SONS Investments Ltd

Financial Statements

For the year ended 31 December 2019

SONS Investments Ltd
Financial statements for year ended 31 December 2019

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		Date appointed	Date resigned
Directors	: Peter McAllister Todd	May 5, 2016	-
	Niall Carroll	May 5, 2016	-
	Miles Walton	July 7, 2016	-

Registered Office : Coastal Building
Wickham's Cay II
P. O. Box 2221
Road Town, Tortola
British Virgin Islands

Administration & Secretary : GB Fund Services Ltd
Coastal Building
Wickham's Cay II
P. O. Box 2221
Road Town, Tortola
British Virgin Islands

Investment Manager : CG Management Services Ltd
Coastal Building
Wickham's Cay II
P. O. Box 2221
Road Town, Tortola
British Virgin Islands

Auditors : Baker Tilly
1st Floor CyberTower One
Ebène 72201
Mauritius

Banker : Standard Bank
47-49 La Motte Street St. Helier
Jersey JE2 4SZ
Channel Islands

BSX Listing Sponsor : Global Custody and Clearing
The LOM Building
27 Reid Street
Hamilton, HM 11
Bermuda

The directors present the audited financial statements of SONS Investments Ltd, (the "Fund"), for the year ended 31 December 2019.

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 authorised 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).

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 2019, and the statements of profit or loss and other comprehensive income, statement of changes in equity and cash flows for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards.

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.

AUDITORS

The auditors, Baker Tilly, have expressed their willingness to continue in office until the next Annual Meeting.

1st Floor CyberTower One
Ebène 72201, Mauritius

T: +230 460 8800
BRN: F07000610
info@bakertilly.mu
www.bakertilly.mu

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS 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) on pages 7 to 34, which comprise the statement of financial position as at 31 December 2019, and 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 financial statements for the year ended 31 December 2019 on pages 7 to 34:

(i) have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS");

(ii) give a true and fair view of the matters to which they relate;

(iii) present fairly the financial position of the Company for the year ended 31 December 2019 and its financial performance, changes in equity and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Audit (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial* statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the accounting policy in the financial statements concerning the Company's ability to continue as a going concern. On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The impact of the COVID-19 pandemic on the business remains unquantifiable at this stage. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SONS INVESTMENTS LTD (CONTINUED)

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.

Valuation of unquoted financial assets at fair value through profit or loss.

Refer to Notes 2(e), 4 and 8 of the financial statements.

The key audit matter	*How the matter was addressed in our audit*
The financial asset at fair value through profit or loss consist of an unquoted investment in CG Industrial Holdings Ltd and represented 95% of the Fund's total assets at year end. This investment is the main driver of the Fund's Performance. The valuation of unquoted investment involves significant judgement by management with respect to: • determining whether a market approach using traded EBITDA and profit multiples and dividend yield is the appropriate valuation techniques to be used; and • the selection of suitable multiples of comparable public companies to be included in the valuation. 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.	Our audit procedures performed included amongst others: • We 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. • We challenged the use of the EBITDA and profit multiples in the valuation and key underlying financial date inputs by comparing and benchmarking them to external market sources and the investee company's financial statements. • We have re-assessed the Dividend Yield used in the valuation by benchmarking the assumptions to external market sources. • We re-performed the calculation of the value of financial assets at fair value through profit or loss at period end by using the tested assumptions and key financial data inputs adjusted for the percentage holding in the investee company. • The percentage holding in the investee company was agreed to the investment confirmation received from the investee company.

bakertilly

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SONS INVESTMENTS LTD (CONTINUED)

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 of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of 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 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 statement as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 judgement 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 performed 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 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 the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 the directors regarding, among 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 MEMBERS OF SONS INVESTMENTS LTD (CONTINUED)

Report on the Audit of the Financial Statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Corporate information and Commentary of the directors.

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

In connection with our audit of the financial statements, our responsibilities 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 in this regard.

