favourable or unfavourable fluctuations. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long term opportunities for investment and capital appreciation and political developments.

The Company may engage in currency hedging to limit the Company's exposure to currency fluctuations. Currency hedging by the Company may be by means of spot and forward foreign exchange contracts or options on such contracts or by using such other derivative instruments as may be available and having the same or similar effect.

The Company's underlying investments are denominated in Australian Dollars, Sterling, Euros, Canadian Dollars, New Zealand Dollars and US Dollars.

(Expressed in United States Dollars)

19. Risk Management (continued)

The Investment Manager considers currency risk when making investments into non-US Dollar denominated assets and monitors currency movements on an ongoing basis. The Investment Manager discusses its foreign currency policies with the Board of Directors on a regular basis and may choose to alter its asset allocation or currency risk strategies as a result.

At the reporting date the carrying value of the Company's financial assets and financial liabilities held in individual foreign currencies and the net exposure to foreign currencies were as follows:

	2022					
	Financial Assets	**Financial Liabilities**	**Net Financial Assets**	**% of Company Net Financial Assets**	**Hedging Contracts**	**Net Exposure**
Australian Dollar	$ 180,358,474	$ (795,695)	$ 179,562,779	52.7%	$ -	$ 179,562,779
Sterling	154,425,159	(40,989,848)	113,435,311	33.3%	-	113,435,311
Euro	8,950,018	-	8,950,018	2.6%	-	8,950,018
Canadian Dollar	5,696,150	-	5,696,150	1.7%	-	5,696,150
New Zealand Dollar	5,143,328	-	5,143,328	1.5%	-	5,143,328
Singapore Dollar	5,200	-	5,200	0.0%	-	5,200
Total	$ 354,578,329	$ (41,785,543)	$ 312,792,786	91.8%	$ -	$ 312,792,786

	2021					
	Financial Assets	**Financial Liabilities**	**Net Financial Assets**	**% of Company Net Financial Assets**	**Hedging Contracts**	**Net Exposure**
Australian Dollar	$ 439,334,023	$ (3,946,853)	$ 435,387,170	70.9%	$ -	$ 435,387,170
Sterling	173,177,831	(46,113,123)	127,064,708	20.7%	-	127,064,708
Euro	10,057,523	-	10,057,523	1.6%	-	10,057,523
Canadian Dollar	8,469,300	-	8,469,300	1.4%	-	8,469,300
New Zealand Dollar	4,139,204	-	4,139,204	0.7%	-	4,139,204
Singapore Dollar	10,811	(7,794)	3,017	0.0%	-	3,017
Total	$ 635,188,692	$ (50,067,770)	$ 585,120,922	95.3%	$ -	$ 585,120,922

(Expressed in United States Dollars)

19. Risk Management (continued)

Based on the financial assets and liabilities held, and the exchange rates at each reporting date, a strengthening or weakening of the US Dollar against each of these currencies by 10% would have had the following approximate effect on annualised income before tax and on the net asset value ("NAV") per share:

Strengthening of US Dollar

	2022					
	Australian Dollar	Sterling	Euro	Canadian Dollar	New Zealand Dollar	Singapore Dollar
Net income for the year	$ (17,956,278)	$ (11,343,531)	$ (895,002)	$ (569,615)	$ (514,333)	$ (520)
NAV per share - Basic	$ (0.74)	$ (0.46)	$ (0.04)	$ (0.02)	$ (0.02)	$ (0.00)

	2021					
	Australian Dollar	Sterling	Euro	Canadian Dollar	New Zealand Dollar	Singapore Dollar
Net income for the year	$ (43,538,717)	$ (12,706,471)	$ (1,005,752)	$ (846,930)	$ (413,920)	$ (302)
NAV per share - Basic	$ (1.95)	$ (0.57)	$ (0.05)	$ (0.04)	$ (0.02)	$ (0.00)

Weakening of US Dollar

The relevant weakening of the reporting currency against the above currencies would have resulted in an approximate equal but opposite effect on net income and NAV per share by amounts shown above, on the basis that all other variables remain constant.

These analyses are broadly representative of the Company's activities during the current year as a whole, although the level of the Company's exposure to currencies fluctuates throughout the year in accordance with the investment and risk management processes.

19. Risk Management (continued)

Interest rate exposure

The Company's exposure to changes in interest rates relates primarily to its $10,867,335 (2021: $54,920,570) of variable rate bank loans. Apart from its bank loans, the Company had no floating rate debt obligations at September 30, 2022 (2021: nil). The Company has incurred, and expects to continue to incur, indebtedness, to leverage certain investments. Due to the foregoing, the Company is, and believes that it will continue to be, exposed to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive to obtain debt financing, could negatively impact the values of fixed income investments, and could decrease the returns that investments generate or cause them to generate losses.

