

CM STRUCTURED FINANCE (1) LTD

ANNUAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2022

CM STRUCTURED FINANCE (1) LTD

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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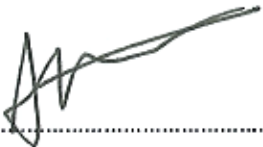
NOTICE

Unless otherwise stated, all references to Acts and Regulations in this Annual Report relate to legislations issued in the Republic of Mauritius.

CM STRUCTURED FINANCE (1) LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED JUNE 30, 2022

The Directors are pleased to submit the Annual Report of CM Structured Finance (1) Ltd for the year ended June 30, 2022.

This report was approved by the Board of Directors on September 28, 2022.


.....
Director
ANISH GOORAH


.....
Director
VIMAL ORI

CM STRUCTURED FINANCE (1) LTD
SECRETARY'S CERTIFICATE
FOR YEAR ENDED JUNE 30, 2022

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.



For and on behalf of
MCB Group Corporate Services Ltd
Company Secretary

Date: September 28, 2022

CM STRUCTURED FINANCE (1) LTD

STATUTORY DISCLOSURES

Section 221 of the Companies Act 2001

1. Principal Activity

CM Structured Finance (1) Ltd (the “Company”) is a Public Company limited by shares and is wholly-owned by MCB Capital Markets Ltd (“MCBCM”). The Company’s objects are to offer, structure and engineer any type of structured products and to do all such other things as are necessary, ancillary or incidental to, or as the Company may think conducive for, the conduct, promotion or attainment of its business.

The Company has no employees. Its day-to-day operations are outsourced to subsidiaries of the MCB Group.

2. Composition of the Board

BASANTA LALA Divya (up to August 2021)

GNANY Gilbert

GOORAH Anish

LAM YAN FOON Ronald

ORI Vimal

The Company did not comply with Section 133 of the Companies Act 2001 for the year ended June 30, 2022, where all public companies should have at least one woman on the Board and should at all times have at least two independent directors. Management is aware of this breach and has, since the resignation of Mrs Basanta Lala on August 03, 2021, conducted a search for independent directors. Given the circumstances surrounding the Company, this search has to date been unsuccessful and is ongoing.

3. Directors’ Interests in Shares

The Directors do not hold securities in the Company directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

4. Directors’ Service Contracts

There are no fixed term contracts or service contracts between the Company and the Directors.

5. Directors’ Remuneration

Amount paid to Directors during the year ended 30 June 2022 is as follows:

Non-Executive	2022	2021
	USD	USD
Ms BASANTA LALA Divya	30	375
Mr GNANY Gilbert	-	-
Mr GOORAH Anish	-	-
Mr LAM YAN FOON Ronald	-	-
Mr ORI Vimal	-	-

6. Contract of Significance

The Directors have no contract of significance with the Company.

7. Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

8. Auditors’ Fees

The fees paid to the auditors, for audit services were:

	2022	2021
	USD	USD
Audit fees - BDO & Co:	4,025	3,450

The external auditors did not carry out non-audit services for the Company during the financial year under review.

CM STRUCTURED FINANCE (1) LTD

STATUTORY DISCLOSURES

Section 221 of the Companies Act 2001

9. Charitable Donation

No donation was made by the Company during the year under review.


10. Political Donation

The Company did not make any political donations during the year ended June 30, 2022.

Signed for and on behalf of the Board of Directors on September 28, 2022.



.....
Director



.....
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of CM Structured Finance (1) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CM Structured Finance (1) Ltd (the "Company"), on pages 6 to 25 which comprise the statement of financial position as at June 30, 2022, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 6 to 25 give a true and fair view of the financial position of the Company as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance 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.

Key Audit Matter

Litigations and Contingencies

Following the application filed by Abu Dhabi Commercial Bank for the appointment of administrators in respect of NMC Health PLC (NMC), the delisting of the NMC shares on the London Stock Exchange and of the Credit Linked Notes (CLN) on the Stock Exchange of Mauritius (SEM), the Company has impaired its investments in financial assets by the expected credit loss from NMC for an amount of USD 20M. The corresponding liability for an amount of USD 18M has been written back.

