BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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CONSOLIDATED FINANCIAL STATEMENTS

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PKF
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Benchmark (Bahamas) Ltd.

Opinion

We have audited the accompanying consolidated financial statements of **Benchmark (Bahamas) Ltd.**, which comprise the consolidated statement of financial position as at **December 31, 2023**, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Benchmark (Bahamas) Ltd.** as at **December 31, 2023** and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as issued by the International Accounting Standards Board (IASB).

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Commonwealth of The Bahamas, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Basis for Opinion (Continued)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the accumulated losses of a subsidiary at the end of the year, and the guarantee provided by Benchmark (Bahamas) Ltd. to make funds available for the subsidiary to continue operating as a going concern, and to meet its present and future obligations as they become due.

Key Audit Matters

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

Key Audit Matter	**How the matter was addressed in the audit**
1. Financial Reporting Systems and Controls	
Completeness and accuracy of the recording of investment transactions and all related gains and losses.	We verified all movements in investments in securities during the year, including the realized gains and losses resulting from sales transactions. We ensured that the investments were accurately valued at market prices at year end, with any unrealized gains and losses appropriately accounted for.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent 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 consolidated financial statements.

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

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.

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

The engagement partner on the audit resulting in this independent auditors' report is Renée D. Lockhart.

PKF

June 3, 2024
Nassau, Bahamas

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

(Expressed in Bahamian dollars)

	Notes	2023	2022
NON-CURRENT ASSETS			
Property, plant & equipment	11	568,370	735,525
Intangible asset	12	443,670	409,188
Investment property	13	7,778,607	6,498,221
		8,790,647	**7,642,934**
CURRENT ASSETS			
Cash at bank	6	-	4,334,359
Due from brokers	6	925,678	2,451,708
Investments in securities (long)	9	9,259,139	6,769,443
Customer advances (net)	7	1,711,298	1,850,316
Loans receivable	8	1,422,578	1,450,500
Other receivables and prepayments		573,082	1,006,805
		13,891,775	**17,863,131**
CURRENT LIABILITIES			
Bank overdraft	6, 14	288,535	203,205
Accounts payable and accrued expenses	10	630,931	962,626
Due to customers	7	3,900,359	7,723,218
Investments in securities (short)	9	43,962	334,013
Bank loan - current	14	18,677	42,357
Loan from shareholder	14	100,000	-
		4,982,464	**9,265,419**
NET CURRENT ASSETS		**8,909,311**	**8,597,712**
NON-CURRENT LIABILITIES			
Bank loan - non-current	14	-	18,677
NET ASSETS		**$ 17,699,958**	**$ 16,221,969**
EQUITY (Page 7)		**$ 17,699,958**	**$ 16,221,969**

The consolidated financial statements were approved and authorized to be issued on June 3, 2024 by the Board of Directors, and signed on its behalf by:

Director　　　　　　　　Director

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Bahamian dollars)

	Notes	2023	2022
REVENUE			
Commission		755,227	1,962,394
Portfolio management and advisory fees		122,645	185,114
Dividends		206,462	132,744
Interest		11,727	16,274
Administrative and maintenance services		2,411	154,341
Rental income		575,597	484,087
		1,674,069	**2,934,954**
EXPENSES			
Salaries and benefits		894,687	904,172
Travel and entertainment		15,455	237,724
Investment advisory fee	17	100,000	100,000
Bank charges and interest		92,487	116,250
Commission		93,794	545,756
Professional and consultancy fees		158,565	160,217
Depreciation and amortization	11,12	187,909	241,895
Directors' and officers' fees		44,090	34,840
Computer repairs and maintenance		82,608	89,253
Cleaning, repairs and maintenance		114,646	132,463
Utilities		65,328	46,607
Corporate management fees	18	9,300	11,101
Printing and stationery		34,341	57,473
Bad debts provision	7, 21(a)	397,246	5,291
Public relations		47,213	26,528
Registrar Commission license fees		3,806	17,376
Business licence fees		25,366	6,013
Real property tax		27,333	78,709
Securities Commission licence fees		56,036	53,512
Bahamas International Securities Exchange fees		18,087	21,336
Security		34,120	19,732
Dues and subscription		64,134	42,267
Administrative fees		5,625	-
Miscellaneous		50,144	84,923
		2,622,320	**3,033,438**
OPERATING LOSS		**(948,251)**	**(98,484)**
Other income/(losses):			
Net realized (loss)/gain on investments		(264,873)	431,269
Net unrealized gain on investments		2,000,178	177,146
Net realized gain/(loss) on foreign exchange		125,203	(132,223)
Gain on fair valuation of investment property		761,779	-
Other income		640	362
		2,622,927	**476,554**
NET COMPREHENSIVE INCOME		**$ 1,674,676**	**$ 378,070**
Net comprehensive income per share	19	**$ 0.34**	**$ 0.08**

