

**MCB FINANCIAL ADVISERS**

AUDITED ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

# **MCB FINANCIAL ADVISERS**

## **ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2023**

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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.

## MCB FINANCIAL ADVISERS

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 2023

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The Directors are pleased to submit the Annual Report of MCB Financial Advisers ("MCBFA") for the year ended June 30, 2023.

The Shareholder agrees that in conformity with Section 221 (4) of The Companies Act 2001 (the "Act"), the Annual Report of the Company need not comply with paragraphs (a), (d) and (e) of Section 221 (1) of the Act.

This report was approved by the Board of Directors on September 22, 2023.



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**Director**  
*Ronald Lam Yan Foon*



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**Director**  
*Gilbert Gnany*

## **MCB FINANCIAL ADVISERS**

### **SECRETARY'S CERTIFICATE FOR THE YEAR ENDED JUNE 30, 2023**

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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 of Mauritius.



For and on behalf of

**Apex Fund & Corporate Services (Mauritius) Ltd**  
**Company Secretary**

**Date: September 22, 2023**

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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### 1. GOVERNANCE STRUCTURE

#### 1.1 Overview

MCB Financial Advisers (the “Company” or “MCBFA”) was incorporated in Mauritius under the Companies Act 2001 on March 22, 2017 as a Private Company limited by shares and holds a Global Business Licence as well as an Investment Adviser (Corporate Finance Advisory) Licence issued by the Financial Services Commission (the “FSC”) to provide corporate finance activities. MCBFA is wholly owned by MCB Capital Markets Ltd (“MCBCM”). It is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

#### 1.2 Statement of Compliance

The Board of Directors has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Company under the National Code of Corporate Governance for Mauritius (2016) (the “Code”).

Throughout the year ended June 30, 2023 to the best of the Board’s knowledge the organisation has complied with the Code in all material aspects except for certain sections of the Code as mentioned and explained in the table below.

Principle	Section relating to	Reasons for non-compliance
2	Board Structure with an appropriate combination of executive, non-executive and independent Directors.	The size of the Company being relatively small and the Company being a fully owned subsidiary of MCBCM and MCB Group (“MCBG”), both having independent Directors on their own respective Boards, the Board is of opinion that having independent Directors at the level of MCBFA will not materially add value to the Company’s governance framework.
2	Identification of gender balance on the Board.	Gender balance shall be taken into consideration upon new appointments.

The Board of Directors will regularly reassess the requirements of the Code to ensure that the Company remains compliant thereto.

#### 1.3 Constitutive documents or Charter documents

##### 1.3.1 Board Charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The Charter provides for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Company are duly escalated to the Board of the Company and to the Audit Committee of the holding Company.

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

### 1.3.2 Organisation Structure



### 1.3.3 Position Statements

Position Statements have also been approved by the Board and provides for a clear definition of the roles and responsibilities of the Chairperson, Managing Director as well as that of the Company Secretary.

### 1.3.4 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Company and as such has approved and set the main accountabilities of the Chairperson and the Board collectively as follows:

	<b>Main Accountabilities</b>
Chairperson	<ul style="list-style-type: none"><li>▪ Provides overall leadership to the Board.</li><li>▪ Ensures that the Board is effective in its tasks of setting and implementing the Company’s direction and strategy.</li><li>▪ Ensures that the development needs of the Director are identified and appropriate training is provided to continuously update his skills and knowledge.</li><li>▪ Maintains sound relations with the Shareholder.</li></ul>
Board	<ul style="list-style-type: none"><li>▪ Ensures compliance by the Company with applicable legislation, regulation and policies.</li><li>▪ Safeguards the assets of the Company.</li><li>▪ Ensures long term interests of the Shareholder are being served.</li></ul>

### 1.3.5 Material Clauses of the Constitution

There are no clauses of the constitution deemed material enough for special disclosure.

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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### 2. BOARD STRUCTURE

#### 2.1 Board and Chairperson's roles and responsibilities

The Board includes non-executive Director with the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on the key issues relevant to the business of the Company and to protect the interests of the Shareholder, clients and other stakeholders.