The Company is, and believes that it will continue to be, subject to additional risks associated with changes in prevailing interest rates due to the fact that its capital is invested in underlying portfolio companies whose capital structures may have a significant degree of indebtedness. Investments in leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if leverage was absent. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for those companies with comparably less debt.

External borrowings will only be undertaken if the Directors and the Investment Manager consider the prevailing interest rates to be favourable and that the terms and conditions attaching to such borrowings are acceptable, having regard to the investment objectives of the Company. As at September 30, 2022, the Company had bank loans and overdrafts of $51,213,585 (2021: $54,920,570), and loans of $8,650,367 (2021: $27,054,800) with other entities.

The majority of the Company's assets that do have interest rate exposure are at fixed rates. Excess cash held by the Company may be invested in short term fixed deposit accounts that are rolled over on a regular basis. As a result, it is not significantly exposed to interest rate risk on its other assets and liabilities.

(Expressed in United States Dollars)

19. Risk Management (continued)

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table classifies the financial assets and liabilities by fixed and variable rate instruments.

		2022		2021
Fixed rate instruments				
Financial assets	$	43,424,196	$	52,780,838
Financial liabilities		(71,732,898)		(27,054,800)
	$	(28,308,702)	$	25,726,038
Variable rate instruments				
Financial assets	$	-	$	-
Financial liabilities		(10,867,335)		(54,920,570)
	$	(10,867,335)	$	(54,920,570)
Total interest rate sensitivity gap	$	(39,176,037)	$	(29,194,532)

An increase in 100 basis points in interest rates as at the reporting date would have decreased net interest income by $108,673 (2021: $549,206). A decrease of 100 basis points would have increased net interest income by $108,673 (2021: $549,206).

As described above, a change in interest rates may impact the fair value of the Company's fixed rate debt instruments. At September 30, 2022 the Company had no fixed rate debt instruments within its financial investments portfolio (2021: nil) and therefore an increase in 100 basis points in interest rates as at the reporting date would have no impact on gains on investments and NAV per share.

Exposure to Other Price Risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in that market. As many of the Company's financial instruments are carried at fair value with fair value changes recognised in the consolidated statement of income, such changes in market conditions will affect net gains/losses on investments and the Company's net asset value.

19. Risk Management (continued)

The valuation of unquoted investments depends upon a combination of market factors and the performance of the underlying assets. The Investment Manager monitors price risk and consults with the Board of Directors on a quarterly basis, or more frequently as the case may be. The impact on valuations of the Company's larger unquoted investments from changing certain unobservable inputs used in the Company's valuations, where the value is estimated by the Directors and Investment Manager, is presented in note 20.

The Company also has direct exposure to assets that are publicly traded on various equity markets. These represent 49.04% (2021: 69.11%) of the Company's portfolio value as at September 30, 2022.

(b) Liquidity Risk Exposure

The Company's financial instruments include investments in unlisted equity investments that are not publicly traded and therefore may be illiquid. As a result, the Company may not be able to liquidate some of its investments in these instruments at an amount close to their fair value, or in a timely manner, should such liquidation be necessary to meet liquidity requirements.

The risk of the Company having insufficient liquidity is not considered by the Board to be significant, given the increase but still relatively low level of leverage, the absence of outstanding undrawn commitments and other obligations and the amount of quoted investments held in the Company's portfolio.

The Company's exposure to liquidity risk is actively managed and monitored on an ongoing basis by the Investment Manager and by the Board. The Investment Manager frequently reviews upcoming capital requirements as well as potential exit and other monetisation events. Allocations to new investments take into consideration the near term capital needs within the Company's broader investment portfolio. Where the Investment Manager believes there may be upcoming liquidity requirements, it will take necessary action to ensure that adequate funds are made available.