Baker Tilly

Baker Tilly

Date: 30 July 2020

SONS Investments Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	31 December 2019 USD	31 December 2018 USD
INCOME			
Net unrealised gains on financial assets at fair value through profit or loss	4	**13,624,538**	8,769,939
Dividend income		**4,823,566**	-
Interest income		**23,342**	50
Currency conversion gain		**11,176**	-
Total income		**18,482,622**	8,769,989
EXPENSES			
Dividends paid		**3,420,050**	-
Investment management fees	6	**874,000**	692,460
Bank charges		**312**	76
Performance fees	6	-	1,174,741
Administration fees		**24,000**	24,000
Registration fees		**1,100**	1,100
Miscellaneous		-	325
Total expenses		**4,319,462**	1,892,702
Profit before taxation		**14,163,160**	6,877,287
Taxation	3(f)	-	-
Profit for the year		**14,163,160**	6,877,287
Other comprehensive income for the year, net of tax		-	-
Increase in net assets attributable to holders of class B ordinary shares	9	**14,163,160**	6,877,287
Basic and diluted earnings per share (USD)	9	-	-

The notes on pages 11 to 34 form an integral part of these financial statements.

SONS Investments Ltd
Statement of financial position
As at 31 December 2019

	Note	2019 USD	2018 USD
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	4	62,755,103	49,130,565
Due from related parties		-	7,833
		62,755,103	49,138,398
Current assets			
Loan receivable	5	1,269,362	-
Other receivables		9,000	9,100
Cash and cash equivalents		2,206,864	3,438,504
		3,485,226	3,447,604
Total assets		66,240,329	52,586,002
EQUITY			
Class A shares	9	34,600,000	36,000,000
Class B shares		10,356,947	216,260
Management shares		100	100
Retained earnings		18,438,936	14,416,463
Total equity		63,395,983	50,632,823
Current liabilities			
Accruals and payables	7	2,844,346	1,953,179
Total equity and liabilities		66,240,329	52,586,002

Approved and authorised for issue by the Board of Directors on 30 July 2020 and signed on its behalf by:

DIRECTOR

DIRECTOR

The notes on pages 11 to 34 form an integral part of these financial statements.

SONS Investments Ltd
Statement of changes in equity
For the year ended 31 December 2019

	Management Shares USD	Class A USD	Class B USD	Retained earnings USD	Total USD
2019					
Opening balance as at 01 January 2019	**100**	**36,000,000**	**216,260**	**14,416,463**	**50,632,823**
Redemption of shares	-	**(1,400,000)**	-	-	**(1,400,000)**
Profit for the year	-	-	**10,140,687**	**4,022,473**	**14,163,160**
Balance as at 31 December 2019	**100**	**34,600,000**	**10,356,947**	**18,438,936**	**63,395,983**
2018					
Opening balance as at 01 January 2018	100	36,000,000	-	7,746,436	43,746,536
Issue of shares	-	-	9,000	-	9,000
Profit for the year	-	-	207,260	6,670,027	6,877,287
Balance as at 31 December 2018	100	36,000,000	216,260	14,416,463	50,632,823

The notes on pages 11 to 34 form an integral part of these financial statements.

SONS Investments Ltd
Statement of cash flows
For the year ended 31 December 2019

	Notes	2019 USD	2018 USD
Cash flows from operating activities			
Profit before taxation		**14,163,160**	6,877,287
Adjustment for:			
Net unrealised gains on financial assets at fair value through profit or loss	4	**(13,624,538)**	8,769,939
Operating profit / (loss) before working capital changes		**538,622**	(1,892,652)
Changes in working capital			
Change in accruals and payables		**891,167**	(688,753)
Change in receivables		**100**	(9,000)
Changes in amounts due from related parties		**7,833**	(7,833)
Net cash from / (used in) operating activities		**1,437,722**	(2,598,238)
Cash flow from investing activities			
Loan Advanced		**(1,269,362)**	-
Net cash generated from investing activities		**(1,269,362)**	-
Cash flow from financing activities			
Redemption of class A preference shares	9	**(1,400,000)**	-
Issuance of class B ordinary shares		-	9,000
Net cash provided (used in) / from financing activities		**(1,400,000)**	9,000
Net decrease in cash and cash equivalents		**(1,231,640)**	(2,589,238)
Cash and cash equivalents at beginning of year		**3,438,504**	6,027,742
Cash and cash equivalents at 31 December		**2,206,864**	3,438,504

The notes on pages 11 to 34 form an integral part of these financial statements.

