

**SONS Investments Ltd**

**Financial Statements**

**For the year ended 31 December 2023**

**SONS Investments Ltd**  
**Financial statements for year ended 31 December 2023**

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**SONS Investments Ltd**  
**Corporate information**

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	<b>Date appointed</b>	
<b>Directors</b>	: Peter McAllister Todd Niall Carroll Miles Walton	May 5, 2016 May 5, 2016 July 7, 2016
<b>Registered Office</b>	: Coastal Building Wickham's Cay II P. O. Box 2221 Road Town, Tortola British Virgin Islands	
<b>Administration &amp; Secretary</b>	: c/o GB Fund Services Ltd Coastal Building Wickham's Cay II P. O. Box 2221 Road Town, Tortola British Virgin Islands	
<b>Auditor</b>	: ECOVIS (MAURITIUS) Suite 207, 2 <sup>nd</sup> Floor NG Tower Cybercity, Ebène Republic of Mauritius	
<b>Banker</b>	: Standard Bank 47-49 La Motte Street St. Helier Jersey JE2 4SZ Channel Islands	
<b>BSX Listing Sponsor</b>	: Global Custody and Clearing The LOM Building 27 Reid Street Hamilton, HM 11 Bermuda	

**SONS Investments Ltd**  
**Commentary of the directors**  
**Financial statements for the year ended 31 December 2023**

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The directors present the audited financial statements of SONS Investments Ltd, (the “Fund”), for the year ended 31 December 2023.

**PRINCIPAL ACTIVITY**

The Fund is recognised as an Approved Fund under the Securities and Investment Business Act, 2010, as amended by the laws of the British Virgin Islands. The investment objective of the Fund is to achieve superior risk-adjusted real returns by investment in a range of listed and unlisted equities, bonds, commodities, derivatives, futures, mutual funds and related instruments. Any funds selected will offer a spread of investments across geographic regions and asset classes. The Fund is authorized to issue 40,000 Class A Preference Shares, 9,000 Class B Ordinary Shares and 1,000 Management Shares.

The Fund has listed 10,000 Class A Preference Shares on the Bermuda Stock Exchange out of which only 3,469 shares were issued and subscribed.

**RESULTS**

The results for the year are shown in the accompanying financial statements and related notes.

**DIRECTORS**

The present membership of the Board is set out on page 1.

**STATEMENT OF DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Fund’s directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policy information and other explanatory notes, in accordance with International Financial Reporting Standards.

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 have made an assessment of the Fund’s ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

**AUDITOR**

The auditor, ECOVIS (MAURITIUS), has expressed its willingness to continue in office until the next Annual Meeting.

Suite 207-2<sup>nd</sup> Floor NG Tower  
Cybercity, Ebene.  
Tel:- 460 5589  
BRN: F11000012

## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of SONS Investments Ltd*

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of SONS Investments Ltd (the "Fund") which comprise the statement of financial position as at 31 December 2023, 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, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements on pages 7 to 40 gives a true and fair view of the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### *Emphasis of matter – Going concern*

We draw attention to Note 12 in the financial statements concerning the Fund's ability to continue as a going concern. These financial statements have been prepared on a going concern basis. The validity of this assumption depends on the continued support of the shareholder to enable the Fund to meet its liabilities as and when they fall due to carry on its business without any curtailment in its operations. These financial statements do not include any adjustments that would result from non-availability of finance. Our audit opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT**
*To the Shareholders of SONS Investments Ltd*
**Report on the Audit of the Financial Statements (Continued)**
*Key audit matters*

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

<b><i>Key audit matter</i></b>	<b><i>How our audit addressed the key audit matter</i></b>
<p><b>Valuation of unquoted financial assets at fair value through profit or loss</b></p> <p>As disclosed in Note 5 to the financial statements, the financial assets at fair value through profit or loss consist of an unquoted investment in CG Tech Ltd and represented 99% of the Fund's total assets at year end. This investment is the main driver of the Fund's Performance.</p> <p>The valuation of unquoted investment involves significant judgement by management with respect to:</p> <ul style="list-style-type: none"> <li>• determining whether a modified market approach using traded EBITDA and profit multiples and dividend yield is the appropriate valuation techniques to be used; and</li> <li>• the selection of suitable multiples of comparable public companies to be included in the valuation.</li> </ul> <p>Considering the significant judgement involved and the magnitude and significance of the balance in the financial statements, the valuation of financial assets at fair value through profit or loss required significant auditor's attention and was thus considered a key audit matter.</p>	<p>The audit procedures performed with respect to the valuation include:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the valuation techniques used by management by considering the nature of the business of the investee and the industry practice for valuing such types of business.</li> <li>• Performed a reasonableness assessment on the EBITDA and profit multiples in the valuation and key underlying financial data inputs by comparing and benchmarking them to external market sources and the investee Fund's financial statements.</li> <li>• Re-assessed the Dividend Yield used in the valuation by benchmarking the assumptions to external market sources.</li> <li>• Verified the calculation of the value of financial assets at fair value through profit or loss at year end by using the tested assumptions and key financial data inputs adjusted for the percentage holding in the investee company.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SONS Investments Ltd

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

#### *Responsibilities of Directors and Those Charged with Governance for the financial statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as the directors determine 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, the directors are responsible for assessing the Fund'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 the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

#### *Auditor's 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 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 financial statements.

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

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

**INDEPENDENT AUDITOR'S REPORT**

*To the Shareholders of SONS Investments Ltd*

**Report on the Audit of the Financial Statements (Continued)***Other information*

The Directors are responsible for the other information. The other information comprises of corporate information and commentary of the directors.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Other matters**

We draw attention to the fact that we were appointed as auditor for the Fund for the first time for the year ended 31 December 2023 on 28 June 2024. The financial statements of the Fund for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 July 2023.