Somers Limited

Notes to the Consolidated Financial Statements (continued)
(Expressed in United States Dollars)

19. Risk Management (continued)

The contractual maturities of financial assets and financial liabilities, based on the earliest date on which payment can be required, are as follows:

	2022				
	Less than 1 month	1 - 3 months	3 months - 1 year	More than 1 year	Total
Financial asset by type					
Cash and cash equivalents	$ 1,367,830	$ -	$ -	$ -	$ 1,367,830
Other assets	31,479	-	-	-	31,479
Interest receivable	485,779	-	-	-	485,779
Loans and receivables	-	-	-	43,424,196	43,424,196
Total	$ 1,885,088	$ -	$ -	$ 43,424,196	$ 45,309,284
Financial liability by type					
Bank overdraft	$ -	$ -	$ 4,867,335	$ -	$ 4,867,335
Interest payable	394,010	$ -	-	-	394,010
Other liabilities	1,735,684	-	-	-	1,735,684
Loan notes	-	-	-	22,736,281	22,736,281
Interest bearing loans and borrowings	-	2,782,500	6,565,000	45,649,117	54,996,617
Total	$ 2,129,694	$ 2,782,500	$ 11,432,335	$ 68,385,398	$ 84,729,927

	2021				
	Less than 1 month	1 - 3 months	3 months - 1 year	More than 1 year	Total
Financial asset by type					
Cash and cash equivalents	$ 793,653	$ -	$ -	$ -	$ 793,653
Other assets	572,949	-	-	-	572,949
Interest receivable	541,667	-	-	-	541,667
Loans and receivables	-	-	10,000,000	42,780,838	52,780,838
Total	$ 1,908,269	$ -	$ 10,000,000	$ 42,780,838	$ 54,689,107
Financial liability by type					
Bank overdraft	$ -	$ -	$ 4,845,370	$ -	$ 4,845,370
Interest payable	477,686	$ -	-	-	477,686
Other liabilities	15,136,660	-	-	-	15,136,660
Interest bearing loans and borrowings	554,399	-	7,730,500	68,845,101	77,130,000
Total	$ 16,168,745	$ -	$ 12,575,870	$ 68,845,101	$ 97,589,716

Assets and liabilities with no contractual maturity are not included in this table.

(Expressed in United States Dollars)

19. Risk Management (continued)

(c) Credit Risk and Counterparty Exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. The Company's overall credit risk is managed by the Board of Directors. The Board approves all counterparties used in such transactions, which must be settled on a basis of delivery against payment (except where local market conditions do not permit). Cash and deposits are held with reputable banks.

The Company is exposed to the risk of non-payment of loans and debt securities provided to investee companies. Generally, no collateral is received from the underlying companies. It is believed that the risk of default is low, and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions. No terms and conditions have been renegotiated in the current year.

The Company's principal custodians are BCB and JPMorgan Chase. The Company has an ongoing contract with BCB for the provision of custody services and also uses JPMorgan Chase to specifically custody its listed investments. Details of securities held in custody on behalf of the Company are received and reconciled monthly.

To the extent that ICM carries out transactions (or causes transactions to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board manages this risk regularly through meetings with ICM.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

	2022	2021
Cash and cash equivalents	$ 1,367,830	$ 793,653
Interest receivable	485,779	541,667
Loans and receivables	43,424,196	52,780,838
Total	$ 45,277,805	$ 54,116,158

19. Risk Management (continued)

(d) Fair Values of Financial Assets and Liabilities

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the consolidated statement of financial position at fair value. Borrowings under loan facilities do not have a value materially different from their capital repayment amounts. Borrowings in foreign currencies are converted into US Dollars at exchange rates ruling at each valuation date.

Unquoted investments are valued based on assumptions and methodologies that may not be supported by prices from available current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments. Details of the valuation process for unquoted investments are set out in note 21.

(e) Reliance on Investment Manager

The Company relies on the Investment Manager and its ability to evaluate investment opportunities and to provide oversight of the management of the Company's investee companies. The Investment Manager exercises a central role in the investment decision making process. Accordingly, the returns of the Company will depend on the performance of the Investment Manager.

20. Segment Information

The Directors are of the opinion that the Company's activities comprise a single operating segment, which is identifying and investing in investments where the underlying value is not reflected in the market price.

21. Financial Instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical financial instruments;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial Instruments Recorded at Fair Value

Financial Investments at Fair Value Through Profit or Loss

Financial assets at Fair Value through Profit or Loss that are valued in accordance with IFRS 13, using valuation techniques include unquoted equity securities. The Company adopts valuation methodologies based on the International Private Equity and Venture Capital ("IPEV") valuation guidelines and the assets are valued using models that use both observable and unobservable data. The unobservable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry, and geographical jurisdiction in which the investee operates.

Valuation Methodology

The objective of using valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Company uses proprietary valuation models, which are compliant with IPEV guidelines and IFRS 13 and which are usually developed from recognised valuation techniques. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows of the financial instrument being valued, determination of the probability of counterparty default and prepayments, peer group multiple and selection of appropriate discount rates.