The Chairperson's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy. It is the Chairperson's responsibility to ensure that appropriate policies and procedures are in place for the effective management of the Company.

The external obligations of the Chairperson have not changed materially during the financial year under review and those obligations have in no way hindered the discharge of his duties and responsibilities.

#### 2.2 Composition of the Board

The Board examines the size, composition and the essential competencies of its members annually to ensure that there is an appropriate balance of skill, experience and knowledge on the Board to carry out its duties and responsibilities effectively. The Board currently comprises of two members as detailed below:

Name	Title	Category	Gender	Country of Residence
Jean Desire Gilbert Gnany	Chairperson	Non-Executive	Male	Mauritius
Patrick Eric Ronald Lam Yan Foon	Director	Non-Executive	Male	Mauritius

Messrs Jean Desire Gilbert Gnany and Patrick Eric Ronald Lam Yan Foon are also Directors of MCBCM, the holding Company.

The Board is of the opinion that its size and level of diversity is commensurate with the Company whose major activity is corporate finance services.

Currently, the Company has no independent Director as per the definition of the Code. As such, the Board will endeavour to recruit independent Directors as soon as practicable.

The Board does not consider it practical to have executive Directors as members of the Board, given the size of the Company's operations.

#### 2.3 Profile of Directors

A brief profile of each Director along with their Directorships is set out below:

##### (i) Jean Desire Gilbert Gnany, Non-Executive Director and Chairperson

Mr Gilbert Gnany holds a Master's degree in Econometrics from the University of Toulouse and a 'DESS' in Management/Micro-Economics from Paris-X. He is currently Chief Strategy Officer of MCB Group Limited. Previously, he worked as Senior Advisor on the World Bank Group's Executive Board where he was responsible for issues relating mainly to the International Finance Corporation and to the private and financial sectors. Prior to joining the World Bank, he was the MCB Group Chief Economist after having been the Economic Advisor to the Minister of Finance. During his career, he has been involved in various high-profile boards/committees. Amongst others, he chaired the Stock Exchange of Mauritius, the Statistics Advisory Council and the Statistics Board of Mauritius as well as having been a member of the Board of Governors of the Mauritius Offshore Business Activities Authority, a director of the Board of Investment and of the Mauritius Sugar Authority. Presently, alongside being a Director of MCB Group Ltd and a member of its Strategy Committee and Risk Monitoring Committee, he acts as either Chairperson or board member of several companies of the Group.

## MCB FINANCIAL ADVISERS

### CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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#### Directorship in listed companies

- MCB Group Limited
- Caudan Development Ltd
- Promotion and Development Ltd
- Compagnie Des Villages De Vacances De L'Isle De France Limitée
- Medine Ltd

#### (ii) Patrick Eric Ronald Lam Yan Foon (Rony Lam), Non-Executive Director

Mr Rony Lam started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays in London and Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading UK investment banking firm focused exclusively on advising financial institutions on mergers and acquisitions and capital markets transactions. Mr Rony Lam was a Cambridge Commonwealth Trust scholar and holds a BA (Honours) and MA (Cantab) in Economics from Cambridge University. He also has a Diploma in Mandarin Chinese from Renmin University of China. He is a director of several companies within the MCB Group.

#### 2.4 Company Secretary

The Company Secretary is Apex Fund & Corporate Services (Mauritius) Ltd, a private Company incorporated in Mauritius with registered office address Lot 15, A3, 1st Floor, Cybercity, Ebène 72201 ("Company Secretary"). All Board members have access to the Company Secretary for information relating to the Board matters.

#### 2.5 Board Attendance

Board meetings are usually held on a quarterly basis but may be convened at any time in case urgent matters need to be discussed.