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 authorised 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 3,465 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.

The Investment Manager, CG Management Services Ltd., will supervise and assist in the management of the Fund.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements as at and for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

(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 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.

(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.

2. BASIS OF PREPARATION (CONTINUED)

(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'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. Therefore, the financial statements continue to be prepared on the going concern basis.

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

Currently, the Fund does not have several investors and has a single investment due to the fact that the Fund is a start-up entity. However, 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.

Expected Credit Loss

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

(ii) Estimates and assumptions

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 on fair value of financial instruments.

(e) Measurement of fair values

A number of the Fund's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

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.

2. BASIS OF PREPARATION (CONTINUED)

(e) Measurement of fair values (continued)

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

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 – Financial Risk Management.

(f) New or revised standards and interpretations issued and effective for the year ended 31 December 2019

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are effective for annual periods beginning on or after 01 January 2019.

Standards/Interpretations		**Effective date**
IFRS 16	Leases	Annual period beginning on or after 01 January 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	Annual period beginning on or after 01 January 2019
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	Annual period beginning on or after 01 January 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	Annual period beginning on or after 01 January 2019

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 includes a single model for lessees which will result in almost all leases being included in the Statement of Financial Position. No significant changes have been included for lessors. IFRS 16 also includes extensive new disclosure requirements for both lessees and lessors.

The standard does not have any major impact on the Fund's financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(f) New or revised standards and interpretations issued and effective for the year ended 31 December 2019 (continued)

Amendments to IFRS 9 – Prepayments Features with Negative Compensation

The narrow-scope amendments made to IFRS 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.

To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

The standard does not have any major impact on the Fund's financial statements.

Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 Financial Instruments before applying the loss allocation and impairment requirements in IAS 28 Investments in Associates and Joint Ventures.

The standard does not have any major impact on the Fund's financial statements.

Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and

- separately recognise any changes in the asset ceiling through other comprehensive income.

The standard does not have any major impact on the Fund's financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(f) New or revised standards and interpretations issued and but not effective for the year ended 31 December 2019 (continued)

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements.

The Fund is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. These include the following standards and interpretations that are applicable to the business of the entity that may have an impact on future financial statements.

Standards/Interpretations		**Effective date**
IFRS 17	*Insurance contracts*	Annual period beginning on or after 01 January 2021 (likely to be extended to 01 January 2022)
Amendments to IAS 1 and IAS 8	*Definition of Material*	Annual period beginning on or after 01 January 2020
Amendments to IFRS 3	*Definition of a Business*	Annual period beginning on or after 01 January 2020
Amendments to IFRS 7, IFRS 9 and IAS 39	*Interest rate benchmark reform*	Annual period beginning on or after 01 January 2020

IFRS 17 Insurance contracts

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin (''CSM'') representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

The standard is not expected to have any major impact on the Fund's financial statements.

2. BASIS OF PREPARATION (CONTINUED)

(f) New or revised standards and interpretations issued and but not effective for the year ended 31 December 2019 (continued)

Amendments to IAS 1 and IAS 8 – Definition of Material

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole; and

- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The standard is not expected to have any major impact on the Fund's financial statements.

Amendments to IFRS 3 – Definition of a Business

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

The standard is not expected to have any major impact on the Company's financial statements.

Amendments to IFRS 7, IFRS 9 and IAS 39 – Interest rate benchmark reform

The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that InterBank Offered Rate ("IBOR") reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

The standard is not expected to have any major impact on the Fund's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Financial instruments

(i) Classification

The Fund has classified financial assets and financial liabilities into the following categories:

Financial assets at fair value through profit or loss:

- *Designated as at fair value through profit or loss - investments in equity securities*

The Fund designates all investments at fair value through profit or loss on initial recognition because it manages these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis. After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'.

Financial assets at amortised cost:

- *Loans and receivables – cash and cash equivalents and receivables*

A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market, or it is asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are measured at amortised cost using the effective interest method less allowance for impairment, if any.