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Bahamian dollars)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net comprehensive income		**1,674,676**	**378,070**
Adjustments for:			
Net unrealized gain on investments in securities		(2,000,178)	(177,146)
Net realized loss/(gain) on investments in securities		264,873	(431,269)
Gain on fair valuation of investment property		(761,779)	
Bad debts provision	7, 21(a)	397,246	5,291
Amortization	12	6,250	6,249
Depreciation	11	181,659	235,646
Net Cash (Used in)/Provided by Operations before Changes in Operating Assets and Liabilities		**(237,253)**	**16,841**
Increase in customer advances (net)		(258,228)	(310,429)
Decrease/(increase) in loans receivables		27,922	(73,195)
Decrease/(increase) in other receivables and prepayments		433,724	(558,068)
Decrease in accounts payable and accrued expenses		(331,695)	(13,611)
Decrease in due to customers		(3,822,859)	(10,716,684)
Net Cash Used in Operating Activities		**(4,188,389)**	**(11,655,146)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of securities		(5,464,629)	(4,258,137)
Proceeds from sale of securities		4,420,187	3,033,980
Additions to intangible asset	12	(40,732)	(187,936)
Purchase of property, plant & equipment	11	(14,505)	(526,140)
Additions to investment property	13	(518,607)	-
Net Cash Used in Investing Activities		**(1,618,286)**	**(1,938,233)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(196,687)	(195,789)
Addition to/(repayment of) loan from shareholder	14(c)	100,000	(2,300)
Repayment of bank loan	14(b)	(42,357)	(38,217)
Net Cash Used in Financing Activities		**(139,044)**	**(236,306)**
NET DECREASE IN CASH		**(5,945,719)**	**(13,829,685)**
Cash, beginning of year		6,582,862	20,412,547
Cash, end of year		**$ 637,143**	**$ 6,582,862**
Cash is comprised of:			
Cash at bank		-	4,334,359
Due from brokers		925,678	2,451,708
Bank overdraft	14 (a)	(288,535)	(203,205)
		$ 637,143	**$ 6,582,862**

The accompanying notes form an integral part of these consolidated financial statements.

BENCHMARK (BAHAMAS) LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

DECEMBER 31, 2023

(Expressed in Bahamian dollars)

	(Note 15) Ordinary Shares	(Note 15) Preference Shares	Contributed Surplus	Retained Earnings	Total
Balance at January 1, 2022	49,591	5,000,000	4,056,273	6,933,824	**16,039,688**
Dividends	-	-	-	(195,789)	**(195,789)**
Net comprehensive income (Page 6)	-	-	-	378,070	**378,070**
Balance at December 31, 2022	**49,591**	**5,000,000**	**4,056,273**	**7,116,105**	**16,221,969**
Dividends	-	-	-	(196,687)	**(196,687)**
Net comprehensive income (Page 6)	-	-	-	1,674,676	**1,674,676**
Balance at December 31, 2023	**$ 49,591**	**$ 5,000,000**	**$ 4,056,273**	**$ 8,594,094**	**$ 17,699,958**

The accompanying notes form an integral part of these consolidated financial statements.

1. ORGANIZATION

Benchmark (Bahamas) Ltd. (the Company) was incorporated under the laws of the Commonwealth of The Bahamas as a limited liability company on December 30, 1997 under the Companies Act 1992. The Company functions as a public investment company and is listed on The Bahamas International Securities Exchange ("BISX"). Its primary objective is to provide a competitive return to shareholders by emphasizing a diversity of domestic instruments for capital preservation, steady income flow, and the opportunity for capital appreciation.

The Company is 47.1% owned (2022: 47.1%) by Braun & Cie Ltd., a Bahamian company incorporated primarily to hold its investment in the Company and to provide management and advisory services to the Company. The remainder of the shares are held by members of the public.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Benchmark Advisors (Bahamas) Ltd. (Advisors), Alliance Investment Management Ltd. (Alliance), Benchmark Properties (Bahamas) Ltd. (Properties) and Benchmark Ventures Limited (Ventures), collectively "The Group," which are incorporated under the laws of the Commonwealth of The Bahamas.

Advisors was incorporated on February 26, 2001 to provide investment advice, strategic management planning and capital market services.

Effective November 30, 2001, the Company acquired the entire net assets of Alliance, a company operating as a securities investment advisor, broker-dealer and consultant for non-resident companies and individuals conducting business within The Bahamas.

The financial statements of Alliance have been prepared on the basis that it will continue as a going concern. Its statement of changes in equity shows accumulated deficit as at December 31, 2023, resulting from losses accumulated in prior years. Although Alliance has had a history of profitable operations in recent years, the Company has provided a guarantee to Alliance to make sufficient funds available to enable it to meet its present and future obligations for a period including, but not limited to 12 months from the date its financial statements were approved by the Board of Directors.

Properties was incorporated on July 30, 2006 to provide rental of office space. Construction of the first investment property was completed in 2010, and is yielding rental income.

Ventures was incorporated on August 22, 2017. Its primary objective is to assist small business ventures with start-up and expansion capital.

The address of the registered office of the Group is Gresham House, Charlotte Street South, Nassau, Bahamas and its principal place of business is Suite 201, Carmichael Commercial Centre, Carmichael Road, Nassau, Bahamas.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

The new and revised IFRSs prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions; otherwise, the adoption is accounted for as change in accounting policy under IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.1 New and revised IFRSs applied for the first time in 2023

The following new and revised standards have been adopted in the current year. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years, except when specifically disclosed, but may affect the accounting for future transactions or arrangements.

A. Amendments to IAS 1 - *Presentation of Financial Statements and IFRS Practice Statement*

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

B. Amendments to IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL

2.1 New and revised IFRSs applied for the first time in 2023 (Continued)

B. Amendments to IAS 8 - ***Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*** **(Continued)**

i. A change in accounting estimate that results from new information or new developments is not the correction of an error

ii. The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the following Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

A. Amendments to IAS 1 - ***Classification of Liabilities as Current or Non-Current***

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective

B. Amendments to IFRS 10 - ***Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

C. Amendments to IAS 7 ***Statement of Cash Flows*** **and IFRS 7** ***Financial Instruments:***

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose informationabout its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

The term ‘supplier finance arrangements’ is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

C. Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure of Supplier Finance Arrangements* (Continued)

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

D. Amendments to IAS 1 - *Presentation of Financial Statements: Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

D. Amendments to IAS 1 - *Presentation of Financial Statements: Non-current Liabilities with Covenants* (Continued)

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and are under the historical cost basis except for certain financial instruments that are measured either at fair value or amortized cost, and investment property measured at fair value, as explained in the accounting policies (Note 4). Historical cost is generally based on the fair value of consideration given in exchange for assets.