<b>No of Meetings held during the year ended June 30, 2023</b>	4
<b>Directors</b>	
Mr Jean Desire Gilbert Gnany	4
Mr Patrick Eric Ronald Lam Yan Foon	4

#### 2.6 Board Committees

An Audit Committee has been constituted at the level of the holding Company, MCBCM, to take up all audit-related issues of the subsidiaries of MCBCM amongst which MCBFA. The Audit Committee of MCBCM meets semi-annually.



### 3. DIRECTORS APPOINTMENT PROCEDURES

#### 3.1 Directors Selection

The Remuneration, Corporate Governance and Ethics Committee (RCGEC) of MCB Group Limited (MCBG) identifies suitable candidates for the Board of the Company after determining whether the potential candidates have the required criteria established by the RCGEC and whether the potential new Directors are fit and proper and are not disqualified from being Directors. The RCGEC then proposes the selected candidates to the Board of the Company for review and approval.

#### 3.2 Election and Re-election of Directors

All Directors are re-elected each year at the Annual Meeting of Shareholder.

#### 3.3 Induction of new Directors

There was no new Director appointed during the year under review. However, all new Directors are given an induction pack, which comprises the constitutive documents and the minutes of the last meeting of the Board. An introductory meeting is organised with the Chief Executive Officer (“CEO”) of MCB Capital Markets to explain the business activities of the Company and its governing policies.

The Chairperson as well as the Company Secretary are readily available to answer any further queries that the newly appointed Directors may have with respect to the Company.

The programme meets the specific needs of both the Company and the newly appointed Directors and enable the latter to participate actively in Board's discussion.

#### 3.4 Professional Development

The Director is encouraged to keep himself up to date with the professional practices and industry related developments. The Chairperson evaluates Director's training requirements on an on-going basis and ensures that he keeps abreast of changes in the business and regulatory environment. Upon request from the Director, the Company shall provide the necessary resources for him to maintain his knowledge as appropriate.

#### 3.5 Succession Planning

MCBG is one of Mauritius's largest group of companies with an extensive pool of staff with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders.

#### 3.6 Time Commitment

Each Director is expected to devote sufficient time and attention to the affairs of the Company. The Company anticipates a time commitment of at least 10 days per annum. This will include attendance at Board meetings, the Annual Meeting of Shareholder and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad hoc matters that may arise from time to time, and particularly when the Company is undergoing a period of increased activity.

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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### 4. BOARD PERFORMANCE AND EVALUATION

#### 4.1 Legal duties of Director

The Directors are aware of their legal duties in the Act and other relevant legislation. They exercise the required standard degree of care, skill and diligence which a reasonably prudent and competent Director in his position would exercise.

#### 4.2 Remuneration Philosophy

The Board reviews the adequacy of the remuneration for non-executive Directors eligible to receive fees and recommendations are made accordingly to the RCGEC of MCB Group Limited, the ultimate holding Company of MCBFA.

The RCGEC of MCB Group Limited is responsible for the setting up and developing of the Group's general policy concerning the remuneration of Directors. MCBG lays significant emphasis on appointing the right people with the right skills and behaviours whilst rewarding them adequately, in line with market practices.

The Company applies the same remuneration philosophy as its ultimate holding company, MCB Group Limited which consists of:

- a monthly basic retainer for membership of the Board;
- an attendance fee per sitting of the Board; and
- no share option or bonus should be granted to non-executive directors.

The remuneration philosophy for executives is based on meritocracy and opportunity is given to employees to benefit from the financial results of the Company.

Furthermore, the employees of the Company are entitled to the MCB Group Employee Share Option Scheme which provides them with the opportunity to partake in the growth and prosperity of the Group through an acquisition of a stake therein.

#### 4.3 Directors' Remuneration

The non-executive Directors who are already in executive positions within the MCB Group do not receive additional remuneration as Board members, in line with the Group's policy. As such, the Directors of the Company are not remunerated and have not received remuneration in the form of share options or bonuses associated with organisational performance.

#### 4.4 Directors' interests in shares

The Director does not hold shares in the Company directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

#### 4.5 Directors' service contracts

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

## MCB FINANCIAL ADVISERS

### CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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#### 4.6 Related Party Transactions

Related party transactions have been conducted in accordance with the Conflicts of interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 19 of the Financial Statements.