This report, including the opinion, has been prepared for and only for the Fund's shareholders, as a body, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**ECOVIS (MAURITIUS)****Date: 20 August 2024**



**SONS Investments Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2023**

	Notes	<u>2023</u> USD	<u>2022</u> USD
<b>INCOME</b>			
Net unrealised gain from financial assets at fair value through profit or loss	5	-	11,074,217
Dividend income		3,165,000	4,749,399
Interest income		404,082	67,508
Foreign exchange (loss) / gain		(218,023)	364,670
<b>Net income</b>		<u>3,351,059</u>	<u>16,255,794</u>
<b>EXPENSES</b>			
Administration fees		22,375	24,000
Audit fees		9,500	9,000
Bank charges		-	144
<b>Total expenses</b>		<u>31,875</u>	<u>33,144</u>
<b>Profit before taxation</b>		3,319,184	16,222,650
Taxation	3(e)	-	-
<b>Profit for the year</b>		<u>3,319,184</u>	<u>16,222,650</u>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>3,319,184</u>	<u>16,222,650</u>


The notes on pages 11 to 40 form an integral part of these financial statements.

**SONS Investments Ltd**  
**Statement of financial position**  
**As at 31 December 2023**

	Notes	<u>2023</u> USD	<u>2022</u> USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	5	57,644,669	57,644,669
Loans receivable	6	8,346,290	4,425,208
		<u>65,990,959</u>	<u>62,069,877</u>
<b>Current assets</b>			
Other receivables	10 (b)	9,000	9,000
Amount due from related parties	10 (a)	5,917	5,917
Cash and cash equivalents	4	17,237	400,612
		<u>32,154</u>	<u>415,529</u>
<b>Total assets</b>		<u><u>66,023,113</u></u>	<u><u>62,485,406</u></u>
<b>EQUITY</b>			
Class A Preference shares	9	34,600,000	34,600,000
Class B shares	9	9,000	9,000
Management shares	9	100	100
Allocation of earnings to class A shares		(23,956,344)	(23,956,344)
Allocation of earnings to class B shares		51,490,403	48,171,219
<b>Total equity</b>		<u><u>62,143,159</u></u>	<u><u>58,823,975</u></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals and payables	7	15,500	15,000
Amount due to related parties	10(c)	3,864,454	3,646,431
		<u>3,879,954</u>	<u>3,661,431</u>
<b>Total equity and liabilities</b>		<u><u>66,023,113</u></u>	<u><u>62,485,406</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 August 2024 and signed on its behalf by:

  
 \_\_\_\_\_  
 DIRECTOR

Signed by:  
  
 \_\_\_\_\_  
 DIRECTOR

The notes on pages 11 to 40 form an integral part of these financial statements.

**SONS Investments Ltd**  
**Statement of changes in equity**  
**For the year ended 31 December 2023**

	Note	Management Shares USD	Class A Preference Shares USD	Class B Shares USD	Allocation of earnings to class A shares USD	Allocation of earnings to class B earnings USD	Total Equity USD
<b>Balance as at 01 January 2023</b>	9	100	34,600,000	9,000	(23,956,344)	48,171,219	58,823,975
<b>Total comprehensive income</b>		-	-	-	-	3,319,184	3,319,184
<b>Balance as at 31 December 2023</b>		<u>100</u>	<u>34,600,000</u>	<u>9,000</u>	<u>(23,956,344)</u>	<u>51,490,403</u>	<u>62,143,159</u>
Balance as at 01 January 2022	9	100	34,600,000	9,000	(23,956,344)	31,948,569	42,601,325
Total comprehensive income		-	-	-	-	16,222,650	16,222,650
Balance as at 31 December 2022		<u>100</u>	<u>34,600,000</u>	<u>9,000</u>	<u>(23,956,344)</u>	<u>48,171,219</u>	<u>58,823,975</u>

The notes on pages 11 to 40 form an integral part of these financial statements.

**SONS Investments Ltd**  
**Statement of cash flows**  
**For the year ended 31 December 2023**

		<u>2023</u>	<u>2022</u>
	Notes	USD	USD
<b>Cash flows from operating activities</b>			
Profit before taxation		3,319,184	16,222,650
<i>Adjustment for:</i>			
Net unrealised gain from financial asset at fair value through profit & loss	5	-	(11,074,217)
		<u>3,319,184</u>	<u>5,148,433</u>
<b>Changes in working capital</b>			
Change in accruals and payables		500	(5,300)
Change in amount due to related parties		218,023	(326,370)
Change in amount loans receivable		<u>(3,921,082)</u>	<u>(4,425,208)</u>
<b>Net cash flows (used in) / generated from operating activities</b>		<u>(383,375)</u>	<u>391,555</u>
<b>Movement in cash and cash equivalents</b>			
		(383,375)	391,555
Cash and cash equivalents at beginning of year		<u>400,612</u>	<u>9,057</u>
<b>Cash and cash equivalents at 31 December</b>		<u><u>17,237</u></u>	<u><u>400,612</u></u>
Cash and cash equivalents comprise of:			
<b>Cash at bank</b>		<u><u>17,237</u></u>	<u><u>400,612</u></u>

The notes on pages 11 to 40 form an integral part of these financial statements.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**1. REPORTING ENTITY**

SONS Investments Ltd (the “Fund”), was incorporated in British Virgin Islands (BVI) on 5 May 2016. The registered office of the Fund is at Coastal Building, Wickham’s Cay II, P. O. Box 2221, Road Town, Tortola, British Virgin Islands. The Fund is an “Approved Fund” within the meaning of the Securities and Investment Business Act, 2010 (as amended and including the Mutual Funds Regulations, 2010 and any other regulations made under this Act) (SIBA). According to the prospectus of the Fund, the Fund may only issue shares to persons who are “Professional Investors” within the meaning of SIBA and the minimum subscription per investor in the Fund shall not be less than USD 100,000 or its equivalent in another currency. The Fund is authorized to issue 40,000 Class A Preference Shares, 9,000 Class B Ordinary Shares and 1,000 Management Shares.

The Fund has listed 10,000 class A non-voting redeemable preference shares on the Bermuda Stock Exchange (BSX), of which 3,469 shares have been issued.

The objective of the Fund is to achieve excellent absolute returns on its investment capital as well as to preserve this capital in times of declining markets.

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

The financial statements as at and for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

These financial statements are special purpose and there is no statutory requirements for the Fund to file its financial statements in BVI. Those financial statements have been prepared for the sole purpose of providing financial information to its shareholders.

Details of the Fund’s accounting policies are included in Note 3.

**(b) Basis of measurement**

The financial statements are prepared on the going concern basis using the historical cost convention, except for financial instruments at fair value through profit or loss which are carried at the fair value as disclosed in the accounting policies thereafter.