(i) Classification continued

Financial liabilities at amortised cost:

Other liabilities – accounts accruals and other payables and Equity.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(ii) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised 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.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

3. SIGNIFICANT ACCOUNTING POLICIES

(iii) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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. 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. 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 of 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.

(iv) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(v) Impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

(v) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

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 has expired.

(vi) 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 legal right to offset the amounts and it intends either to settle on 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 fair value through profit or loss and foreign exchange gains and losses.

(a) Financial instruments (continued)

(viii) 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.

Accruals and payables

Accruals and payables are carried at amortised cost using the effective interest method.

Class A preference shares

The class A preference shares are redeemable at the option of the holder after a period of three years from the subscription date and are classified as financial liabilities. Class A preference shares are measured at the present value of the redemption amounts.

(b) Share capital

Share capital consists of management shares and the Class B ordinary shares. Management shares are classified as equity but they are non-participating. Incremental costs directly attributable to the issue of management shares are recognised as a deduction from equity, net of any tax effects.

(c) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Interest income (continued)

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.

(d) Expenses

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

(e) 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.

(f) 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.

(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.

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 USD	2018 USD
Cost:		
Balance at beginning of year	29,977,665	29,977,665
Additions	-	-
Disposals	-	-
Balance at end of year	**29,977,665**	29,977,665
Unrealised gains and losses:		
Balance at beginning of year	19,152,900	10,382,961
Movement during the year	13,624,538	8,769,939
Balance at end of year	**32,777,438**	19,152,900
Fair values	**62,755,103**	49,130,565

As at 31 December 2019, the Fund holds 1,055 Ordinary Shares in CG Industrial Holdings Ltd, a company incorporated in the British Virgin Islands and representing a total percentage ownership of 71.6%.

At 31 December 2019, 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**
		2018 USD
CG Industrial Holdings Ltd	British Virgin Islands	49,130,565
Maximum exposure to loss		49,130,565
		2019 USD
CG Industrial Holdings Ltd	British Virgin Islands	**62,755,103**
Maximum exposure to loss		**62,755,103**

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

CG Industrial Holdings Ltd has 100% economic interest in Al Laith Group Investments LLC. Therefore, SONS Investments Ltd has an effective ownership of 71.6% in Al Laith Group Investments LLC through CG Industrial Holdings Ltd. 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(d).

5. LOAN RECEIVABLE

On 27 January 2019, the Company entered into a loan agreement with Young LDN Ltd. The following parameter, terms and conditions applies;

- The loan is denominated in GBP.
- The loan capital totals £950,000.
- The initial loan term is 5 years.
- The loan term shall automatically renew for an indefinite period.
- The loan is repayable on demand by the Company giving 1month's notice.
- The loan shall bear interest at 2% per annum.

	2019	2018
	USD	USD
Opening	-	-
Capital movement	**1,246,020**	
Accrued interest	**23,342**	-
Closing	**1,269,362**	-

6. PERFORMANCE FEES AND MANAGEMENT FEES

The Investment Manager will be entitled to receive, for each calendar quarter, a performance fee paid quarterly in arrears with respect to each series of shares outstanding during such calendar quarter. The performance fee will be an amount equal to 20% of the appreciation in the net asset value of each Series of Shares in excess of the high water mark and the hurdle rate for such calendar quarter before giving effect to the performance fee. The hurdle rate shall be 5% per annum. The performance fee is subject to a high water mark, pursuant to which such performance fee is only paid on new appreciation in the net asset value of each series of shares. The Performance fees for the year amounted to **USD 0** (2018: USD 1,174,741) and **USD 0** was owed at 31 December 2019 (2018: USD 1,174,741). The investment manager has waived all the performance fees for the year subsequent due to the global pandemic and these were adjusted in these financial statements.

The Fund will pay a management fee to the Investment Manager equal to 2% per annum of the net asset value of each series of shares calculated and accrued monthly and, payable in arrears as of the last day of each quarter (adjusted for subscriptions and redemptions made during the relevant month). Management fees for the year amounted to **USD 874,000** (2018: USD 692,460) and **USD 1,607,438** was owed at 31 December 2019 (2018: USD 733,438).