#### 4.7 Policies of the Company and Code of Ethics

The following policies of the ultimate holding Company, MCBG, which is reviewed on a regular basis, have been adopted by the Company as specified below:

Policies/Codes	Adopted on
Information, Information Technology and Information Security Governance Policy	30.08.2018
Conflicts of Interest and Related Party Transaction Policy	30.08.2018
Whistleblowing Policy	30.08.2018
Code of Ethics	30.08.2018

#### Whistleblowing Policy

The Whistleblowing Policy of MCBG provides the employees a reporting channel on suspected misconduct or malpractice within the Company without the risk of subsequent victimisation or discrimination. The policy outlines the complaint handling and reporting processes to improve transparency.

#### Code of Ethics

This code has been devised to provide Directors and employees of each business clusters regrouped under MCB Group Limited, the required information on how to always conduct business with the highest level of integrity. Compliance with the Code of Ethics is regularly monitored and evaluated by the Board.

#### Conflicts of Interest and Related Party Transaction Policy

The objective of the policy is to define the scope of conflicts of interest and related party transactions conducted by the Directors and senior officers of MCBG and its subsidiaries and to set out prudent rules and limits for dealing with related parties.

#### 4.8 Information Governance

The Board oversees information governance within the organisation. The Information, Information Technology and Information Security Governance Policy of the MCB Group applies to all the subsidiaries of the Group. All policies relating to information security are made accessible to all the employees of the Group without restriction via its intranet system. Appropriate governance arrangements are in place whereby the IT function and function responsible for monitoring adherence to Information Risk and IT are kept separate. The Company is compliant with all the requirements of the Data Protection Act 2017.

#### 4.9 Register of Interest

A register of interest is maintained by the Company Secretary and is available for consultation by the Shareholder upon request.

#### 4.10 Board and Directors' Performance

The Board acknowledges the need of regularly reviewing the performance and effectiveness of the Board and its Director(s). A Board evaluation was carried out in June 2021 for the financial year 2020/2021 and the review established that the Directors consider the Board to be effective with an appropriate mix of expertise, skills and competence. The questions were categorised as follows:

- Structure of the Board
- Board Efficiency and Effectiveness
- Strategy and Performance
- Risk Management and Governance
- Director's self-assessment
- Chairperson's appraisal

The Board has decided that the Board evaluation exercise would be carried out every 3 years. As such, the next exercise will be held in 2024. The Director(s) endeavours to maintain the same vigilance in leading the Company.

#### 5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for risk management, the procedures in place within the organisation and the definition of the overall strategy for risk tolerance.

The Company's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Company's objectives.

The system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Company's business objectives will be achieved. The Risk Management and Compliance Unit of MCB Capital Markets has been tasked by the parent of the Company to provide guidance and assistance to its non-bank financial services subsidiaries, guides the Board of Directors in this task.

The Risk Management and Compliance Unit is responsible for the design, implementation and monitoring of all risk, compliance and anti-money laundering policies and procedures of the Company and has a direct reporting line to the Board of Directors.

The Board is satisfied regarding the implementation, operation and effectiveness of internal control and risk management. The internal audit function is outsourced to the Internal Audit Strategic Business Unit of The Mauritius Commercial Bank Ltd, which provides another balanced assessment of key risks and control, independent from reports received from the Company's management.

The key risks for the Company are legal, regulatory, operational, reputational, performance and financial risks. The Board is ultimately responsible for these matters but delegates the ongoing tasks to management.

**Legal risks** are managed by the Risk Management & Compliance Unit, taking advice from the Company's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

**Regulatory risks** are managed by the Risk Management & Compliance Unit and involves the setting out of proper processes and procedures in order to meet the licensing requirements set by the Financial Services Commission and the Company's responsibilities under The Financial Intelligence and Anti-Money Laundering Act 2002.