Management concluded that the Fund meets the definition of an investment entity under IFRS 10 Consolidated financial statements as the Fund is allowed to obtain capital from more than one investor, invests solely for returns from capital appreciations and measures and evaluates the performance of all its investments on a fair value basis. As a result, the Fund’s accounting policy is to measure all its investments at fair value through profit or loss.

**(c) Functional and presentation currency**

These financial statements are presented in United States Dollars (“USD”), which is the Fund’s functional currency. All financial information presented in USD has been rounded to the nearest unit except when otherwise indicated.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**2. BASIS OF PREPARATION (CONTINUED)**

**(c) *Functional and presentation currency (Continued)***

‘Functional currency’ is the currency of the primary economic environment in which the Fund operates. Management considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Amongst other the primary objective of the Fund is to generate returns in USD, its capital raising currency. The liquidity of the Fund is managed on a day-to-day basis in USD in order to handle the issue, acquisitions and resale of the Fund’s redeemable participating shares and the Fund’s performance is evaluated in USD.

**(d) *Use of estimates and judgements***

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**(i) Judgements**

*Going concern*

The Fund has made a profit of **USD 3,319,184** (2022:USD 16,222,650) for the year ended 31 December 2023, and the Fund is in net current liability position as its total current liabilities exceeded its total current assets by **USD 3,847,800** (2022: USD 3,245,902) as of that date.

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Fund's ability to continue as a going concern.

*Functional currency*

The Fund’s primary capital-raising currency is the United States Dollar (“USD”) and the Fund’s performance and liquidity are evaluated and managed in USD. Therefore, the Fund considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and condition.

*Investment entity*

Management concluded that the Fund meets the definition of an investment entity under IFRS 10 Consolidated financial statements as the Fund is allowed to obtain capital from more than one investor, invests solely for returns from capital appreciations and measures and evaluates the performance of all of its investments on a fair value basis. As a result, the Fund’s accounting policy is to measure all its investments at fair value through profit or loss.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**2. BASIS OF PREPARATION (CONTINUED)**

**(d) Use of estimates and judgements (Continued)**

**(i) Judgements (Continued)**

*Expected Credit Loss*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making those assumptions and selecting the inputs to the impairment calculation, based on the Funds's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**(ii) Assumption and estimation uncertainties**

Information about critical estimates and assumptions in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes or accounting policies:

- Notes 2(e), and 8(g) on fair value of financial instruments.

**(e) Measurement of fair values**

'Fair value is the price that would be received to sell an asset or paid to transfer a liability on an orderly transaction between the market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at a mid-price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

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

The Fund has an established control framework with respect to the measurement of fair values.

The Board of directors regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Board of directors assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Fund uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted market prices (unadjusted) in an active market for an identical assets or liabilities.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**2. BASIS OF PREPARATION (CONTINUED)**

**(e) Measurement of fair values (Continued)**

Level 2: Other significant observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category may include instruments valued using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category can include all instruments where the valuation technique includes inputs which are not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quotes prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect the differences between the instruments.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Fund recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 8(g).

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently in these financial statements by the Fund.

**(a) Financial instruments**

**(i) Recognition and initial measurement**

The Fund initially recognises financial assets and financial liabilities at fair value on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

The Fund measures financial assets and financial liabilities initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification and subsequent measurement**

**Financial assets**

On initial recognition, the Fund classifies financial assets and financial liabilities as measured at amortised cost or FVTPL.



**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(a) Financial instruments (Continued)**

**(ii) Classification and subsequent measurement (Continued)**

***Financial assets (Continued)***

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or designated and effective hedging instrument).

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristic of the financial assets.

***Financial assets measured at amortized cost***

A debt instrument is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order 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.

A financial asset is measured at amortized 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 payment of principal and interest ("SPPI").

***Business model assessment***

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

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*(a) Financial instruments (Continued)*

*(iii) Classification and subsequent measurement (Continued)*

*Financial assets (Continued)*

*Business model assessment (Continued)*

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Fund has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, due from related parties other receivables,. These financial assets are held to collect contractual cash flow.
- Other business model: this includes financial assets at fair value through profit or loss. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

*Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

For a reconciliation of line items in the statement of financial position to the categories of financial instruments, as defined by IFRS 9, see note 8 (f).

*Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value. Net gains and losses arising from changes in the fair value of financial assets at FVTPL, including foreign exchange gains and losses, are presented in the Statement of profit or loss and other Comprehensive Income within "Net gain / (loss) on financial assets at fair value through profit or loss" in the period in which they arise. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method.

**SONS Investments Ltd**  
**Notes to the financial statements**  
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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(a) Financial instruments (Continued)**

**(ii) Classification and subsequent measurement (Continued)**

***Financial assets (Continued)***

**Financial assets measured at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis.

***Financial liabilities***

**Financial liabilities measured at fair value through profit or loss (FVTPL)**

A financial liability is measured at FVTPL if it meets the definition of held for trading.

The Fund does not hold financial liabilities measured at FVTPL.

**Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category accruals and payables and due to related parties.

***Financial liabilities – Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are subsequently measured at effective cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

***Financial liabilities at amortised cost***

This includes accruals and payables and due to related parties in the financial statements.

**(iii) Impairment**

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

**SONS Investments Ltd**  
**Notes to the financial statements**  
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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(a) Financial instruments (Continued)**

**(iii) Impairment (Continued)**

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be Baa3 or higher per Moody's or BBB- or higher per Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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).

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

*Measurement of ECLs*

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 Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(a) Financial instruments (Continued)**

**(iii) Impairment (Continued)**

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

*Presentation of allowance for ECLs in the statement of financial position*

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

*Write-off*

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**(iv) Derecognition**

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them.

If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*(a) Financial instruments (Continued)*

*(v) Offsetting*

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

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

*(vi) Specific instruments*

*Cash and cash equivalents*

Cash comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their value, and are used by the Fund in the management of its short-term commitments.

*Share Capital*

*Class A preference shares*

The class A preference shares are redeemable after ten years from the date of subscription at the option of the Shareholder on any dealing day. At any time from time to time after the date of issue thereof and at the option of the Fund, it may be convertible into an equivalent number of Class A Preference Shares denominated in US Dollars or Euros bearing a coupon of Libor plus 1% or Euribor plus 1%, respectively.