At June 30, 2022, the Company has a financial liability of USD 2M, representing a 10% first loss guarantee to Noteholders as per section 4.8 of the Private Placement Memorandum (PPM). Following the completion of the 'deed of company arrangement' by the NMC Group, the Company's claim against NMC has been settled for a portion of the new debt facility issued by the new NMC Group (the "Exit instrument"). The Company intends to distribute the proceeds associated with the Exit instrument and pay any resulting recovery amount to the noteholders. In line with the PPM, and based on legal advice, management has assessed that there are no further liabilities towards the Noteholders. In June 2022, the Company initiated a Scheme of Compromise before the Bankruptcy Division of the Supreme Court.

The assessment by management involves significant judgement, hence this was considered a key audit matter.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of CM Structured Finance (1) Ltd

Related Disclosures

Refer to note 5 of the accompanying financial statements.

How our audit addressed the key audit matter

We have performed the following audit procedures to assess whether the Company has any litigation, contingencies and commitments that are required to be recognised:

- Assessed that the USD 2M financial liability as at June 30, 2022 is in line with Section 4.8 of the PPM and Listing Particulars;
- Received confirmation dated 30 August 2022 from the lawyers confirming no outstanding litigations at the Registry of Supreme Court as at 30 June 2022;
- Held meetings with Management and in-house legal counsel to further assess and corroborate information gathered;
- Reviewed minutes of board meetings to assess completeness and reporting of transactions;
- We have assessed the adequacy of the disclosures made in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of CM Structured Finance (1) Ltd

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of CM Structured Finance (1) Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

The Company did not comply with Section 133 of the Mauritian Companies Act 2001 for the year ended 30 June 2022, where all public companies should have at least one woman on the Board and should at all times have at least two independent directors.

Other Matter

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

Port Louis,
Mauritius

September 28, 2022

BDO & Co
BDO & Co
Chartered Accountants

Didier

Didier Dabydin, FCA
Licensed by FRC

CM STRUCTURED FINANCE (1) LTD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	<u>Notes</u>	<u>2022</u> <u>USD</u>	<u>2021</u> <u>USD</u>
ASSETS			
Current Assets			
Financial Asset at amortised cost	7	-	2,003,800
Other Receivables and Prepayments	9	1,792	12,063
Current Tax Asset	14(a)	-	1,260
Cash and Cash equivalents	16(b)	<u>2,163,658</u>	<u>314,969</u>
		<u>2,165,450</u>	<u>2,332,092</u>
Total Assets		<u>2,165,450</u>	<u>2,332,092</u>
EQUITY AND LIABILITIES			
Capital & Reserves			
Share Capital	11(a)	2,000,291	2,000,291
Revenue Deficit		<u>(1,972,255)</u>	<u>(2,000,252)</u>
Total Equity		<u>28,036</u>	<u>39</u>
Non Current Liability			
Other Financial Liabilities	8	<u>2,000,000</u>	<u>2,000,000</u>
Current Liabilities			
Other Payables	10	136,809	332,053
Current Tax Liability	14(a)	<u>605</u>	<u>-</u>
		<u>137,414</u>	<u>332,053</u>
Total Liabilities		<u>2,137,414</u>	<u>2,332,053</u>
Total Equity and Liabilities		<u>2,165,450</u>	<u>2,332,092</u>

These financial statements have been approved for issue by the Board of Directors on September 28, 2022.




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DIRECTORS

The notes on pages 10 to 25 form an integral part of these financial statements.
 Independent Auditor's report on pages 5 to 5(c).

CM STRUCTURED FINANCE (1) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022 USD	2021 USD
Interest Income		70,433	73,000
Operating Expenses	12	(6,631)	(16,890)
Administrative Expenses	13	(52,744)	(75,769)
Other Income		17,250	5,500
Foreign Exchange Gains		242	268
Profit/(Loss) before Tax		28,550	(13,891)
Income Tax	14(b)	(553)	(896)
Profit/(Loss) after Tax		27,997	(14,787)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		27,997	(14,787)
Earnings/(Loss) per Share	15	USD 9	(USD 5)

The notes on pages 10 to 25 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 5(c).

CM STRUCTURED FINANCE (1) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share Capital	Revenue Deficit	Total
	USD	USD	USD
Balance at July 01, 2021	2,000,291	(2,000,252)	39
Profit for the year	-	27,997	27,997
Other comprehensive income for the year	-	-	-
Balance at June 30, 2022	2,000,291	(1,972,255)	28,036
Balance at July 01, 2020	2,000,291	(1,985,465)	14,826
Loss for the year	-	(14,787)	(14,787)
Other comprehensive income for the year	-	-	-
Balance at June 30, 2021	2,000,291	(2,000,252)	39

The notes on pages 10 to 25 form an integral part of these financial statements.
 Independent Auditor's report on pages 5 to 5(c).