21. Financial Instruments (continued)

Fair value estimates obtained from such models are adjusted for any other factors, such as controlling interest, illiquidity, historical and projected financial data, entity specific strengths and weaknesses, or model uncertainties, to the extent that the Company believes that a third party market participant would take them into account in pricing a transaction. Where appropriate, the Directors may also engage the services of a third party valuation firm to assist with valuing certain assets.

The Directors have satisfied themselves as to the methodologies used, the discount rates and key assumptions applied, and the estimated valuations at September 30, 2022. The Level 3 assets comprise a number of unlisted investments at various stages of development and each has been assessed based on its industry, location, and place in the business cycle. Where sensible, the Directors have taken into account observable data and events to underpin the valuations. Unlisted valuations which are based on observable data may be discounted to reflect the illiquid nature of the investment. These discounts have ranged between nil and 30% depending on the nature and characteristics of each investment.

Level 3 inputs are sensitive to assumptions made when ascertaining fair value and the following section details the sensitivity of valuations to variations in key inputs. The level of change selected is considered to be reasonable, based on observation of market conditions and historic trends. For each unlisted holding valued over 1% of the total investment portfolio, the significant valuation inputs have been sensitised by a percentage deemed to reflect the relative degree of estimation uncertainty.

The key inputs and assumptions used in the valuation models are as follows:

Waverton

Somers holds a 61.81% equity interest in Waverton and, as at September 30, 2022, carried this investment at $144.8 million (GBP 130.1 million) (2021: $117.2 million (GBP 87.1 million)).

Valuation Methodology: Waverton has been valued based on comparable quoted companies and in particular a multiple of Assets under Management (“AuM”). Last year, we valued Waverton primarily based on a multiple of its earnings. The change in valuation approach in the period reflects our view of the most appropriate method to determine the fair value of Waverton at September 30, 2022 and considered Waverton’s strong growth over the period, its future growth projections and how it derives its value.

Key valuation inputs: AuM multiple of 2.2%.

21. Financial Instruments (continued)

Sensitivities: We have chosen to sensitise the AuM multiple input because this input involved the most significant judgements when estimating valuation, including which comparable companies to consider and prioritise. Waverton's valuation also include other unobservable inputs, including AuM and earnings, which are based on historic data and are less judgmental. Should the peer group multiple ascribed to Waverton's AuM be reduced/increased by 0.2% the change in valuation would be $11.7 million (GBP 10.5 million).

West Hamilton

Somers holds a 57.06% equity interest in West Hamilton and, as at September 30, 2022, carried this investment at $19.4 million (2021: $22.8 million).

Valuation Methodology: Fair value of West Hamilton's properties held in Hamilton, Bermuda. Certain of West Hamilton's properties are currently subject to a sales process. For properties outside of the scope of this sales process, West Hamilton appointed an independent valuer to perform property valuations and to provide his opinion as to the fair value of these properties and Somers has utilised these valuations for the purpose of valuing these holdings. For the properties subject to the sales process, Somers utilised the expected sales proceeds, for valuing these properties. In adopting this approach the Directors considered the credibility of the buyer, the stage of the sales process and the certainty of completion. The Directors also considered the fair value of the properties should the sale not complete.

Key valuation inputs: Fair value of West Hamilton's identifiable assets and liabilities.

Sensitivities: Should West Hamilton's properties increase/decline by: $5.0 million the gain/loss in valuation would be $2.9 million; $10.0 million the gain/loss in valuation would be $5.7 million.

AKJ Token Securities

Somers holds 75 million AKJ token securities issued by AKJT and, as at September 30, 2022, carried this investment at $7.3 million (EUR 7.5 million) (2021: $8.7 million (EUR 7.5 million)).

Valuation Methodology: The token is valued with reference to the funds invested in the token to date by Somers and other investors, most of which will have flowed into the business. Consideration was given to the weighted average price of historical token investments and how the funds were utilised by AKJ. A substantial majority of the investment in the token to date occurred at a price approximating EUR 0.10 per token, with this being the key input in Somers carrying value.

21. Financial Instruments (continued)

In maintaining its carrying value at EUR 0.10, the Directors took consideration of the smaller number of more recent trades that occurred at values above this level and their associated transaction volumes along with the recent volatility in crypto markets.

Valuation inputs: Historic transaction prices for the same security.