*Class B ordinary shares*

Class B ordinary shares are classified as equity. Those shares carry voting rights, right to an equal share in dividend paid and right to an equal share in the distribution of the surplus assets of the Fund

*Management shares*

Management share are classified as equity. These shares carry all voting rights and are non-participating. Incremental costs directly attributable to the issued of management shares are recognized as deduction from liability, net of any tax effects.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(b) Interest income**

Interest income, including interest income from non-derivative financial assets at fair value through profit or loss, are recognised in profit or loss, using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument.

When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable are recognised in profit or loss as interest income.

**(c) Expenses**

All expenses are accounted for in profit or loss on the accrual basis.

**(d) Net gain/(loss) from financial instruments at fair value through profit or loss**

Net gain/(loss) from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes interest and dividend income, and dividend expense on securities sold short.

**(e) Taxation**

The Fund is not required to pay any income taxes under the British Virgin Islands Income Tax Act. Furthermore, the investors in the Fund will not have to pay any British Virgin Islands income taxes or capital gains taxes on payments received from the Fund. Provided the Fund has no employee in the British Virgin Islands, the Fund will have no liability to British Virgin Islands payroll taxes.

Capital gains realised with respect to any shares of the Fund are exempt from income tax in the British Virgin Islands and there are no estate, inheritance, succession or gift taxes payable in the British Virgin Islands with respect to any shares of the Fund. The only taxes payable by the Fund are withholding taxes applicable to certain investment income.

**(f) Investment in subsidiary**

A subsidiary is an entity controlled by the Fund. The Fund controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The investment in subsidiary is measured at fair value through profit or loss as per the requirements of IFRS 10 since the Fund meets the definition of an investment entity.

In accordance with the exception under IFRS 10, the Fund does not consolidate subsidiaries in financial statements unless the subsidiary is not itself an investment entity and its main purpose and activities are providing services that relate to the Fund's investment activities. The Fund has no consolidated subsidiaries. The Fund measures unconsolidated subsidiaries at FVTPL.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

**(g) Foreign currency**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency of the Fund at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in the profit or loss.

**(h) Dividend income**

Dividend income is recognised in profit or loss, gross of any withholding taxes, on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

**(i) New standards, interpretations and amendments**

***New or revised standards and interpretations issued and effective for the year ended 31 December 2023***

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. See the applicable notes for further details on how the amendments affected the Fund.



**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*(i) New standards, interpretations and amendments (Continued)*

*New or revised standards and interpretations issued and effective for the year ended 31 December 2023 (Continued)*

**Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the financial statements of the Fund but affect the disclosure of accounting policies of the Fund.

**Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)**

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

These amendments had no effect on the financial statements of the Fund.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)**

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the financial statements of the Fund.

**International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)**

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

*(i) New standards, interpretations and amendments (Continued)*

*New or revised standards and interpretations issued and effective for the year ended 31 December 2023 (Continued)*

**International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (Continued)**

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management of A Layout has determined that the Fund is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Fund.

*New or revised standards and interpretations issued but not yet effective for the year ended 31 December 2023*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Fund has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements);
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Fund is currently assessing the impact of these new accounting standards and amendments. The Fund does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Fund does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Fund.

**SONS Investments Ltd**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**4. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	2022
	<b>USD</b>	USD
Current account	<u>17,237</u>	400,612
	<u>17,237</u>	<u>400,612</u>

Cash in current account and call deposits are used by the Fund in the management of its short-term commitments.

**5. FINANCIAL ASSETS AT FAIR VAUE THROUGH PROFIT OR LOSS**

	<b>2023</b>	2022
	<b>USD</b>	USD
<i>Cost:</i>		
Balance at beginning and end of year	<u>36,073,665</u>	<u>36,073,665</u>
<i>Unrealised gains and losses:</i>		
Balance at beginning of year	21,571,004	10,496,787
Movement during the year	-	11,074,217
Balance at end of year	<u>21,571,004</u>	<u>21,571,004</u>
<b>Fair values</b>	<u>57,644,669</u>	<u>57,644,669</u>

Details of the fund's investments in subsidiaries are as follows:

The Fund owns 69.4% (2022: 69.4%) of the issued Ordinary Shares in CG Tech Ltd, a company incorporated in the British Virgin Islands.

The Fund also holds 2 ordinary shares in CG Management Services Ltd., a British Virgin Islands company, representing 100% shareholding in 2023 (2022 : 100%).

At 31 December 2023, the following balances relate to the Fund's involvement with its unconsolidated subsidiaries.

Name of entity	Country of incorporation	Carrying amount included in investments at fair value through profit or loss
		2023
		USD
CG Tech Ltd	British Virgin Islands	57,643,044
CG Management Services Ltd	British Virgin Islands	1,625
Maximum exposure to loss		<u>57,644,669</u>

**SONS Investments Ltd**  
**Notes to the Financial Statements**  
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**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

Name of entity	Country of incorporation	Carrying amount included in investments at fair value through profit or loss
		2022 USD
CG Tech Ltd	British Virgin Islands	57,643,044
CG Management Services Ltd	British Virgin Islands	1,625
Maximum exposure to loss		<u>57,644,669</u>

CG Tech Ltd is an investment holding company with interests in businesses in the Middle East servicing the construction and events infrastructure industries.

CG Tech Ltd owns 100% of the issued economic interest in Al Laith Group Investments LLC. Al Laith Group Investments LLC is engaged in the business of scaffolding services, events management, aerial work platforms and mast climbing work, platform sales and rentals and hiring of plant and tools.

Details of the fair value measurement is provided in Note 8 (g).

**6. LOAN RECEIVABLE**

On 21 January 2022, the Fund entered into a loan agreement with Niall Carroll. The following parameter, terms and condition applies:

- The loan is denominated in USD.
- The loan capital is USD 250,000 on 21 January 2022 which was initially amended to USD 600,000 in 23 March 2022. Second amendment was on 11 April 2022 amending the loan capital to USD 800,000.
- On 8 December 2023, additional loan of USD 450,000 were disbursed to Niall Carroll.
- The initial loan term is 10 years.
- The loan shall bear interest at SOFR +1% per annum, calculated on a monthly basis using the first overnight rate of the month.