(b) Functional and presentation currency

The consolidated financial statements are presented in Bahamian dollars which is the Company's functional currency.

3. BASIS OF PREPARATION (Continued)

(c) Principles of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Revenue

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue comprises management fees and commissions on services to external clients. Consideration received from clients is only recognized as revenue to the extent that the Company has performed its contractual obligations in respect of that consideration. Consequently, annual management fees and loan administration fees are recognized as revenue throughout the year or the period of the loan, while commissions are earned on each trade transaction.

Interest is recognized in the period in which interest is earned. The amount of revenue is measured using the effective interest rate method.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease, excluding value-added tax (VAT).

Dividends are recorded on the ex-dividend date.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(b) Expenses

Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the Company. The Company recognizes expenses in the consolidated statement of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are accounted for on the accrual basis.

(c) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than the Bahamian dollar are translated into Bahamian dollars at the rate of exchange in effect at the date of the consolidated statement of financial position. Income and expenses transacted in currencies other than Bahamian dollars are translated into Bahamian dollars at the rates of exchange prevailing at the transaction dates.

Unrealized foreign exchange differences arising on translation of assets and liabilities, and realized foreign exchange differences on income and expenses transacted in foreign currencies are both recognized in the consolidated statement of comprehensive income.

(d) Property, plant & equipment

Property, plant & equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in the consolidated statement of comprehensive income on the straight-line basis over the estimated useful lives of each item of property, plant & equipment.

The estimated useful lives of the assets are as follows:

Leasehold improvements	5 years
Furniture, fixtures & equipment	3 - 5 years
Vehicles	5 years

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in the consolidated statement of comprehensive income.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(e) Investment property

This is comprised of land and buildings held for appreciation or rental. The Company has elected to use the fair value model for subsequent measurement. Appreciation or decrease arising from changes in the fair value of investment property is included in the consolidated statement of comprehensive income for the period in which it arises.

(f) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at the date of each consolidated statement of financial position to determine if there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognized in prior years.

Provision for impairment losses is maintained at a level believed to be adequate by management to absorb potential losses.

(g) Net comprehensive income per share

Net comprehensive income per share is calculated by dividing the net comprehensive income by the weighted average number of shares outstanding.

(h) Intangible asset

Intangible assets acquired separately are initially carried at cost. Subsequently, intangible assets with definite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on the straight-line basis over its maximum 40 years' estimated useful life.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments

Recognition and Classification

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. When initially recognized, all financial assets are further grouped as subsequently measured at amortized cost, at fair value through other comprehensive income (FVTOCI), or at fair value through profit or loss (FVTPL), while financial liabilities are classified as subsequently measured at amortized cost or at FVTPL.

Measurement

Financial instruments are initially measured at fair value (which is usually the cost) plus transaction costs that are directly attributable to the acquisition or issuance of the financial instrument, except for financial assets and liabilities that are classified as at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs.

Subsequent to initial recognition, all recognized financial instruments are measured at either amortized cost or fair value, depending on their respective classification.

Derecognition

Financial instruments are derecognized on the trade date when the Company is no longer a party to the contractual provisions of the instrument.

Financial assets

All *regular way purchase or sale* of financial assets that are under a contract whose terms require delivery of such within the timeframe established by the market concerned are initially recognized on the trade date. The financial assets are classified as follows:

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

At Amortized Cost

Financial assets are subsequently measured at amortized cost if the following conditions are met:

(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest rate method

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of effective interest rate.

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating finance income over the relevant period. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at amortized cost are:

Cash at bank

For the purpose of the consolidated statement of cash flows, cash at bank includes balances which are available for withdrawal on demand.

Due from brokers

The Company maintains brokerage accounts with certain brokers locally and internationally. Due from brokers account in the consolidated statement of financial position consists of both client and Company's funds that are either deposited for future transactions or resulted from sales proceeds, dividends or other transactions, which remain held at the brokers at the end of the period.

Due from brokers are stated at amortized cost net of allowance for any doubtful accounts. These balances are available for withdrawal on demand.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

At Amortized Cost (Continued)

Financial assets at amortized cost are:

Customer advances

Customer advances are carried at the principal amount outstanding less any provision for impairment and doubtful debts. A provision for doubtful debts is made when collection of the full amount is considered no longer probable and the estimated value of the underlying collateral is insufficient to cover advances made to the customer. Amounts deemed to be irrecoverable are written off.

Other receivables

Other receivables are stated at amortized cost net of any provision for doubtful debts.

Related party balances

Related parties include all individuals or close members of those individuals' family, who have the ability to control or exercise significant influence over the Company in making financial and operating decisions, or are members of the key management personnel of the Company or its parent. Related parties include its shareholders, directors, and key management personnel of the Company.

They also include entities that are members of the same group with whom the Company is affiliated, and the entities controlled by the individuals identified above.

Related party balances are stated at amortized cost.

At Fair Value Through OCI (FVTOCI)

Financial assets, are subsequently measured at FVTOCI if the following conditions are met:

(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

At Fair value Through Profit/Loss (FVTPL)

By default, all other financial assets shall be measured at fair value through profit or loss unless it is measured at amortized cost or at FVTOCI above. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in Note 23.