CM STRUCTURED FINANCE (1) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022	2021
		USD	USD
Cashflows from Operating Activities			
Cash used in Operations	16(a)	(227,098)	(195,358)
Interest Received		74,233	73,000
Tax Refund/(Paid)	14(a)	1,312	(13,315)
Net Cash Used in Operating Activities		(151,553)	(135,673)
Cashflow from Investing Activity			
Proceeds from Maturity of Financial Asset at amortised cost	7	2,000,000	-
Net Cash Generated from Investing Activity		2,000,000	-
Net Increase/(Decrease) in Cash and Cash Equivalents		1,848,447	(135,673)
Movement in Cash and Cash Equivalents			
At the beginning of reporting year		314,969	450,374
Increase/(Decrease)		1,848,447	(135,673)
Effects of foreign exchange movement		242	268
At the end of reporting year	16(b)	2,163,658	314,969

The notes on pages 10 to 25 form an integral part of these financial statements.
Independent Auditor's report on pages 5 to 5(c).

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1 GENERAL INFORMATION

CM Structured Finance (1) Ltd ("the Company") was incorporated in Mauritius under the Companies Act 2001 on April 10, 2019 as a Public Company, limited by shares with limited lifetime. Its main activity consists of structuring, engineering and offering structured products through the issue of debt or equity securities (or otherwise). Its registered address is 9-15, Sir William Newton Street, Port Louis.

These financial statements presented herewith are for the year ended June 30, 2022 and will be submitted for consideration and approval at the forthcoming annual meeting of shareholder of the Company.

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of CM Structured Finance (1) Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of an individual entity. The financial statements are presented in US Dollars and all values are rounded to the nearest dollar, except where otherwise indicated. The financial statements are prepared under the historical cost convention, except that financial assets at fair value through profit or loss are stated at fair value.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Interest Rate Benchmark Reform Phase 2 (IBOR)

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in the IBOR context amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

The following amendments have no impact on the Company's financial statements:

- IFRS 4 Insurance Contracts
- IFRS 7 Financial Instruments - Disclosures
- IFRS 9 Financial Instruments
- IFRS 16 Leases

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2022

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2022 (cont'd)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts - Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

Effective date January 1, 2023

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting estimates prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

(b) Revenue recognition

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currencies

(i) Functional and Presentation Currency

Items included in the financial statements are measured using US Dollars, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in US Dollars, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cashflow hedges and qualifying net investment hedges.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as financial assets at fair value through other comprehensive income, are included in the fair value through other comprehensive income reserve in equity.

(d) Financial instruments

(i) Financial assets

Categories of financial assets

The Company classifies financial assets into the categories discussed below, depending on the purpose for which the asset was acquired. The Company determines the classification of investments at initial recognition. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss

The Company classifies financial assets at fair value through profit or loss (FVTPL) for debt investments that do not qualify for measurement at either amortised cost or Fair Value through Other Comprehensive Income (FVOCI).

At initial recognition, the Company measures the financial assets at FVTPL at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are expensed in profit or loss.

Financial assets at FVTPL are subsequently stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Interest earned on the financial assets are recognised in profit or loss. The fair value of financial assets is determined in the manner described in Note 4.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Categories of financial assets (cont'd)

- Amortised cost

These assets arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for financial assets at amortised cost are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise of fixed deposits instruments, other receivables & prepayments and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

(ii) Financial liabilities

The Company classifies its financial liabilities as follows depending on the purpose for which the liability was acquired.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as fair value through profit or loss when the financial liability is either held for trading or it is designated as fair value through profit or loss.

A financial liability may be designated as fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives.

Financial liabilities at fair value through profit or loss are subsequently stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 4.

- **Other financial liabilities**

The Company's credit linked notes issued are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- **Other payables and other short-term monetary liabilities**

Other payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire.

(iii) Equity Instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Current Income Tax

The tax expense for the period comprises of current tax and corporate social responsibility levy (CSR). Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity.

In line with the definition within the Income Tax Act 1995, CSR is regarded as a tax and is therefore subsumed into income tax shown in profit or loss and the income tax liability on the statement of financial position. The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian Tax Authorities.

The Company is subject to the Advanced Payment System whereby it pays income tax on a quarterly basis.