On 6 June 2022, 19 October 2022 and 30 March 2023 the Fund entered into a loan agreement with Carroll Commercial Trust. The following parameter, terms and conditions applies:

- The loan is denominated in USD.
- On 30 March 2023, additional loan of 3,100,000 was disbursed to Carroll Commercial Trust.
- The loan capital total is USD 6,257,700.
- The initial loan term is 10 years.
- The loan shall bear interest at SOFR +1% per annum, calculated on a monthly basis using the first overnight rate of the month.

	2023 USD	2022 USD
At start of the year	4,425,208	-
Additional loan given during the year	3,550,000	4,357,700
Accrued interest	404,082	67,508
Payment for the year	(33,000)	-
<b>At end of year</b>	<b>8,346,290</b>	<b>4,425,208</b>

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**7. ACCRUALS AND PAYABLES**

	<b>2023</b>	2022
	<b>USD</b>	USD
Payable to the administrator	<b>6,000</b>	6,000
Audit fees payable	<b>9,500</b>	9,000
	<b>15,500</b>	15,000

Amount payable to the administrator were payable on demand and were interest-free.

**8. FINANCIAL RISK MANAGEMENT**

The Fund has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

**(a) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The Fund's equity is susceptible to market risk arising from uncertainties about future prices of the instruments. Since all securities investments present a risk of loss of capital, the investment manager of the shareholder moderates this risk through a careful selection of securities and other financial instruments.

The Investment Manager is monitoring developments relating to coronavirus and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, relevant governments, and general pandemic response best practices.

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The only assets of the Fund denominated in United Arab Emirates Dirham "AED" is the call deposit.

The Fund undertakes certain transactions denominated in foreign currencies, hence it is exposed to the effects of exchange rate fluctuations.

The carrying amount (in USD) of the Fund's foreign currency denominated financial assets and financial liabilities at the reporting date is as follows:

	Financial assets		Financial liabilities	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>USD</b>	USD	<b>USD</b>	USD
Currency of United Kingdom ("GBP")	-	-	<b>3,864,454</b>	3,646,341
Currency of US Dollar ("USD")	<b>8,378,346</b>	4,840,639	<b>15,500</b>	15,000
Currency of UAE ("AED")	<b>57,644,767</b>	57,644,767	-	-
	<b>66,023,113</b>	62,485,406	<b>3,879,954</b>	3,661,431

**SONS Investments Ltd**  
**Notes to the Financial Statements**  
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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Market risk (Continued)**

**(i) Currency risk (Continued)**

*Foreign currency sensitivity*

The following table details the Fund's sensitivity to a 10% increase and decrease in the United States Dollars ("USD") against the relevant foreign currencies, translated at the statement of financial position date. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in the net assets attributable to holders of redeemable shares where the USD strengthens 10% against the relevant currency. For a 10% weakening of the USD against the relevant currency, there would be an increase in net assets attributable to holders of redeemable shares, and the balances below would be positive.

	<b>Effect on post-tax profit/(loss) and net equity</b>	
	<b>2023</b>	2022
	<b>USD</b>	USD
Currency of United Kingdom ("GBP")	<b>386,445</b>	364,643
Currency of UAE ("AED")	<b>5,764,477</b>	5,764,477

**(ii) Interest rate risk**

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

The investments are financed with the capital contribution of its shareholders and liability to related party. The Fund's loan receivable amounted to **USD 8,346,290** (2022: USD 4,425,208) bears a variable interest rate of SOFR +1% per annum and the Fund's financial liabilities are non-interest bearing.

		<b>2023</b>	2022
		<b>USD</b>	USD
Financial assets	<b>5%</b>	<b>417,315</b>	221,260
	<b>-5%</b>	<b>(417,315)</b>	(221,260)

**(iii) Price risk**

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The sensitivity analysis have been disclosed in note 8(g).

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

**SONS Investments Ltd**  
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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk (Continued)**

Financial assets that potentially expose the Fund to credit risk consist principally of cash and cash equivalents, amount due from related parties and other receivables. The Fund maintains its cash and cash equivalents with Standard Bank, loan was entered into with Carroll Commercial Trust. The Fund is therefore exposed to credit risk to the extent that these institutions are unable to repay amounts owed.

The Fund's exposure to credit risk arises in respect of the following financial instruments:

	<b>2023</b>	2022
	<b>USD</b>	USD
Cash and cash equivalents	<b>17,237</b>	400,612
Other receivables	<b>9,000</b>	9,000
Amount due from related parties	<b>5,917</b>	5,917
Loans receivable from related parties	<b>8,346,290</b>	4,425,208
	<b>8,378,444</b>	4,840,737

The extent of the Fund's exposure to credit risk in respect of these financial assets approximates their carrying values as at reporting date. The carrying amount of financial assets represents the maximum credit exposure. The credit risk for the cash and cash equivalents, other receivables, and due from related parties amounted to **USD 8,378,444** (2022: USD 4,840,737) is considered negligible, since the Fund transacts with a reputable financial institution. As at reporting date, the Fund's credit risk exposure was concentrated on cash at bank, other receivable and due from related parties.

As of the year ended 31 December 2023 none of the above financial assets are secured by collateral or other credit enhancements and are not past due nor impaired.

*Provision for expected credit loss on financial assets*

The Fund has used a Probability of default (PD)/ Loss given default (LGD) approach to calculate ECLs for financial assets given that these are assessed as being not data-rich. The PD/LGD approach is an advanced approach involving estimates of PDs and LGDs with external benchmark data to calculate ECLs and is considered appropriate.

Under the general approach, the Expected Credit Losses (ECL) is measured as below:

$$\mathbf{ECL = PD \times LGD \times EAD}$$

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk (Continued)**

*Provision for expected credit loss on financial assets (Continued)*

Where:

- ECL refers to the Expected Credit Losses;
- PD - This is the Probability of Default currently defined as the probability that the receivable will remain outstanding for more than 90 days;
- LGD - Loss Given Default denotes the share of losses, that is, the actual receivable's loss in the event of customer default, or what is expected to be irrecoverable from among the assets in insolvency proceedings; and
- EAD - Exposure at Default is the amount outstanding at the reporting date less balances owed by the Fund to the related party.

The following factors have been considered in determining the PD and LGD:

- An assessment of the historical observed default and loss experience; and
- Country risk based on the jurisdiction where the financial assets are based.