Financial assets at FVTPL are:

Investments

Investments are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss subsequently. Investments in equity securities are valued, for listed securities, at the quoted market prices at the end of each year as provided by the relevant stock exchange.

Fair Value Option (FVO)

Equity investments are generally measured at FVTPL. However, the Company has an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. The Company did not apply this option to any of its equity investment at the initial application of IFRS 9.

The Company also has an irrevocable option to designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. The Company did not apply this fair value option to any of its debt instruments.

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses (ECL) on due from brokers account, customer advances, due from related parties, and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets (Continued)

Impairment of Financial Assets (Continued)

The Company generally recognizes a 12-month ECL on initial recognition of financial assets and thereafter, except where there has been a significant increase in credit risk on an individual or collective basis, then the Company recognizes lifetime ECL. The loss allowance is recognized based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial assets that are deemed irrecoverable, where there is information indicating that the debtor is in severe financial difficulty (e.g. when the debtor is under liquidation or in the case of customer advances and other receivables, when amounts past due for 5 years), are written off.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognizes such impairment gain or loss in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

<u>At Fair value Through Profit/Loss (FVTPL)</u>

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial liabilities (Continued)

At Amortized Cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL, are subsequently classified and measured at amortized cost using the effective interest rate method.

Financial liabilities are:

Bank overdraft

This is treated and accounted for similar to cash at bank.

Due to customers

This represents funds received from customers, and is carried at amortized cost.

The Company's subsidiary (Alliance) has a legally enforceable right of offset pertaining to all balances relating to a single customer.

Accounts payable and accrued expenses

Accounts payable and accrued expenses are stated at amortized cost. They are recognized on the trade date of the related transactions. This includes loan administration fee income, which is deferred by the Company over the term of the loan being administered on behalf of its clients.

Bank loan and loan from parent company

These loans are stated at amortized cost.

(j) Leases

The Group enters into lease agreements as a lessor with respect to its investment property. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating Lease - As Lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Any balloon payments and rent free periods are taken into account when determining the straight-line charge.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(k) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(l) Events after the reporting date

The Company identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's position at the reporting period, adjusting events, are reflected in the consolidated financial statements, while subsequent events that do not require adjustments, non-adjusting events, are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the critical judgments and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these consolidated financial statements.

5.1 Key sources of estimation uncertainty

(a) *Provision for doubtful debts: Customer advances (Note 7)*

The Company estimates the provision for doubtful debts related to its customer advances, due from brokers, and other receivables based on assessment of specific accounts where the Company has information that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including, but not limited to, the length of relationship with the clients and value of portfolio held on behalf of clients. The Company used judgment to record specific reserves for clients against amounts due to reduce the expected collectible amounts. These specific reserves are re-evaluated and adjusted as additional information received impacts the amounts estimated. As at year-end, the balance of provision for doubtful debts amounted to $10,267,081 (2022: $10,267,081).

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

5.1 Key sources of estimation uncertainty (Continued)

(b) ***Impairment of non-financial assets (Continued)***

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of property, plant & equipment and intangible asset, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the consolidated financial statements.

Future events could cause the Company to conclude that property, plant & equipment and intangible asset are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations. As at year-end, management believes that no impairment loss should be recognized in these consolidated financial statements.

(c) ***Fair valuation of investment property (Note 13)***

The Company has adopted the fair value approach in determining the carrying value of its investment properties. While the Company has opted to rely on an independent appraiser to determine the fair value of its investment property, such fair value was determined based on the cost, sales comparison and income approach of such type of property, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices. The amounts and timing of recorded changes in fair value for any period would differ if the Company made different judgments and estimates or utilized different basis for determining fair value. The investment property is valued at $7,778,607 (2022: $6,498,221).

(d) ***Contingencies (Note 20)***

The Company's subsidiary is currently involved in liquidation proceedings of a significant former client. Further, this client also holds the subsidiary's $5,000,000 non-redeemable preference shares. Estimates of probable costs for the resolution of this on-going liquidation has been developed in consultation with outside counsel handling the defence in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the consolidated financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Company’s strategies relating to these proceedings.

6. CASH AT BANK AND DUE FROM BROKERS

Cash at bank is comprised of current accounts bearing interest at rates ranging from $Nil to 0.5% (2022: $Nil to 0.5%) per annum.

Cash included in the consolidated statement of cash flows is comprised of the following consolidated statement of financial position amounts:

	2023	2022
Cash in bank	-	4,334,359
Due from brokers	925,678	2,451,708
Bank overdraft	(288,535)	(203,205)
	$ 637,143	**$ 6,582,862**

7. CUSTOMER ADVANCES (NET) AND DUE TO CUSTOMERS

Customer advances (net), as reported on the consolidated statement of financial position, is comprised of the following:

	2023	2022
Customer advances	11,978,379	12,117,397
Provision for doubtful debts	(10,267,081)	(10,267,081)
	$ 1,711,298	**$ 1,850,316**

The movement in the provision for doubtful debts is as follows:

	2023	2022
Balance at beginning of year	10,267,081	10,267,081
Provision	328,931	-
Write-offs	(328,931)	-
Balance at end of year	**$ 10,267,081**	**$ 10,267,081**

Advances made to and received from customers include amounts due on or funds held relating to cash and margin transactions. Advances to customers based on margins are collateralized using securities owned by customers. Such collateral and securities are not reflected in the consolidated statement of financial position, as disclosed in Note 16.