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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**Operational risks** are managed by the Risk Management & Compliance Unit and involves the identification of the risk profile of the business activities and processes, following which appropriate controls have been designed and implemented. In addition, risks arising from business processes are managed through the application of the necessary technical controls at every stage of those processes.

**Reputational and performance risks** are managed by the Board.

The identification and management of the **financial risks** are discussed in note 3 to the Financial Statements.

During the financial year under review all significant areas with respect to risk governance were covered by the internal control and no material risk or deficiency has been noted in the organisation's system of internal controls.

## 6. REPORTING WITH INTEGRITY

### 6.1 Organisational overview

MCBFA is a wholly-owned subsidiary of MCB Capital Markets Ltd, the investment banking arm of the MCB Group. It operates from Mauritius and provides corporate finance advisory services such as strategic review, capital markets operations and 'mergers and acquisition' advice.

The firm leverages on MCB Capital Markets in-house support for all its IT (Information Technology), compliance, risk, MLRO (Money Laundering Reporting Officer), accounting, legal and structuring requirements.

### 6.2 Ethics, Health & Environment Safety and Employment Practices

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The health and safety of staff and visitors is paramount and all reasonable measures are taken to ensure a sound and healthy working environment.

The Company is an equal opportunity employer and does not discriminate in any way with regard to race, religion or gender. All employment opportunities are openly advertised and the selection process involves the whole staff.

### 6.3 Corporate Social Responsibility

There were no Corporate Social Responsibility contributions made during the year under review.

### 6.4 Charitable Donation

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

### 6.5 Political Donation

The Company did not make any political donations during the year under review.

### 6.6 Documents available on the Website

The Board of Directors is pleased to announce that the following documents amongst others, which have been approved by the Board and can be viewed on the Website of the holding Company:

- ⇒ The full Annual Report of the Company including the financial statements
- ⇒ The Constitution

### CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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- ⇒ The Board Charter
- ⇒ The Terms and Conditions of Appointment of Non-Executive Directors
- ⇒ The Nomination and Appointment Processes of Non-Executive Directors
- ⇒ The Position Statements for Chairperson of the Board and Secretary
- ⇒ The Code of Ethics
- ⇒ The Whistle Blowing Policy
- ⇒ The Information, Information Technology and Information Security Governance Policy
- ⇒ The structure, organisation and qualifications of the key members of the internal audit function
- ⇒ The Conflicts of Interest & Related Party Transactions Policy
- ⇒ The Organisational chart
- ⇒ The Statement of major accountabilities within the organisation

## 7. AUDIT

An Audit Committee has been set up at the MCB Capital Markets Group level in October 2012 to deal with audit related issues of all its subsidiaries including MCBFA.

### 7.1 Internal Audit

The Internal Audit function is outsourced to the Group Internal Audit (“GIA”) department of The Mauritius Commercial Bank Ltd, which provides another balanced assessment of key risks and controls, independent from reports received from the Company's management.

The Head of GIA is independent of the Executive Management of the Company and reports to the Risk and Audit Committee of MCBCM on a semi-annual basis.

GIA ensures that the quality of internal audit services provided to the Company is aligned with recognised best practices. GIA leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Company. It is worthwhile to note that the Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. This exercise has been carried out in 2009, 2013 and 2018 respectively, by an internationally recognised auditing firm which confirmed the Internal Audit Business Unit's compliance with the International Standards for the Professional Practice of Internal Audit issued by the above mentioned institute.

There are no restrictions placed on the internal auditors in conducting their audit exercises.

Areas, systems and processes covered by internal audit including non-financial matters are as follows:

- Governance which consists of the review of Board minutes;
- Accounting including procure to pay, fixed assets, sales and account receivables, close of books and reconciliation of bank accounts; and
- Information technology and general controls including project management, computer operations and business continuity plan and disaster recovery plan.

### 7.2 External Auditors

The Audit committee receives reports from the Company's external auditor and has separate sessions with the latter to discuss audit related issues. The external auditor did not carry out non-audit services for the Company during the financial year under review.