7. ACCRUALS AND PAYABLES

	2019	2018
	USD	USD
Payable to the Investment Manager (note 10)	**2,782,179**	1,908,179
Payable to the Administrator (note 10)	**62,167**	45,000
	2,844,346	1,953,179

Amount payable to related party are repayable on demand and are 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.

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is not exposed to foreign currency risk since all its financial assets and financial liabilities are denominated in USD.

(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 Fund has no recourse to debt financing. All investments are financed with the capital contribution of its shareholders. All the Fund's financial assets, except the bank deposits, and liabilities are non-interest bearing. As such, the Fund is not subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. However, interest income from bank deposits may fluctuate in amount, in particular due to changes in the interest rates. The Fund does not seek to maximise interest income in view of its policy to achieve a superior risk-adjusted return through medium term and long-term capital appreciation of its investments. The impact of a change in interest rate is not expected to be material and therefore no interest rate sensitivity analysis has been disclosed.

(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.

Financial assets that potentially expose the Fund to credit risk consist principally of cash and cash equivalents. 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 amounting to **USD 2,206,964** (2018: USD 3,438,504) is considered negligible, since the Fund transacts with a reputable financial institution. As at reporting date, the Fund's credit risk exposure was concentrated 100% on cash at bank. Credit risk on receivable for unpaid share capital is negligible.

None of the above financial assets are secured by collateral or other credit enhancements and are not past due nor impaired.

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

The Fund's liquidity risk is reduced substantially as the Fund has no recourse to debt financing. All investments are financed with the capital from its shareholders. At reporting date, the Fund has invested in a single unlisted company with fair value of **USD 62,755,103** (2018: 49,130,565) - Note 4. 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 table below summarises the maturity profile of the Fund's financial liabilities as at 31 December 2019, based on contractual undiscounted payments.

2019	**On demand**	**1 to 3 months**	**Total**
	USD	**USD**	**USD**
Accruals and payables	-	**2,844,346**	**2,844,346**
At 31 December 2019	-	**2,844,346**	**2,844,346**

2018	**On demand**	**1 to 3 months**	**Total**
	USD	**USD**	**USD**
Accruals and payables	-	1,953,179	1,953,179
At 31 December 2018	-	1,953,179	1,953,179

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value whose carrying amounts are reasonable approximations to their fair values due to the short-term nature of these financial assets and liabilities.

31 December 2019	Carrying amount				Fair value			
	Loans and receivables	Designated at fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets measured at fair value	-	62,755,103	-	62,755,103	-	-	62,755,103	62,755,103
Financial assets not measured at fair value								
Receivables	1,269,362	-	-	1,269,362				
Other Receivables	9,000	-	-	9,000				
Cash and cash equivalents	2,206,864	-	-	2,206,864				
	3,485,226	-	-	3,485,226				
Financial liabilities not measured at fair value								
Accruals and payables	-	-	2,844,346	2,844,346				
	-	-	2,844,346	2,844,346				

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values, continued

31 December 2018	Carrying amount				Fair value			
	Loans and receivables	Designated at fair value through profit or loss	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets measured at fair value	-	49,130,565	-	49,130,565	-	-	49,130,565	49,130,565
Financial assets not measured at fair value								
Cash and cash equivalents	3,438,504	-	-	3,438,504				
Financial liabilities not measured at fair value								
Accruals and payables	-	-	1,953,179	1,953,179				
	-	-	1,953,179					

The carrying amounts of cash and cash equivalents and accruals and payables approximate their fair values as they are realised or settled within the short-term period. Hence for these instruments, disclosures in terms of levels of the fair value hierarchy is not required.

There has been no transfer between the different levels of hierarchy during the year (2018: Nil).

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (continued)

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**
31 December 2019					
Investment in CG Industrial Holdings Ltd	**62,755,103**	Market approach using comparable traded multiples	Sustainable EBITDA and Profit Multiples Sustainable Dividend Yield	8x / 12x 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.
31 December 2018					
Investment in CG Industrial Holdings Ltd	49,130,565	Market approach using comparable traded multiples	Sustainable EBITDA and Profit Multiples Sustainable Dividend Yield	6.3x / 10x 9%	The estimated fair value would increase if the Sustainable Multiples and Dividend Yield was higher.