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Fund.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
- If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage 3'.

The expected credit losses from loans receivable during the year amounted to **nil** (2022: nil).

Expected credit losses from amounts due from related parties, cash at bank and other receivables are not material and has therefore not been recognized in these separate financial statements.

*Loan receivable*

The Fund has made loans to operating companies for working capital purposes. The Fund monitors the financial position of the borrower companies on a yearly basis. The loan is to be repaid in 10 years.

*Cash at bank*

Cash at bank is maintained with reputable banks with good credit rating to minimise the associated credit risk. Therefore, credit risk for cash at bank is considered minimal. Maximum credit risk exposure for cash at bank amounted to **USD 17,237** (2022: USD 400,612)



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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Credit risk (Continued)**

*Provision for expected credit loss on financial assets (Continued)*

*Amounts due from related parties*

Credit risk relating to unsettled transactions in relation to amounts due to related parties is considered small as the risk is minimal on the amounts due from related parties as they are with related entities. The Fund assesses all its counterparties for credit risk before contracting with them. Management monitors the financial position of the related parties on a quarterly basis. Management consider the probability of default close to be zero as the counterparties have a strong capacity to meet their contractual obligations in the near term.

**(c) Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

All investments are financed with the capital from its shareholders and liability to related party. At reporting date, the Fund invested in an unlisted company with fair value of **USD 57,644,669** (2022: USD 57,644,669) - Note 5. As a result, the Fund may not be able to liquidate quickly its investment at an amount close to its fair value to meet its liquidity requirements. The fair value of its investment that can be realised is also dependent on the financial performance of the underlying investment of the Fund's direct investee.

The Fund manages its liquidity by attempting to use its credit trading lines with the bank and other dealers and list or register its shares on additional exchanges for greater liquidity. Investment Manager may on occasion seek to borrow money using the Fund's assets as security.

The table below summarises the maturity profile of the Fund's financial liabilities as at 31 December 2023, based on contractual undiscounted payments.

<b>2023</b>	<b>On demand</b>	<b>Within one (1) year</b>	<b>After one (1) year</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Accruals and payables	-	<b>15,500</b>	-	<b>15,500</b>
Amount due to related parties	<b>3,864,454</b>	-	-	<b>3,864,454</b>
<b>At 31 December 2023</b>	<b>3,864,454</b>	<b>15,500</b>	-	<b>3,879,954</b>
<b>2022</b>	<b>On demand</b>	<b>Within one (1) year</b>	<b>After one (1) year</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Accruals and payables	-	15,000	-	15,000
Amount due to related parties	3,646,431	-	-	3,646,431
<b>At 31 December 2022</b>	<b>3,646,431</b>	<b>15,000</b>	-	<b>3,661,431</b>

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk (Continued)**

It is the Fund's intent to exit/liquidate the Fund's assets in an orderly manner prior to the Fund reaching its maturity date. However, due to the illiquid nature of the Fund's investments, there is possibility that management may encounter difficulties liquidating those assets and may only be able to do so at values significantly below their current carrying values.

**(d) Capital management**

The Fund actively and regularly manages its capital position to maintain a balance between its liability and equity level.

The redeemable class A preference shares issued by the Fund provide an investor with the right to require redemption for cash at redemption price at each redemption date and are classified as equity. For a description of the terms of the redeemable class A preference shares issued by the Fund, refer to Note 9. The Fund's objectives in managing the redeemable class A preference shares are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

**(e) Concentration risk**

At the reporting date, the Fund's assets consists of investment in companies, CG Tech Ltd and CG Management Services Ltd, both incorporated in the British Virgin Islands. CG Tech Ltd is itself a holding company investing in Al Laith Group Investments LLC, a company incorporated in United Arab Emirates and involved in the activities of scaffolding services, events management, aerial work platform and mast climbing work, platform sales and rentals and hiring of plant and tools. CG Management Services Ltd is a duly licensed investment manager with the FSC in the British Virgin Islands. The value of the Fund's investment in CG Tech Ltd is impacted by factors which affects the performance of the underlying investee (Al Laith Group Investments LLC) and the economic, political and industrial environment in which it operates.

**(f) Categories of financial instruments**

The table below sets out the classifications of the carrying amounts of the Fund's financial assets and financial liabilities into categories of financial instruments.

<b>31 December 2023</b>	<b>Mandatorily at FVTPL USD</b>	<b>Financial assets at amortized cost USD</b>	<b>Total USD</b>
<b>Financial assets</b>			
Financial assets at FVTPL	57,644,669	-	57,644,669
Loans receivable from related parties	-	8,346,290	8,346,290
Other receivables	-	9,000	9,000
Amount due from related parties	-	5,917	5,917
Cash and cash equivalents	-	17,237	17,237
<b>Total financial assets</b>	<b>57,644,669</b>	<b>8,378,444</b>	<b>66,023,113</b>

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(f) Categories of financial instruments (continued)**

<b>31 December 2023</b>	<b>Financial liabilities at amortized cost USD</b>	<b>Total USD</b>
<b>Financial liabilities</b>		
Accruals and payables	15,500	15,500
Amount due to related parties	3,864,454	3,864,454
<b>Total financial liabilities</b>	<b>3,879,954</b>	<b>3,879,954</b>

31 December 2022	Mandatorily at FVTPL USD	Financial assets at amortized cost USD	Total USD
<b>Financial assets</b>			
Financial assets at FVTPL	57,644,669	-	57,644,669
Loans receivable	-	4,425,208	4,425,208
Other receivables	-	9,000	9,000
Amount due from related parties	-	5,917	5,917
Cash and cash equivalents	-	400,612	400,612
<b>Total financial assets</b>	<b>57,644,669</b>	<b>4,840,737</b>	<b>62,485,406</b>

31 December 2022	Financial liabilities at amortized cost USD	Total USD
<b>Financial liabilities</b>		
Accruals and payables	15,000	15,000
Amount due to related parties	3,646,431	3,646,431
<b>Total financial liabilities</b>	<b>3,661,431</b>	<b>3,661,431</b>

**(g) Fair values of financial instruments**

The Fund's accounting policy on fair value measurements is discussed in note 2 (e). The Fund measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements as set out in note 2.