Sensitivities: The nature of these assets and the volatility experienced in the fair values of crypto assets is such that the Directors do not consider it possible to predict a reasonably possible shift in these assets' values over a period of 12 months. Accordingly, a reliable sensitivity analysis showing how profit or loss would be impacted by a reasonably possible shift in the value of crypto assets is not considered feasible. Nevertheless, the Directors note that a 10% increase/decline in the value of these securities would result in a gain/loss in valuation of $0.7 million (EUR 0.8 million) which would be recognised in profit or loss. Similarly, a 50% increase/decline in the value of these securities would result in a gain/loss in valuation of $3.7 million (EUR 3.8 million).

Aura

Somers holds a 15.79% equity interest in Aura and, as at September 30, 2022, carried this investment at $5.4 million (AUD 8.4 million) (2021: $6.4 million (AUD 8.8 million)).

Valuation Methodology: Aura has been valued based on comparable quoted companies and in particular a multiple of revenue with greater weight being placed on the most directly comparable companies.

Key valuation inputs: Revenue multiple of 4.2 times.

Sensitivities: On account of Aura's unique product mix, it was difficult to identify a strong set of closely comparable peer companies for Aura and a higher level of judgement was used in the selection of the multiple. Accordingly, Aura's fair value has been given a higher sensitivity to reflect a higher level of uncertainty over the revenue multiple. Should the peer group multiple ascribed to Aura's revenue be reduced/increased by 1.0 the change in valuation would be $1.1 million (AUD 1.6 million).

(Expressed in United States Dollars)

21. Financial Instruments (continued)

Other

Valuation Methodology: Somers has a further eleven unlisted investment holdings with values ranging from nil to $3.9 million. These were valued using a variety of methods, including; Revenue multiple, fair value of the underlying net assets, and cost of recent investments; adjusted for events subsequent to acquisition that impact fair value. The total value of these eleven holdings was $15.1 million at September 30, 2022 (2021: eleven holdings with a value of $17.9 million).

Sensitivities: Should the value of all these lower valued investments move by 10.0%, this would have an impact on the investment portfolio value of $1.5 million or 0.4%.

The following table shows an analysis of financial investments recorded at fair value by level of the fair value hierarchy:

	2022			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	$ 176,971,767	$ 7,757,417	$ 184,654,150	$ 369,383,334
Other financial investments	-	-	7,342,500	7,342,500
Total	$ 176,971,767	7,757,417	191,996,650	376,725,834

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Equity investments	$ 426,169,953	$ 30,451,415	$ 195,434,123	$ 652,055,491
Other financial investments	-	-	8,678,250	8,678,250
Total	$ 426,169,953	30,451,415	204,112,373	660,733,741

(Expressed in United States Dollars)

21. Financial Instruments (continued)

Movement in Level 3 financial instruments measured at fair value:

		Equity Investments	Other Financial Investments	Total
Financial assets at fair value through profit or loss				
At September 30, 2020	$	162,720,133	6,142,500	168,862,633
Total gains recorded		57,177,806	2,535,750	59,713,556
Purchases		10,604,158	-	10,604,158
Disposals		(72,780,838)	-	(72,780,838)
Transfer between levels		37,712,864	-	37,712,864
At September 30, 2021	$	195,434,123	8,678,250	204,112,373
Total gains/(losses) recorded		23,406,961	(1,335,750)	22,071,211
Purchases		3,353,176	-	3,353,176
Transfer between levels		(37,540,110)	-	(37,540,110)
At September 30, 2022	$	184,654,150	7,342,500	191,996,650

During the year ended September 30, 2022 an investment with a fair value of $37.5 million was transferred from Level 3 to Level 1 due to resuming of trading in this listed security. Investments with a fair value of $3.7 million were transferred from Level 1 to Level 2 because of decreases in the level of trading in these listed securities. There were no other transfers between fair value levels for the year ended September 30, 2022.

There were no Level 3 financial liabilities held during the years ended September 30, 2022 and September 30, 2021.

22. Subsequent Events

ICM Mobility Group Limited and Snapper Services (UK) Limited

On October 11, 2022, the Company purchased from UIL its holdings in ICM Mobility Group Limited and Snapper Services (UK) Limited for an aggregated consideration of GBP 45.6m.

The consideration for the sale was satisfied through the transfer to UIL of Somers’ holdings in West Hamilton Holdings Limited, BNK Banking Corporation Limited and WT Financial Group Limited and a cash payment.

Related Party Loans

In October 2022, Thorn Group Limited and Resimac Group Limited lent AUD 5m and AUD 12m to the Company, respectively.

There have been no other significant events or transactions from September 30, 2022 to the date that these consolidated financial statements were available for issuance that require adjustments to or disclosures in the consolidated financial statements.