7. CUSTOMER ADVANCES (NET) AND DUE TO CUSTOMERS (Continued)

Included in the balance of $3,900,359 (2022: $7,723,218) due to customers, is an amount of $785,180 (2022: $785,180), which relates to funds received on behalf of customers, who are not identified or have not claimed the deposits as at the date of the consolidated financial statements.

During 2012, voluntary liquidation proceedings supervised by the court were initiated by a significant client of a subsidiary, which were in progress at year-end. According to management and their legal counsel, there are no contingencies for which the subsidiary is liable. At year-end, customer advances and due to customers have been reported net of the amounts relating to the client under liquidation.

8. LOANS RECEIVABLE

A subsidiary of the Company has advanced loans amounting to $1,583,968 (2022: $1,583,968) to an entity affiliated to the Group by virtue of common management. The loans have no fixed terms of repayment. Under the terms of a management and consultancy agreement, the subsidiary has the option to convert a portion of the loans to common shares in the entity. This option, once exercised, will permit the subsidiary to convert its loans into a controlling interest in the entity of up to 51%. This convertible option is at the discretion of the subsidiary and has no expiration date. A provision amounting to $500,000 was recognized on these loans last year.

The subsidiary has also advanced loans totaling $75,423 (2022: $75,015) to other entities that are non-interest bearing and have no fixed terms of repayment. Under the terms of the agreements, the subsidiary has an option to convert its loans into a controlling interest of up to 51%.

9. INVESTMENTS IN SECURITIES

Investments in securities comprise publicly traded equities and other investments in the following industries.

	2023		2022	
Industry	**Cost**	**Market Value**	**Cost**	**Market Value**
Health	7,964	315	40,651	48,615
Financial services	7,544,011	7,635,694	5,135,922	5,229,305
Utilities	4,000	4,000	7,850	7,880
Retail	347,070	295,211	420,442	382,059
Leisure	83,659	68,700	97,024	79,720
Other	1,864,873	1,255,219	1,766,361	1,021,864
	$ 9,851,577	**$ 9,259,139**	**$ 7,468,250**	**$ 6,769,443**

Investments sold short:

	2023		2022	
Industry	**Cost**	**Market Value**	**Cost**	**Market Value**
Retail	43,962	43,962	96,262	94,758
Other	-	-	244,159	239,255
	$ 43,962	**$ 43,962**	**$ 340,421**	**$ 334,013**

10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This is comprised of the following:

	2023	2022
Deferred loan administration fee	499	499
Commission payable	41,189	62,897
Rent deposits	28,743	28,743
Vat payable	139,142	122,347
Accounts payable and accruals	782,817	748,140
	$ 992,390	**$ 962,626**

11. PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment is comprised of the following:

	Work-in-Progress	Office improvements	Furniture fixtures & equipment	Vehicles	Total
COST					
At January 1, 2022	391,629	227,939	471,500	13,688	**1,104,756**
Additions	-	502,113	24,027	-	**526,140**
Completion of work-in-progress	(391,629)	391,629	-	-	**-**
At December 31, 2022	**-**	**1,121,681**	**495,527**	**13,688**	**1,630,896**
Additions	-	520	13,985	-	**14,505**
At December 31, 2023	**-**	**1,122,201**	**509,512**	**13,688**	**1,645,401**
ACCUMULATED DEPRECIATION					
At January 1, 2022	-	204,266	441,771	13,688	**659,725**
Depreciation	-	199,205	36,441	-	**235,646**
At December 31, 2022	**-**	**403,471**	**478,212**	**13,688**	**895,371**
Depreciation	-	167,859	13,800	-	**181,659**
At December 31, 2023	**-**	**571,330**	**492,012**	**13,688**	**1,077,030**
NET BOOK VALUE					
At December 31, 2023	**$ -**	**$ 550,871**	**$ 17,500**	**$ -**	**$ 568,370**
At December 31, 2022	**$ -**	**$ 718,210**	**$ 17,315**	**$ -**	**$ 735,525**

12. INTANGIBLE ASSET

The carrying amount of the Company's intangible asset is as follows:

	2023	2022
CARRYING AMOUNT		
Cost	481,168	440,436
Accumulated amortization	(37,498)	(31,248)
	$ 443,670	**$ 409,188**
MOVEMENTS DURING THE YEAR		
At January 1	409,188	227,501
Additions	40,732	187,936
Amortization	(6,250)	(6,249)
At December 31	**$ 443,670**	**$ 409,188**

Ventures, a subsidiary, entered into an agreement with PureWater Systems Ltd. to purchase the administrative software developed by the latter for monitoring and optimization of its day-to-day operations at a cost of $250,000. PureWater is a related party by common ownership and key management.

The additions during the year pertain to an online trading portal, which is currently in its development phase.

13. INVESTMENT PROPERTY

The fair value of the investment property is as follows:

	2023	2022
Fair value at January 1	6,498,221	6,498,221
Fair value gain	761,779	-
Additions	518,607	-
Fair value at December 31	**$ 7,778,607**	**$ 6,498,221**

The Company has pledged a portion of its investment property to secure a loan specifically obtained to purchase a plot of land. A First Demand Legal Mortgage was registered over the 0.41 acre plot of land that was acquired in 2017 [See Note 14 (b)].

13. INVESTMENT PROPERTY (Continued)

An independent valuation of the investment property was last performed by an independent, professionally qualified, appraiser on December 14, 2023 to determine the fair value of such assets. This appraisal resulted in an appreciation of $761,779, which has been included in the current year's consolidated statement of income.