The table below analyses financial instruments measured at fair value as at 31 December 2023 and 2022 by the level in the fair value hierarchy into which the fair value measurement is categorized:

<b>31 December 2023</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial instruments at FVTPL</b>	<b>-</b>	<b>-</b>	<b>57,644,669</b>	<b>57,644,669</b>
<b>31 December 2022</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
Financial instruments at FVTPL	-	-	57,644,669	57,644,669

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(g) Fair values of financial instruments (continued)**

Financial instruments at fair value through profit and loss is measured at Level 3 of the fair value hierarchy and there were no transfers between levels during 2023 and 2022.

The financial instruments not measured at fair value through profit or loss include:

- Cash and cash equivalents, due from related parties, other receivables, accruals and payables and due to related parties. These are all short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of the counterparties.

Determining fair value in the private equity market is subject to significant uncertainty and judgment. Each private equity investment is a unique transaction and is evaluated based upon the facts and circumstances specific to the investment. The initial fair value of a private equity investment is the transaction price. Thereafter, the fair values of private equity investments are adjusted to reflect both positive and negative material changes. In general, arm's-length transactions executed by third parties, such as financing activities involving market clearing transactions and pending sales, are the best price indicator of fair value for private equity positions and is considered first within the valuation process.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Type	Fair value USD	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable input	Sensitivity to changes in significant unobservable inputs
<b>31 December 2023</b>					
Investment in CG Tech Ltd (formerly known as CG Industrial Holdings Ltd)	<b>57,643,044</b>	Modified market approach using comparable traded multiples	Average Sustainable EBITDA and Profit Multiples for the last 3 years  Sustainable Dividend Yield	7.5x/11x  7%	The estimated fair value would decrease if the EBITDA/ Profit decreases causing a potential downside valuation risk linked to the latest economic developments
Investment in CG Management Services Ltd	<b>1,625</b>	Net Asset Value	N/A	N/A	N/A

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(g) Fair values of financial instruments (continued)**

Type	Fair value USD	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable input	Sensitivity to changes in significant unobservable inputs
31 December 2022					
Investment in CG Tech Ltd (formerly known as CG Industrial Holdings Ltd)	57,643,044	Modified market approach using comparable traded multiples	Average Sustainable EBITDA and Profit Multiples for the last 3 years  Sustainable Dividend Yield	7x/10x  6.5%	The estimated fair value would decrease if the EBITDA/ Profit decreases causing a potential downside valuation risk linked to the Covid- 19 outbreak
Investment in CG Management Services Ltd	1,625	Net Asset Value	N/A	N/A	N/A

Significant unobservable inputs are developed as follows:

*EBITDA multiples:* Represent amounts that market participants would use when pricing the investments. EBITDA multiples are selected from the comparable public companies based on geographic location, industry, size, target markets and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of those companies by their EBITDA.

Given that the investee, CG Tech Ltd, is an investment holding and its value is derived from the underlying investment in Al Laith Group Investments LLC (Note 5), the comparable companies used are that of Al Laith Group Investments LLC and the value of the Fund's investment has been determined through a look-through approach using the effective holding of the Fund in Al Laith Group Investments LLC. The valuation of the investment as at 31 December 2023 was based on a modified market based approach.

Using one year's financial results as a proxy for sustainable future earnings (which in turn is a proxy for free cash flows) is conceptually unsound, especially in an exceptional year such as 2023. The concept of sustainable EBITDA, profit and dividends is one which has been applied consistently for the past three years. It is based on historic trends, as well as an assessment of the strategic positioning of the business. The history shows a relatively stable pattern of financial results through the business cycle.

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**8. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(g) Fair values of financial instruments (continued)**

Management has determined that the operation of the entity will be back to normal, thus a modified market approach using comparable traded multiples is an appropriate valuation technique because such valuation technique is likely to be suitable for an investment in an established business, such as Al Laith Group Investments LLC, with an identifiable stream of continuing earnings or revenue that is considered to be maintainable.

*Level 3 fair values*

The following table shows a reconciliation from opening balances to closing balances for fair value measurements in Level 3 of the fair value hierarchy.

	<u>2023</u>	<u>2022</u>
	USD	USD
Opening Balance	57,644,669	46,570,452
Net change in financial assets at fair value through profit or loss	-	11,074,217
<b>Fair value at 31 December</b>	<b>57,644,669</b>	<b>57,644,669</b>

*Effects of unobservable input on fair value measurement*

Although the Fund considers that the estimates of fair value are appropriate, the use of different methodologies and assumptions could lead to different measurements of fair value.

	<b>Effect on fair value</b>	
	<u>2023</u>	<u>2022</u>
	USD	USD
<b>Significant unobservable input:</b>		
Average sustainable EBITDA, profit and dividend yield multiple (10% increase)	8,300,352	8,300,352
Average sustainable EBITDA, profit and dividend yield multiple (10% decrease)	(8,300,352)	(8,300,352)

**9. SHARE CAPITAL**

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	Number of shares	USD	Number of shares	USD
<b>Management shares:</b>				
Issued and not yet paid:				
At beginning of year	100	100	100	100
Issued during the year at par value USD 1 each	-	-	-	-
At end of year	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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**9. SHARE CAPITAL (CONTINUED)**

	31 December 2023		31 December 2022	
	Number of shares	USD	Number of shares	USD
<b><i>Redeemable class A preference share:</i></b>				
Issued (at par value USD 10,000 each) and fully paid:				
At beginning of year	3,469	10,643,656	3,469	10,643,656
Allocation of earnings to Class A	-	-	-	-
At end of year	3,469	10,643,656	3,469	10,643,656
<b><i>Class B shares:</i></b>				
Issued (at par value USD 1 each) and not yet paid:				
At beginning of year	9,000	48,171,219	9,000	31,957,569
Allocated earnings to Class B	-	3,319,184	-	16,222,650
At end of year	9,000	51,490,403	9,000	48,180,219
<b><i>Total shares</i></b>	<b>12,569</b>	<b>62,134,159</b>	<b>12,569</b>	<b>58,823,975</b>

***Rights of management shares***

The management shares carry with it the right to one vote per issued share on any Resolution of Shareholders as per Clause 6.3(a) of the Memorandum of Association and Articles of Association.