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

(f) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of the new shares are shown in equity as deduction, net of tax, from proceeds.

(g) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle this obligation.

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

3 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Factors

The company's activities expose it to a variety of financial risks, including:

- Credit risk
- Foreign currency risk
- Liquidity risk
- Interest rate risk

A description of the significant risk factors is given below together with the risk management policies applicable.

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 Company, resulting in a financial loss to the Company. It arises principally from financial assets at amortised cost and cash and cash equivalents.

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties having good credit standards.

Included in the table below are the Company's financial instruments by category.

	Amortised Cost	
	2022	2021
	USD	USD
FINANCIAL ASSETS		
Financial Asset at amortised cost	-	2,003,800
Cash and Cash equivalents	2,163,658	314,969
	<u>2,163,658</u>	<u>2,318,769</u>
FINANCIAL LIABILITIES		
Other Payables	136,809	332,053
Other Financial Liabilities	2,000,000	2,000,000
	<u>2,136,809</u>	<u>2,332,053</u>

Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency exposure primarily with respect to Mauritian Rupee.

Included in the table below are the Company's financial assets and financial liabilities at carrying amounts classified by currency.

As at June 30, 2022	Rupees	US Dollars	Total
	USD	USD	USD
FINANCIAL ASSET			
Cash and Cash equivalents	24	2,163,634	2,163,658
	<u>24</u>	<u>2,163,634</u>	<u>2,163,658</u>
FINANCIAL LIABILITIES			
Other Payables	3,823	132,986	136,809
Other Financial Liabilities	-	2,000,000	2,000,000
	<u>3,823</u>	<u>2,132,986</u>	<u>2,136,809</u>

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial Risk Factors (cont'd)

Foreign currency risk (cont'd)

As at June 30, 2021

	Rupees	US Dollars	Total
	USD	USD	USD
FINANCIAL ASSETS			
Financial Asset at amortised cost	-	2,003,800	2,003,800
Cash and Cash equivalents	13	314,956	314,969
	<u>13</u>	<u>2,318,756</u>	<u>2,318,769</u>
FINANCIAL LIABILITIES			
Other Payables	3,594	328,459	332,053
Other Financial Liabilities	-	2,000,000	2,000,000
	<u>3,594</u>	<u>2,328,459</u>	<u>2,332,053</u>

At June 30, 2022, if the US Dollar weakens/strengthens by 10% against foreign currencies, with other variables held constant, the effect on profit/(loss) would have been as follows:

	Impact on	
	Profit before	Loss before
	taxation	taxation
	2022	2021
	USD	USD
US Dollar weakens by 10%	380	358
US Dollar strengthens by 10%	(380)	(358)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash to enable the Company to meet its liabilities. Management monitors the liquidity situation to ensure that the Company meets its obligations when required.

The table below show the maturity analysis of the financial assets and financial liabilities of the Company.

	Within 1 Year	Between 1 to	Non-maturity	Total
	USD	5 Years	items	USD
	USD	USD	USD	USD
As at June 30, 2022				
FINANCIAL ASSET				
Cash and Cash equivalents	2,000,833	-	162,825	2,163,658
	<u>2,000,833</u>	<u>-</u>	<u>162,825</u>	<u>2,163,658</u>
FINANCIAL LIABILITIES				
Other Payables	136,809	-	-	136,809
Other Financial Liabilities	-	2,000,000	-	2,000,000
	<u>136,809</u>	<u>2,000,000</u>	<u>-</u>	<u>2,136,809</u>

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial Risk Factors (cont'd)

Liquidity risk (cont'd)

As at June 30, 2021	Within 1 Year	Between 1 to	Non-maturity	Total
	USD	5 Years	items	USD
	USD	USD	USD	USD
FINANCIAL ASSETS				
Financial Asset at amortised cost	2,003,800	-	-	2,003,800
Cash and Cash equivalents	-	-	314,969	314,969
	<u>2,003,800</u>	<u>-</u>	<u>314,969</u>	<u>2,318,769</u>
FINANCIAL LIABILITIES				
Other Payables	332,053	-	-	332,053
Other Financial Liabilities	-	2,000,000	-	2,000,000
	<u>332,053</u>	<u>2,000,000</u>	<u>-</u>	<u>2,332,053</u>

Interest Rate Risk

The Company is exposed to interest rate risk through financial assets at amortised cost, cash and cash equivalents and other financial liabilities.