# MCB FINANCIAL ADVISERS

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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The Audit Committee of MCBCM recommends the appointment of the external auditors for all the subsidiaries of MCBCM Group on a yearly basis, after having reviewed the Audit Plan presented by the external auditors.

The Audit Committee also evaluates the performance of the external auditor and reviews the integrity, independence and objectivity of the external auditor by:

- Confirming that the external auditor is independent from the Company; and
- Considering whether the relationships that may exist between the Company and the external auditor impair the external auditor's judgement.

Upon approval from the Audit Committee, the Board of the Company thereafter recommends the appointment of external auditor to the Shareholder in the Annual Meeting of Shareholder for approval by way of an ordinary resolution.

### 7.3 Auditors' Fees

The fees payable to the auditors, for audit and other services were:

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
<b>AUDIT FEES – BDO &amp; CO.</b>	<b>2,750</b>	<b>2,460</b>

The auditors did not receive any fees for other services.

## 8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

The Shareholder is kept properly informed on matters affecting the Company as the latter is fairly represented on the Board. The Annual Meeting of Shareholder is held in accordance with the Companies Act and upon consultation with the Shareholder. Notices for the annual meeting and other Shareholder meetings are duly sent to the Shareholder.

The Company's website is used to provide relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

### 8.1 Shareholder Agreement Affecting The Governance of the Company by the Board

There is currently no such agreement.

### 8.2 Major Transaction

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

### 8.3 Third Party Management Agreement

No such agreement presently exists.

### 8.4 Shareholder Holding more than 5% of the Company

The Company is a wholly owned subsidiary of MCBCM, which is itself 100% owned by MCB Group Limited.

## **MCB FINANCIAL ADVISERS**

### **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023**

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#### **8.5 Share Option Plan**

No such scheme currently exists within the Company but employees are eligible to participate in the MCBG employee share scheme.

#### **8.6 Timetable of important events**

The Board aims to hold Board meetings on a quarterly basis. Annual Meeting of Shareholder is usually held by December every year.

#### **8.7 Dividend Policy**

The Company intends to distribute any excess cash as dividends, subject to its overall capital requirements, liquidity and profitability.



## MCB FINANCIAL ADVISERS

### CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (i) the financial statements fairly present the state of affairs of the Company as at the end of the financial year and the result of operations and cash flows for the period;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Companies Act 2001 and the Financial Reporting Act 2004;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Company;
- (vii) they are responsible for leading and controlling the organisation and meeting all legal and regulatory requirements; and
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report taken as a whole are fair, balanced and understandable.

For and on behalf of the Board of Directors:

  
.....

**Director**

  
.....

**Director**

Date: September 22, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MCB Financial Advisers Ltd

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of MCB Financial Advisers Ltd (the "Company"), on pages 17 to 39 which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, 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 17 to 39 give a true and fair view of the financial position of the Company as at June 30, 2023, 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.

#### 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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of MCB Financial Advisers Ltd

### Responsibilities of Directors and Those Charged with Governance for the Financial Statements (continued)

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.

### 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and 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.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

To the Shareholders of MCB Financial Advisers Ltd

**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.

*Mauritian Financial Services Act 2007*

Our responsibility under the Mauritian Financial Services Act 2007 Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has complied with the requirements of the Code.

**Other Matter**

This report is made solely to the Company's shareholders, 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