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair values (continued)

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 Industrial Holdings Ltd, is an investment holding and its value is derived from the underlying investment in Al Laith Group Investments LLC (Note 4), 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 Fund has determined that a 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.

	2019	2018
	USD	USD
Opening Balance	**49,130,565**	40,360,626
Net change in financial assets at fair value through profit or loss	**13,624,538**	8,769,939
Fair value at 31 December	**62,755,103**	49,130,565

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.

For fair value measurements in Level 3, changing the variable considered to be the most sensitive by 10% would have the following effects:

	Effect on fair value	
	2019	2018
Significant unobservable input:	**USD**	USD
EBITDA Multiples (10% increase)	**5,458,951**	5,458,951
EBITDA Multiples (10% decrease)	**(5,458,951)**	(5,458,951)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) 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 a value proportionate to the investor's share in the Fund's net assets at each redemption date and are classified as liabilities. 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. The Fund's management of the liquidity risk arising from redeemable class A preference shares is discussed in Note 8 (c).

(f) Concentration risk

At the reporting date, the Fund's assets consisted of investment in a single company, CG Industrial Holdings Ltd, a company incorporated in the British Virgin Islands. CG Industrial Holdings 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. Therefore, the value of the Fund's investment 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.

9. SHARE CAPITAL

	31 December 2019		31 December 2018	
	Number of shares	USD	Number of shares	USD
Management shares:				
Issued and not yet paid:				
At beginning of year	**100**	**100**	100	100
Issued during the year at par value USD 1.00 each	**-**	**-**	-	-
At end of year	**100**	**100**	100	100
Redeemable class A preference shares:				
Issued and fully paid:				
At beginning of year	**3,600**	**36,000,000**	3,600	36,000,000
Redeemed during the year at value USD 10,700 each	**-** **(130)**	**(1,400,000)**	-	-
At end of year	**3,469**	**34,600,000**	3,600	36,000,000
Class B ordinary shares:				
Issued and not yet paid:				
At beginning of year	**-**	**-**	-	-
Issued during the year at par value USD 1.00 each	**9,000**	**9,000**	9,000	9,000
At end of year	**9,000**	**9,000**	9,000	9,000
Total shares	**12,570**	**34,609,100**	12,700	36,009,100

9. SHARE CAPITAL (CONTINUED)

Rights of management shares

The management shares carry all voting rights and are non-participating.

Rights of redeemable class A preference shares

The class A preference shares are non-voting redeemable preference shares and shall:

- 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, payable 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, unless any dividends remain outstanding or the rights attaching to the preference shares are to be amended;
- be redeemable in accordance with defined terms set out in the prospectus of the Fund.

Rights of class B shares

The Class B Shares shall have:

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

Allocations of profit

The class B shares are entitled to the surplus assets of the Fund. The allocation has been made from the date the Class B shares were issued.

10. RELATED PARTY TRANSACTIONS

For the year ended 31 December 2019, the Fund had transactions with its related parties. The nature, volume of transactions and balances are as follows:

31 December 2019

Name of related party	Nature of relationship	Nature of transactions	Volume of transactions USD	Balance at receivable/ (payable) at USD
CG Management Services Ltd	Investment Manager	Performance fees	-	-
		Management fees	**874,000**	**(1,607,438)**
Osiris Corporate Solutions (Mauritius) Ltd and GB Fund Services Ltd	Administrator and Secretary	Administrative fees	**25,100**	**(37,167)**

31 December 2018

Name of related party	Nature of relationship	Nature of transactions	Volume of transactions USD	Balance at receivable/ (payable) USD
CG Management Services Ltd	Investment Manager	Performance fees	1,174,741	(1,174,741)
		Management fees	692,460	(733,438)
Osiris Corporate Solutions (Mauritius) Ltd and GB Fund Services Ltd	Administra tor and Secretary	Administrative fees	24,000	(45,000)
CG Industrial Holdings Ltd	Affiliate	Payment of Osiris fees	4,200	4,200
Carroll Investment Trust	Affiliate	Payment of Osiris fees	1,717	1,717
Carroll Commercial Trust	Affiliate	Payment of Osiris fees	1,916	1,916

The terms and conditions of the related party transactions and balances are disclosed in the relevant notes.