Interest rate sensitivity analysis

If interest rates had been 25 basis points higher, the effect on profit/(loss) would have been as follows:

	2022	2021
	USD	USD
Increase in profit after tax/Decrease in loss after tax	<u>5,409</u>	<u>787</u>

(b) Capital Risk Management

The Company's objective is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to this carrying amounts of assets and liabilities within the next financial year are discussed in appropriate notes.

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Impairment Testing of Financial Assets

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

Litigations and Contingencies

In line with the Private Placement Memorandum, the Company has assessed that there are no further liabilities towards the Noteholders, apart from the 10% first-loss guarantee to Noteholders as per section 4.8 of the Private Placement Memorandum. The Company's judgement of no further liabilities towards the Noteholders was based on the advice from its legal experts.

Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques in accordance with the Statement of Investment Policy and Operating Guidelines of the Company. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as net asset value, dividend yield and earnings basis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of other receivables and payables are assumed to approximate their fair values. The carrying amounts of financial assets approximate their fair values.

There were no other major estimates and assumptions made during the year that have a significant risk of causing material adjustments to the carrying amounts of the Company's assets and liabilities within the next financial year.

CM STRUCTURED FINANCE (1) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

5 ASSET RECOVERY FOLLOWING CREDIT DEFAULT EVENT

The Company raised USD 20 million in May 2019 through the issue of notes that are credit-linked to NMC Healthcare LLC as reference entity (the “Notes”). NMC Healthcare LLC is a leading provider of healthcare services in the United Arab Emirates (UAE) and its parent company, NMC Health PLC, was listed on the London Stock Exchange (collectively referred to as “NMC”).

Following the discovery of a massive fraud at NMC, NMC was placed into administration in April 2020 to take over its day-to-day management. NMC’s administrators also worked on a debt restructuring proposal and have pursued actions against the alleged perpetrators of the fraud with a view to recovering the missing funds.

In the financial year 2020, an amount of USD 20 Million relating to the facility granted to NMC was impaired by the Company, while the financial liability towards the noteholders was written down to the 10% first loss guarantee to Noteholders as per section 4.8 of the Private Placement Memorandum. An amount of USD 18M was hence written back to the profit or loss on the financial liability.

On 25 March 2022, the core operations of the NMC Group have exited the administration process in the UAE and NMC has completed the ‘deed of company arrangement’ (“DOCA”) restructuring process under the auspices of Abu Dhabi Global Market (ADGM).

In accordance with the DOCA, the Company’s claim against NMC under the Loan Agreement, as defined in the listing particulars dated 6 August 2019, has been settled for a portion of a new debt facility, amounting to USD 921,464, issued by the new NMC Group (the “Exit Instrument”).

On June 02, 2022, the Company initiated a scheme of compromise under section 261 of the Companies Act 2001 before the Bankruptcy Division of the Supreme Court of Mauritius to improve both the timing and quantum of the Noteholder's recovery amount. The scheme was presented to the noteholders for approval via a special meeting held on July 14, 2022. The special meeting was suspended by the chairman until October 14, 2022 in order to give the noteholders sufficient time to seek advice before casting a vote. As such, the scheme of compromise initiated by the Company is still pending before the Supreme Court of Mauritius.

The Company intends to distribute the proceeds associated with the Exit Instrument and pay any resulting recovery amount to the noteholders as soon as practically possible. The scheme of compromise, which remains subject to the approval of the noteholders and the Supreme Court, comprise of the following:

- (a) the enforcement by the Noteholders’ Representative of the Pledge of Segregated Account Agreement in order that the first loss guarantee of USD 2,000,000 be brought forward and distributed to the Noteholders;
- (b) the payment of the residual cash balance as at Effective Date of the Scheme to the Noteholders;
- (c) the payment of USD 123,000 to the Noteholders being the amount of the Company’s fees for its recovery services;
- (d) the prepayment of USD 23,036 to the Noteholders, which represents the interests due by NMC Group under the HoldCo Facilities until the Maturity Date of the HoldCo Facilities (assuming no extension thereof);
- (e) the redemption of all the existing Notes with promissory notes that shall provide the Noteholders with any and all amounts received from NMC Group under the HoldCo Facilities (except for the prepaid annual interest rate referred to in paragraph (d) above on Maturity Date (as may be extended by NMC Group); and
- (f) a waiver to pursue or take any action or legal proceedings against the Company, its directors or officers and/or its affiliates.