**BDO & Co**

*Chartered Accountants*

*Didier*

Port Louis,  
Mauritius

**Didier Dabydin, FCA**  
Licensed by FRC

September 22, 2023

# MCB FINANCIAL ADVISERS

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Notes	2023 USD	2022 USD
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Equipment	5	10,320	2,221
Deferred Tax Asset	12	-	6,969
		<u>10,320</u>	<u>9,190</u>
<b>Current Assets</b>			
Trade Receivables	6	78,145	275,784
Other Receivables and Prepayments	7	2,723,851	19,068
Financial Assets at Amortised Cost	8	8,871	218,660
Current Tax Assets	11(a)	-	719
Cash and Cash Equivalents	18(b)	2,351,502	2,308,904
		<u>5,162,369</u>	<u>2,823,135</u>
<b>Total Assets</b>		<u><u>5,172,689</u></u>	<u><u>2,832,325</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital	9(a)	50,000	50,000
Retained Earnings		4,223,240	2,494,528
<b>Total Equity</b>		<u>4,273,240</u>	<u>2,544,528</u>
<b>Non Current Liability</b>			
Deferred Tax Liability	12	595	-
<b>Current Liabilities</b>			
Other Payables	10	857,035	287,797
Current Tax Liabilities	11(a)	41,819	-
		<u>898,854</u>	<u>287,797</u>
<b>Total Liabilities</b>		<u>899,449</u>	<u>287,797</u>
<b>Total Equity and Liabilities</b>		<u><u>5,172,689</u></u>	<u><u>2,832,325</u></u>

These financial statements have been approved for issue by the Board of Directors on September 22, 2023.




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**DIRECTORS**

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The notes on pages 22 to 39 form an integral part of these financial statements.  
Independent Auditor's report on pages 16 to 16(b).

## MCB FINANCIAL ADVISERS

### STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

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	<b>Notes</b>	<b>2023</b> USD	<b>2022</b> USD
Revenue	13	3,147,756	975,992
Operating Expenses		(424,192)	(126,447)
Administrative Expenses	14	(1,109,000)	(1,004,293)
Other Net Income/(Expense)	16	175,360	(68,654)
Profit/(Loss) before Taxation		<u>1,789,924</u>	<u>(223,402)</u>
Income Tax (Charge)/Credit	11(b)	(61,212)	6,969
<b>Profit/(Loss) for the Year</b>		<u><u>1,728,712</u></u>	<u><u>(216,433)</u></u>
Earnings/(Loss) per Share	17	<u><u>345.74</u></u>	<u><u>(43.29)</u></u>

The notes on pages 22 to 39 form an integral part of these financial statements.  
Independent Auditor's report on pages 16 to 16(b).

## MCB FINANCIAL ADVISERS

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

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	<b>2023</b>	<b>2022</b>
	USD	USD
Profit/(Loss) for the Year	1,728,712	(216,433)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Year</b>	<b>1,728,712</b>	<b>(216,433)</b>

The notes on pages 22 to 39 form an integral part of these financial statements.  
Independent Auditor's report on pages 16 to 16(b).

## MCB FINANCIAL ADVISERS

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	USD	USD	USD
Balance at July 01, 2022	50,000	2,494,528	2,544,528
Profit for the Year	-	1,728,712	1,728,712
Other Comprehensive Income for the Year	-	-	-
<b>Balance at June 30, 2023</b>	<b>50,000</b>	<b>4,223,240</b>	<b>4,273,240</b>
Balance at July 01, 2021	50,000	2,710,961	2,760,961
Loss for the Year	-	(216,433)	(216,433)
Other Comprehensive Income for the Year	-	-	-
<b>Balance at June 30, 2022</b>	<b>50,000</b>	<b>2,494,528</b>	<b>2,544,528</b>

The notes on pages 22 to 39 form an integral part of these financial statements.  
Independent Auditor's report on pages 16 to 16(b).



## MCB FINANCIAL ADVISERS

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	<b>Notes</b>	<b>2023</b> USD	<b>2022</b> USD
<b>Cash flows from Operating Activities</b>			
Cash (used in)/generated from Operations	18(a)	<b>(312,859)</b>	494,605
Net tax paid	11(a)	<b>(11,110)</b>	(12,832)
<b>Net Cash (used in)/generated from Operating Activities</b>		<b>(323,969)</b>	481,773
<b>Cash flows from Investing Activities</b>			
Interest received		<b>73,935</b>	16,065
Purchase of equipment	5	<b>(12,897)</b>	(713)
Proceeds from disposal of financial assets at amortised cost		<b>217,269</b>	1,203,876
<b>Net Cash generated from Investing Activities</b>		<b>278,307</b>	1,219,228
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(45,662)</b>	1,701,001
<b>Movement in Cash and Cash Equivalents</b>			
At the beginning of the reporting year,		<b>2,308,904</b>	660,165
(Decrease)/Increase		<b>(45,662)</b>	1,701,001
Effect of foreign exchange rate changes		<b>88,260</b>	(52,262)
At the end of the reporting year,	18(b)	<b>2,351,502</b>	2,308,904