In determining the fair value of investment properties, the appraiser used the cost, sales comparison and income approaches, which reflected current market conditions and recent sale transactions of similar properties at the time of appraisal.

The amount of property rental income earned by the Company and the direct operating expenses as included in the consolidated statement of comprehensive income are as follows:

	2023	2022
Rental income	575,597	484,087
Direct operating expenses	119,803	146,319

Fair value hierarchy

The fair valuation of investment property is considered to represent a Level 3 valuation based on significant non-observable inputs being the cost and income potential of similar properties.

There were no transfers between Levels 1, 2 or 3 fair values during the year.

14. LOANS AND OVERDRAFT FACILITY

(a) Bank overdraft - Commonwealth Bank Ltd.

The Company has an overdraft facility with Commonwealth Bank Ltd. amounting to $700,000, the utilized portion of which bears interest at an annual rate of B$ prime plus 3.50%, an effective rate of 7.75% (2022: 7.75%). At year-end, the subsidiary has pledged equity securities with a market value of $1,560,117 (2022: $1,024,811) as collateral for both the overdraft facility and the loan disclosed below.

(b) Bank loan - Commonwealth Bank Ltd.

In 2017, a subsidiary obtained a seven year loan in the amount of $250,000 from Commonwealth Bank Ltd. to finance the purchase of additional investment property. This loan, which bears interest at the rate of B$ prime plus 2.75%, an effective rate of 7.00% per annum at December 31, 2023 and 2022, is repayable on demand in monthly installments of $3,774, inclusive of interest. As security, the Company has provided a guarantee bond and a postponement of claim for full liability. In addition, hypothecation of 75,000 Commonwealth Bank Ltd.'s common shares have also been assigned to the bank. The subsidiary also provided a first demand legal mortgage over the investment property purchased in 2017, which was partially financed by the same loan (See Note 13).

14. LOANS AND OVERDRAFT FACILITY (Continued)

(b) Bank loan - Commonwealth Bank Ltd. (Continued)

Reconciliation of liabilities arising from financing activities

	2023	2022
Balance, January 1	61,034	99,251
Repayments	(42,357)	(38,217)
Balance, December 31	**$ 18,677**	**$ 61,034**

	2023	2022
Current	18,677	42,357
Non-current	-	18,677
Balance, December 31	**$ 18,677**	**$ 61,034**

(c) Loan from shareholder

During the year the Company received an unsecured loan in the amount of $100,000 from its major shareholder (Braun & Cie Ltd.) to assist with its cash flow. This short-term loan, which bears no interest, is repayable on September 30, 2024.

15. SHARE CAPITAL

(a) Ordinary shares

At December 31, 2023 and 2022, the authorized share capital of the Company was $100,000 divided into 10,000,000 ordinary shares each with a par value of $0.01, of which 4,959,111 shares were issued, outstanding and fully paid, totaling $49,591.

(b) Preference shares

At December 31, 2023, there were $5,000,000 (2022: $5,000,000) non-voting preference shares issued and outstanding. These shares were issued in two tranches: $2,000,000 in 2010, and $3,000,000 in 2011. These shares were issued in lieu of funds due to a customer on whom liquidation proceedings have subsequently commenced. All these shares are redeemable at the discretion of the issuer. Dividend payout on these shares is also at the discretion of the issuer. Consequently, all these shares are reported as equity in the consolidated financial statements.

16. ASSETS UNDER ADMINISTRATION

The assets and liabilities of clients under administration in a custodial or nominee capacity are not reflected in these consolidated financial statements, except for those assets and liabilities that relate to the brokerage services provided by a subsidiary. At December 31, 2023 assets under administration totaled approximately $29.75 million (2022: $26.57 million).

17. INVESTMENT ADVISORY FEE

Effective January 1, 2000, Braun & Cie Ltd. was appointed Investment Manager by the Company, and is paid a fee of $100,000 per annum (2022: $100,000), payable in monthly installments beginning January 1, 2001.

Mr. Julian Renaud Brown, a director, is President and Chairman of the Company and is also President of Braun & Cie Ltd.

18. CORPORATE MANAGEMENT FEES

Under an agreement dated January 1, 2001, Mann Judd Corporate Services Ltd., the Corporate Manager of the Company, is paid a fee of $2,000 (2022: $Nil) by the Company. In addition, fees of $1,000 (2022: $NIL), $1,800 (2022: $3,600), $3,000 (2022: $6,001) and $1,500 (2022: $1,500) were paid to Mann Judd Corporate Services Ltd., by Ventures, Advisors, Alliance and Properties, respectively. A director of Mann Judd Corporate Services Ltd., is also a director of the Company and Alliance.

19. NET COMPREHENSIVE INCOME PER SHARE

The calculation of net comprehensive income per share is based on the consolidated net comprehensive income of $1,674,676 (2022: $378,070) and on the weighted average number of ordinary shares outstanding during the year of 4,959,111 (2022: $4,959,111).

20. CONTINGENT LIABILITIES AND COMMITMENTS

Liquidation of a significant client

During 2012, a subsidiary of the Company, as disclosed in Note 7, has a client on whom voluntary liquidation proceedings were initiated. Further, this client also holds $5,000,000 non-redeemable preference shares as disclosed in Note 15 (b).

20. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

Liquidation of a significant client (Continued)

Although the ultimate outcome of the above-mentioned matters cannot be ascertained at this time, it is the opinion of management, after consultation with legal counsel, that the resolution of matters will not have a materially adverse effect on the financial position of the subsidiary.