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

6 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	USD	USD
Additions	921,464	-
Fair value adjustment	(921,464)	-
At the end of reporting year	-	-

The **Exit Instrument** consists of a debt facility of US Dollar 921,464 (the "HoldCo Facilities Amount") provided to the new NMC Group, payable on the maturity date of March 25, 2027 or any extension thereof, together with (i) an interest of 0.5% per annum payable every year, (ii) a payment of up to 2.0% per annum, of the HoldCo Facilities Amount, accrued, capitalised and added to the principal amount and payable at maturity and (iii) additional potential payments.

Given that NMC is coming out of a restructuring process, its trading prospects remain uncertain and there is no certainty that the Exit Instrument will be paid in full, the new debt has been classified as a financial assets at fair value through profit or loss.

At the end of the reporting period financial assets at fair value through profit or loss has been classified within level 3 of the fair value hierarchy based on the following information:

Valuation approach	Significant input(s)	Sensitivity
Market approach	Unobservable input: There were no quotes obtained from brokers as at June 30, 2022.	USD Nil
	Unobservable input: Illiquidity discount	An increase/decrease of 10% in the illiquidity discount would affect the fair value of Exit Instrument by about USD 92,146 (2021: USD Nil).

7 FINANCIAL ASSET AT AMORTISED COST

	2022	2021
	USD	USD
At the beginning of reporting year	2,003,800	2,003,800
Amount received at Maturity	(2,000,000)	-
Interest income	69,600	73,000
Interest received	(73,400)	(73,000)
At the end of reporting year	-	2,003,800

The carrying value of the financial asset at amortised cost approximate to their fair values.

Financial asset at amortised costs are analysed as follows:

	2022	2021
	USD	USD
Current Assets	-	2,003,800

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
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8 OTHER FINANCIAL LIABILITIES		2022	2021
		USD	USD
Financial liabilities at fair value through profit or loss	(a)	-	-
Other financial liability	(b)	2,000,000	2,000,000
		2,000,000	2,000,000

(a) Financial liabilities at fair value through profit or loss (level 3) consist of the Exit Instrument payable to Noteholders and has been measured at fair value (level 3 fair value hierarchy as detailed in Note 6 above). The movement on financial liabilities at fair value through profit or loss is as follows:

Additions	921,464	-
Fair value adjustment	(921,464)	-
At the end of reporting year	-	-

(b) Other financial liability consists of the 10% first loss guarantee to Noteholders as per section 4.8 of the Private Placement Memorandum and has been classified under other financial liability at amortised cost.

At the end of reporting year	2,000,000	2,000,000
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9 OTHER RECEIVABLES AND PREPAYMENTS	Note	2022	2021
		USD	USD
Receivables from Holding Company	17(f)	-	5,500
Prepayments		1,792	6,563
		1,792	12,063

10 OTHER PAYABLES	Note	2022	2021
		USD	USD
Other Payables		5,749	21,285
Recovery Proceeds		127,655	306,853
Amount due to group companies:	17(f)		
Entities under Common Control		2,806	3,487
Fellow Subsidiary		599	428
		136,809	332,053

The recovery proceeds relate to funds recovered from enforcement actions taken by the Company against NMC Healthcare LLC. The enforcement costs are being funded from these recovery proceeds.

The carrying amounts of other payables approximate their fair values.

11 SHARE CAPITAL		2022	2021
(a) Issued Share Capital (USD)		2,000,291	2,000,291
(b) Number of Issued ordinary shares of no par value		3,000	3,000

12 OPERATING EXPENSES	Note	2022	2021
		USD	USD
Annual Registrar Fees	17(c)	1,883	428
Debenture Representative Fees		1,725	16,796
Rating Fees		3,023	(334)
		6,631	16,890

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
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13 ADMINISTRATIVE EXPENSES	Notes	2022 USD	2021 USD
External Audit Fees		4,025	3,450
Internal Audit Fees		-	723
Bank Charges	17(d)	104	126
Director Remuneration		30	375
Legal & Professional Fees	17(d)	32,794	51,835
Licences		792	881
Listing Fees		4,229	4,578
Other Expenses		28	4
Publication Expenses		2,570	5,560
Secretarial Fees	17(d)	7,505	7,854
Tax Fees		667	383
		<u>52,744</u>	<u>75,769</u>