***Rights of redeemable class A preference shares***

The class A preference shares are non-voting redeemable preference shares and shall have the following rights as per clause 6.1 of the Memorandum of Association and Articles of Association:

- rank in priority to the ordinary shares;
- rank after all debt;
- rank pari passu with all other preference shareholders of the same class of shares;
- earn a fixed dividend yield as determined by the directors periodically to be declared payable from time to time at the discretion of the directors, which dividend shall not be cumulative and shall not bear interest against the Fund;
- rank before all ordinary shareholders' dividends;
- rank pari passu with all other preference shareholders' dividends of the same class;
- not participate in residual profits;
- not carry any voting rights, either in person or by proxy, at any meeting of the Fund or on any Resolution of Shareholders, by virtue, or in respect of the Class A Preference Shares, unless any one or more of the following circumstances prevail at the date of the meeting or the date of the Resolution of Shareholders:
  - i. any dividends, or any part thereof, which the directors have elected to distribute to the Class A Preference Shareholders, remain in arrears and unpaid after the specified dividend payment date;
  - ii. the rights attaching to the Class A Preference Shares are to be amended;

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**9. SHARE CAPITAL (CONTINUED)**

*Rights of redeemable class A preference shares (Continued)*

At every general meeting or adjourned general meeting of the Fund at which holders of the Class A Preference Shares are present and entitled to vote, upon a poll, holders of Class A Preference Shares shall altogether be entitled to one vote per Class A Preference Share.

- be redeemable in accordance with defined terms set out in the prospectus of the Fund.
- be convertible at any time and from time to time, after the date of the issue thereof, at the option of the Fund, into an equivalent number of Class A Preference Shares denominated in US Dollars and bearing a coupon of Libor plus 1%; and
- be convertible, at any time and from time to time, after the date of issue thereof, at the option of the Fund, into an equivalent number of Class A Preference Shares denominated in Euros and bearing a coupon of Euribor plus 1%.

*Rights of class B shares*

As per clause 6.2 of the Memorandum of Association and Articles of Association, the Class B Shares shall have:

- the right to an equal share in any dividend paid by the Fund;
- the right to an equal share in the distribution of the surplus assets of the Fund; and
- the right to one vote on any Resolution of Shareholders.

**10. RELATED PARTY TRANSACTIONS**

For the year ended 31 December 2023, the Fund had transactions with its related parties. The nature, volume of transactions and balances are as follows:

**A. Amount due from related parties**

Name of related party	Nature of Relationship	2023	2022
		<b>USD</b>	USD
<b>CG Tech Ltd (formerly known as CG Industrial Holdings Ltd)</b>	<b>Affiliate</b>	<b>4,200</b>	4,200
<b>Carroll Investment Trust</b>	<b>Affiliate</b>	<b>1,717</b>	1,717
		<b>5,917</b>	5,917

The amounts due from related parties during the year pertains to settlement of invoices by the Fund on behalf of its affiliates.

Terms and conditions:

Amounts due from related parties are unsecured, interest free and are repayable on demand.



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**10. RELATED PARTY TRANSACTIONS (CONTINUED)**

**B. Other receivables**

On 21 December 2018, Osiris International Trustees Limited as Trustee of Carroll Commercial Trust entered into an agreement with the Fund to subscribe 9,000 Class B ordinary shares of the Fund in the sum of USD 9,000. The agreement provides that the subscription price shall be settled in cash by the Subscriber on the Subscription Date. As at reporting date, the amount is receivable from Carroll Commercial Trust.

**C. Amount due to related parties**

Name of related party	Nature of Relationship	2023 USD	2022 USD
<b>CG Tech Ltd (formerly known as CG Industrial Holdings Ltd)</b>	<b>Affiliate</b>	<b>3,864,454</b>	3,646,431
		<b>3,864,454</b>	3,646,431

*Terms and conditions:*

Amounts due to related parties are unsecured, interest free and are repayable on demand.

**D. Other related-party transactions**

**31 December 2023**

Name of related party	Nature of relationship	Nature of transactions	Volume of transactions	Receivable/ (payable) balance
Carroll Commercial Trust	Affiliate	Loans and interest receivable	3,432,429	6,630,186
Niall Carroll	Affiliate	Loans and interest receivable	488,653	1,716,104
GB Fund Services Ltd	Administrator	Administrative fees	22,375	(6,000)

**31 December 2022**

Name of related party	Nature of relationship	Nature of transactions	Volume of transactions	Receivable/ (payable) balance
Carroll Commercial Trust	Affiliate	Loans and interest receivable	3,197,757	3,197,757
Niall Carroll	Affiliate	Loans and interest receivable	1,227,451	1,227,451
GB Fund Services Ltd	Administrator	Administrative fees	24,000	(6,000)

The terms and conditions for the loan receivables are disclosed in note 6. There have been no transactions with key management personnel during the year.

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**11. EARNINGS PER SHARE (EPS)**

The calculation of basic and diluted earnings per share is based on profits attributable to equity shareholders and the weighed-average number of equity shares in issue as at 31 December 2023 and 2022. Basic and diluted earnings per share were the same since there was no potential dilutive shares at 31 December 2023 and 2022. Equity share capital consists of class B shares (Note 9). No profits are attributable to the management shares. Accordingly, basic and diluted EPS is Nil.

**12. GOING CONCERN**

The Fund has made a profit of **USD 3,319,184** (2022: profit of USD 16,222,650) for the year ended 31 December 2023, and the Fund is in net current liability position as its total current liabilities exceeded its total current assets by **USD 3,847,800** (2022: USD 3,245,902) as of that date. The affiliate CG Tech Holdings Ltd has issued a support in favour of the Company to meet its financial obligations as and when the fall due and that the Company will duly perform and comply with all its financial obligations. This will remain in effect for at least twelve months from the date of approval of the financial statements of the Company for the year ended 31 December 2023. The affiliate will undertake to provide the Company, with the funding or other support needed to make it possible to meets ongoing financial obligations.

Accordingly, the financial statements are prepared on the basis of accounting policy information applicable to a going concern basis. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

**13. COMMITMENTS AND CONTINGENT LIABILITY**

There are no commitments and contingent liabilities existing as on reporting date. The Fund has not provided any corporate or financial guarantees to any of its subsidiary (2022: nil).

**14. EVENTS AFTER THE REPORTING DATE**

There were no other events subsequent to the year-end which would require disclosure and or adjustments in these financial statements.