21. RELATED PARTY BALANCES AND TRANSACTIONS

Balances and transactions between the Company and its related parties are disclosed below:

	2023	2022
(a.) Transactions and balances	**$**	**$**
Directors' and officers' fees	44,090	34,840
Corporate management fees (Note 18)	9,300	11,101
Loan from shareholder (Note 14)	100,000	-
Bad debts write off	68,315	-

Although not reflected in these consolidated financial statements, as per the terms of various agreements, the Company charged its subsidiaries a management fee of $NIL (2022:$95,160) for Alliance, which included fees for the guarantee provided in Note 1, and $300,000 (2022: $300,000) for Advisors. During the year, the Directors resolved to provide for related party balances totaling $68,315.

(b.) Key management personnel compensation

The remuneration of the directors and other members of key management personnel of the Company is comprised only of short-term employee benefits in aggregate amounting to $328,295 (2022: $320,295).

22. OPERATING LEASE COMMITMENTS

As lessor

The Group leases its investment property to various third parties under operating lease agreements. The average lease term is 5 years, with a fixed annual rate for the period of the lease. During the period, one of the major operating leases expired and was renewed for a further five-year term.

Future minimum lease receipts under non-cancellable operating leases are as follows:

	2023	2022
Within one year	704,406	601,099
Later than 1 year and no later than 5 years	2,004,848	1,266,758
	$ 2,709,254	**$ 1,867,857**

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Management is of the opinion that the fair value of the financial assets and financial liabilities of the Company approximate their carrying values as reported in these consolidated financial statements.

The following table analyzes the carrying amounts of financial assets and liabilities as defined in Note 4 (i):

	At amortized cost	At fair value through OCI	At fair value through profit or loss	Total
	$	$	$	$
2023				
Financial assets				
Cash at bank	-	-	-	**-**
Due from brokers	925,678	-	-	**925,678**
Customer advances	1,711,298	-	-	**1,711,298**
Investments in securities	-	-	9,259,139	**9,259,139**
Loans receivable	1,422,578	-	-	**1,422,578**
Other receivables	359,991	-	-	**359,991**
	$ 4,419,545	**$ -**	**$ 9,259,139**	**$ 13,678,684**

	At fair value through profit or loss	At amortized cost	Total
Financial liabilities			
Bank overdraft	-	288,535	**288,535**
Accounts payable and accrued expenses	-	630,931	**630,931**
Due to customers	-	3,900,359	**3,900,359**
Bank loan - current	-	18,677	**18,677**
Loan from shareholder	-	100,000	**100,000**
	$ -	**$ 4,938,502**	**$ 4,938,502**

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

2022	At amortized cost	At fair value through OCI	At fair value through profit or loss	Total
Financial assets				
Cash at bank	4,334,359	-	-	**4,334,359**
Due from brokers	2,451,708	-	-	**2,451,708**
Customer advances	1,850,316	-	-	**1,850,316**
Investments in securities (long)	-	-	6,769,443	**6,769,443**
Loans receivable	1,450,500	-	-	**1,450,500**
Other receivables	434,883	-	-	**434,883**
	$ 10,521,766	**$ -**	**$ 6,769,443**	**$ 17,291,209**

	At fair value through profit or loss	At amortized cost	Total
Financial liabilities			
Bank overdraft	-	203,205	**203,205**
Accounts payable and accrued expenses	-	962,626	**962,626**
Due to customers	-	7,723,218	**7,723,218**
Investments in securities (short)	43,962	-	**43,962**
Bank loan - current	-	42,357	**42,357**
Bank loan - non-current	-	18,677	**18,677**
	$ 43,962	**$ 8,950,083**	**$ 8,994,045**

Fair value of financial instruments

The directors consider that the carrying amounts of all of the financial assets and liabilities of the Company approximate their fair values due to the following reasons:

(i) Investments in securities are carried at fair value at each reporting period.

(ii) Due from brokers, customer advances, loans receivable, other receivables excluding prepayments, bank overdraft, due to customers, bank loan - current, loan from parent company and accounts payable and accrued expenses approximate their fair values due to the short-term maturities of these instruments with no expected significant change in value over the short period of time.

(iii) Bank loan - non-current bears the prevailing market rate of interest making it approximate its fair value.

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Fair value hierarchy and measurements

The following table categorizes into three levels the inputs used to measure fair value of financial instruments:

Financial assets and liabilities that are measured at fair value on a recurring basis

	Fair value measurements as at 31 December 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
FINANCIAL ASSETS				
Financial assets at fair value through profit or loss				
Investments in securities (long)	9,259,139	-	-	**9,259,139**
Investments in securities (short)	(43,962)	-	-	**(43,962)**

	Fair value measurements as at 31 December 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
FINANCIAL ASSETS				
Financial assets at fair value through profit or loss				
Investments in securities (long)	6,769,443	-	-	**6,769,443**

Level 1
The fair value of financial instruments traded in an active market is based on quoted market prices at the reporting date.

Level 2
The fair value of financial instruments not traded in an active market is determined by using valuation techniques. The fair value of the financial instrument within this category has been estimated using the present value method.

Level 3
The fair value of financial instruments is determined by inputs that are not based on observable market data.

There were no transfers between level 1 and 2 during the year.