There have been no transactions with key management personnel during the year.

11. SEGMENTAL INFORMATION

The Fund reports segmented information in terms of geographical location. Geographical location is split between the British Virgin Islands, Jersey, Bermuda and Mauritius.

For the year ended 31 December 2019 **Geographical locations**	**British Virgin Islands** **USD**	**Jersey** **USD**	**Bermuda** **USD**	**Mauritius** **USD**	**Total** **USD**
INCOME					
Net unrealised gains on financial asset at fair value through profit or loss	13,624,538	-	-	-	13,624,538
Dividends received	4,823,566	-	-	-	4,823,566
Currency conversion gain	11,176				11,176
Interest income	23,342	-	-	-	23,342
Total income	18,482,622	-	-	-	18,482,622
EXPENSES					
Dividends paid	3,420,050				3,420,050
Performance fees	-	-	-	-	-
Investment management fees	874,000	-	-	-	874,000
Administrative fees	24,000	-	-	-	24,000
Registration fees	1,100	-	-	-	1,100
Miscellaneous	-	-	-	-	-
Bank charges	312	-	-	-	312
Total expenses	4,319,462	-	-	-	4,319,461
Increase in net assets attributable to class B ordinary shares	**14,163,160**			-	**14,163,160**
Segment assets	64,033,465	2,206,964	-	-	66,240,429
Segment liabilities	2,794,346	-	63,46,083	-	66,240,429

11. SEGMENTAL INFORMATION (continued)

The Fund report segment information in terms of geographical location. Geographical location is split between the British Virgin Islands, Jersey, Bermuda and Mauritius.

For the year ended 31 December 2018 **Geographical locations**	**British Virgin Islands**	**Jersey**	**Bermuda**	**Mauritius**	**Total**
	USD	**USD**		**USD**	**USD**
INCOME					
Net unrealised gains on financial asset at fair value through profit or loss	8,769,939	-	-	-	8,769,939
Other income	-	-	-	-	-
Interest income	50	-	-	-	50
Total income	8,769,989	-	-	-	8,769,989
EXPENSES					
Performance fees	1,174,741	-	-	-	1,174,741
Investment management fees	692,460	-	-	-	692,460
Administrative fees	-	-	-	24,000	24,000
Registration fees	1,100	-	-	-	1,100
Miscellaneous	325	-	-	-	325
Bank charges	76	-	-	-	76
Total expenses	1,868,702	-	-	24,000	1,892,702
Increase in net assets attributable to holders of class B ordinary shares	6,901,287			(24,000)	6,877,287
Segment assets	49,147,398	3,438,604	-	-	52,586,002
Segment liabilities	1,953,179	-	50,632,823	-	52,586,002

12. 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 2019. Basic and diluted earnings per share were the same since there was no potential dilutive shares at 31 December 2019. Equity share capital consists of 100 management shares and class B shares (Note 9). No profits are attributable to the management shares. Accordingly, basic and diluted EPS is Nil.

12. EVENTS AFTER THE REPORTING DATE

The outbreak of New Coronavirus ("COVID-19") pandemic started to impact the globe in January 2020 and by March 2020, 199 countries and territories around the world have been affected (Source: WHO website).

The COVID-19 pandemic has had and is expected to continue to have a significant impact on the global financial markets. The Financial Statements of the Company are for the year ended 31 December 2019. Although the event happened after 31 December 2019, the directors believe that the potential impact of the COVID-19 pandemic on the Company should be disclosed in the Financial Statements.

While the Company will pay close attention to the development of the COVID-19 pandemic and evaluate its impact on the financial position and operating results of the Company, the directors are in the opinion that it is difficult to predict the overall outcome and full impact of COVID-19 pandemic on the Financial Statements of the Company at this stage.

This is considered to be a non-adjusting event after the reporting period. The Company will continue to remain alert to the situation and will closely monitor the impact on the Financial Statements. Although the Company encountered no significant impact between the end of the reporting period and the date of authorisation of these Financial Statements, the Company wish to emphasize the uncertainty associated with predicting the impact of Covid-19.

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.