14 INCOME TAX	2022 USD	2021 USD
(a) In the Statement of Financial Position		
Current Tax (Asset)/Liability at the beginning of reporting year	(1,260)	11,159
Income Tax on adjusted profit for the year at 15%	488	791
Corporate Social Responsibility Levy	65	105
Net Income Tax Refund/(Paid)	1,312	(13,315)
Current Tax Liability/(Asset) at the end of reporting year	<u>605</u>	<u>(1,260)</u>
	<u>2022 USD</u>	<u>2021 USD</u>
(b) In the Statement of Profit or Loss		
Income tax on adjusted profit for the year at 15% (2021:15%)	488	791
Corporate Social Responsibility Levy	65	105
	<u>553</u>	<u>896</u>

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

	2022 USD	2021 USD
Profit/(Loss) before Taxation	<u>28,550</u>	<u>(13,891)</u>
Tax calculated at a rate of 15% (2021: 15%)	4,283	(2,084)
Tax effect on:		
Income not subject to tax	(11,039)	(8,760)
Expenses not deductible for tax purposes	7,244	11,635
Corporate Social Responsibility Levy	65	105
Tax Charge	<u>553</u>	<u>896</u>

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

15 EARNINGS/(LOSS) PER SHARE

	2022	2021
	USD	USD
Earnings/(Loss) for the Year (USD)	<u>27,997</u>	<u>(14,787)</u>
Number of Shares in Issue	<u>3,000</u>	<u>3,000</u>
Earnings/(Loss) Per Share (USD)	<u>9</u>	<u>(5)</u>

16 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) for the year to cash used in operations:

	2022	2021
	USD	USD
Profit/(Loss) before tax	28,550	(13,891)
Adjustments for:		
Interest Income	(70,433)	(73,000)
Foreign Exchange Gains	(242)	(268)
	<u>(42,125)</u>	<u>(87,159)</u>
Changes in working capital:		
- other receivables and prepayments	10,271	(9,952)
- other payables	(195,244)	(98,247)
Cash used in Operations	<u>(227,098)</u>	<u>(195,358)</u>

(b) Cash & Cash Equivalents

	2022	2021
	USD	USD
Short Term Fixed Deposit	2,000,833	-
Bank Balances	35,170	8,116
Bank Balances - Recovery Proceeds	127,655	306,853
	<u>2,163,658</u>	<u>314,969</u>

17 RELATED PARTY TRANSACTIONS

The transactions of the Company with related parties during the year are as follows:

	2022	2021
	USD	USD
(a) Interest Income		
Entity under common control	<u>70,433</u>	<u>73,000</u>
(b) Other Income		
Holding company	<u>17,250</u>	<u>5,500</u>
(c) Operating Expenses		
Fellow Subsidiary	<u>1,883</u>	<u>428</u>
(d) Administrative Expenses		
Fellow Subsidiary	32,794	34,528
Entities under common control	7,609	8,703
	<u>40,403</u>	<u>43,231</u>

CM STRUCTURED FINANCE (1) LTD
NOTES TO THE FINANCIAL STATEMENTS
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17 RELATED PARTY TRANSACTIONS (CONT'D)

	Notes	2022	2021
		USD	USD
(e) <i>Key Management Personnel Compensation (including directors)</i>		30	375
(f) <i>Outstanding balances as at June 30,</i>			
<i>Financial Assets at Amortised Costs</i>			
Entity under common control		-	2,003,800
<i>Receivable from related parties</i>			
Holding company	9	-	5,500
<i>Payables to related parties</i>			
Fellow Subsidiary	10	599	428
Entities under common control		2,806	3,487
		3,405	3,915
<i>Bank Balances</i>			
Entity under common control		2,163,658	314,969

All the above transactions have been carried out at least under market terms and conditions. There have been no guarantees provided or received for any related party receivables or payables. At June 30, 2022 the amounts owed by related parties were not impaired.

Outstanding balances at year end are unsecured. Settlement occurs in cash. The Company has made an impairment assessment by considering the previous repayment behaviours and the future cash flow forecasts covering the contractual period of receivables from related parties. The Company does not expect any default from them and is certain of their ability to pay their debts as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is therefore negligible and the Company has not accounted for any impairment loss.

18 ULTIMATE HOLDING COMPANY

The holding company of CM Structured Finance (1) Ltd is MCB Capital Markets Ltd and the ultimate holding company is MCB Group Limited. Both companies are incorporated in Mauritius.