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Fair value hierarchy and measurements (Continued)

Financial assets and liabilities that are not measured at fair value on a recurring basis

	Fair value measurements as at 31 December 2023			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
FINANCIAL ASSETS				
Cash at bank	-	-	-	**-**
Due from brokers	-	925,678	-	**925,678**
Customer advances	-	1,711,298	-	**1,711,298**
Loans receivable		-	1,422,578	**1,422,578**
Other receivables	-	-	359,991	**359,991**
FINANCIAL LIABILITIES				
Bank overdraft	288,535	-	-	**288,535**
Accounts payable and accrued expenses	-	630,931	-	**630,931**
Due to customers	-	3,900,359	-	**3,900,359**
Bank loan - current	-	-	18,677	**18,677**
Loan from shareholder	-	-	100,000	**100,000**

	Fair value measurements as at 31 December 2022			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
FINANCIAL ASSETS				
Cash at bank	4,334,359	-	-	**4,334,359**
Due from brokers	-	2,451,708	-	**2,451,708**
Customer advances	-	1,850,316	-	**1,850,316**
Loans receivable	-	-	1,450,500	**1,450,500**
Other receivables	-	-	434,883	**434,883**
FINANCIAL LIABILITIES				
Bank overdraft	203,205	-	-	**203,205**
Accounts payable and accrued expenses	-	962,626	-	**962,626**
Due to customers	-	7,723,218	-	**7,723,218**
Bank loan - current	-	-	42,357	**42,357**
Loan from parent company	-	-	2,300	**2,300**
Bank loan - non-current	-	-	18,677	**18,677**

24. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, and arises primarily from the Company's cash at bank, customer advances, due from brokers, loans receivable, and other receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of market and liquidity risk of the securities held as collateral for the receivables.

The Company has established an allowance for impairment that represents its estimate of credit losses in respect of customer advances, due from brokers, loans receivable and other receivables. Recoverability of each of these assets is assessed individually, and specific provision is made as required.

24. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

The table below classifies various financial assets in ascending order of exposure to credit risk:

	2023	2022
(a) Banks with credit-rating of B and above	-	4,334,359
(b) Stockbrokers	925,678	2,451,708
(c) Other receivables	359,991	434,883
(d) Due from customers	1,711,298	1,850,316
(e) Loans receivable	1,422,578	1,450,500
	$ 4,419,545	**$ 10,521,766**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities.

The Company's approach to managing liquidity is to ensure that, as far as possible, it will schedule the maturity of its financial assets to coincide with the maturity of its financial liabilities.

The risk is also mitigated by management’s ability to negotiate to reschedule the maturity of financial assets and financial liabilities, and borrow temporary funds from its bankers to bridge any shortfall.

Management is of the opinion that disclosure of the maturity profile of financial assets is not required. The Company maintains sufficient cash and marketable securities. Management reviews cashflow forecasts on a regular basis to determine whether the Company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities. The Company has further unused overdraft facilities of $Nil (2022: $496,795) which can be used as an additional means of easing liquidity risk, if considered necessary. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

24. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

	0 - 3 months	3 months - 1 year	Over 1 year	Total
	$	$	$	$
2023				
Financial liabilities				
Bank overdraft	288,535	-	-	**288,535**
Accounts payable and accrued expenses	182,018	394,939	53,974	**630,931**
Due to customers	390,036	1,170,108	2,340,215	**3,900,359**
Bank loan - current	11,322	3,774	-	**15,096**
Loan from shareholder	-	100,000	-	**100,000**
	$ 871,911	**$ 1,668,821**	**$ 2,394,189**	**$ 4,934,921**
2022				
Financial liabilities				
Bank overdraft	203,205	-	-	**203,205**
Accounts payable and accrued expenses	106,320	737,282	119,024	**962,626**
Due to customers	772,322	2,316,965	4,633,931	**7,723,218**
Bank loan - current	11,322	33,966	-	**45,288**
Bank loan - non-current	-	-	11,322	**11,322**
	$ 1,093,169	**$ 3,088,213**	**$ 4,764,277**	**$ 8,945,659**

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the fair value or future cash flows of the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to currency risk and interest rate risk.

24. FINANCIAL RISK MANAGEMENT (Continued)

Market risk (Continued)

(a) Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Most of the Company's foreign currency transactions, assets and liabilities are denominated in US Dollars, Hong Kong Dollars and Indonesian Rupiah. The Company hedges currency risk by converting other foreign currencies to US Dollars, which is at par with the Bahamian Dollar, at transaction date and also by maintaining a spread to cover adverse fluctuations.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities. A subsidiary's interest rate liability risk arises primarily from borrowings issued at floating interest rates, which exposes the subsidiary to cash flow interest rate risk. Borrowings are sourced from a local bank, covering short and long-term funding.

The Company manages interest rate risk on borrowings by ensuring access to diverse sources of funding, reducing risks of refinancing by establishing and managing in accordance with target maturity profiles.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. It shows the effect on net comprehensive income and equity had the interest rates been higher or lower. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates based on the recent changes in lending prime rate in the Bahamas.

If interest rates had been 50 basis points higher/lower, profit or loss, and equity for the year ended December 31, 2023 would decrease/increase by $3,809 (2022: $1,321). This is mainly attributable to the Company’s exposure to interest rates on its variable rate borrowings.

25. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

To safeguard the entities' ability to continue as going concerns, so that as a Group, they can continue to provide returns for shareholders and benefits for other stakeholders.

To provide an adequate return to shareholders by selecting investments that provide an acceptable return commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it in light of economic changes to mitigate market risk. In order to manage the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or liquidate assets to reduce debt.

A subsidiary of the Company is subject to externally imposed capital requirements. The Securities Industry Regulations, 2000 requires that a Class 1 broker-dealer shall maintain at least $300,000 of regulatory capital, which consists of cash and cash equivalents, money market funds, government securities and listed securities.