The notes on pages 22 to 39 form an integral part of these financial statements.  
Independent Auditor's report on pages 16 to 16(b).

# MCB FINANCIAL ADVISERS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### 1 GENERAL INFORMATION

MCB Financial Advisers was incorporated in Mauritius under the Companies Act 2001 on March 22, 2017 as a Private Company limited by shares and holds a Global Business Licence issued by the Financial Services Commission (the "FSC") to provide corporate finance activities. Its registered address is 9-15, Sir William Newton Street, Port Louis.

These financial statements 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. These policies have been consistently applied to all years presented, unless otherwise stated.

#### (a) Basis of Preparation

The financial statements of MCB Financial Advisers comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under historical cost convention. The financial statements are that of an individual entity. The financial statements are presented in US Dollars (USD) and all values are rounded to the nearest USD, except where otherwise stated.

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

##### ***IFRS 1 First-time Adoption of International Financial Reporting Standards***

*Annual Improvements to IFRS Standards 2018– 2020*: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Company's financial statements.

##### ***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. The amendments have no impact on the Company's financial statements.

##### ***IAS 16 Property, Plant and Equipment***

*Property, Plant and Equipment: Proceeds before Intended Use*: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Company's financial statements.

##### ***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. The amendments have no impact on the Company's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### 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)**

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 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, 2023**

##### **IAS 1 Presentation of Financial Statements**

*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 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.

*International Tax Reform - Pillar Two Model Rules :* The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

##### **Effective date January 1, 2024**

##### **IAS 1 Presentation of Financial Statements**

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

*Non-current Liabilities with Covenants :* Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### 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, 2024 (cont'd)***

#### ***IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures***

***Supplier Finance Arrangements:*** The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

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 its 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

##### *(i) Revenue from contracts with customers*

#### ***Performance obligations and timing of revenue recognition***

The majority of the revenue is derived from providing services with revenue recognised at a point in time when the service has been rendered to the customer. There is limited judgement needed in identifying the point in time when the service has been rendered and will usually have a present right to payment.

The entity also provides services over time and therefore, satisfies a performance obligation and recognises revenue over time, only if at least one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

#### ***Determining the transaction price***

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

#### ***Allocating amounts to performance obligations***

For most contracts, the Company receives a fee when the corporate transaction is successfully completed under an engagement letter. Therefore, there is no judgement involved in allocating the contract price to each performance obligation. Where a customer requests more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

#### ***Costs of obtaining long-term contracts and costs of fulfilling contracts***

The costs of fulfilling contracts do not result in the recognition of a separate asset because for most of the services offered, revenue is recognised at a point in time upon successful completion of the transaction, i.e. when performance obligation is satisfied.

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (b) Revenue Recognition (cont'd)

###### *Practical Exemptions*

The Company has taken advantage of the practical exemptions not to account for significant financing components where the time difference between receiving consideration and transferring control of services to its customer is one year or less.

###### *(ii) Other revenues earned by the Company are recognised on the following bases:*

- Interest income are calculated by applying the effective interest rates.
- Reimbursable income are recognised in the accounting year in which the income are receivable.

##### (c) Dividend Distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

##### (d) 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 translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss within 'other net income/(expense)'.

Non-monetary items that are 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.

##### (e) Equipment

Equipment are stated at historical cost less depreciation.

Depreciation on equipment is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Plant and Equipment	20%
Computer Equipment	33.33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### (i) Financial Assets

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company classifies its financial assets into the category discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy is as follows:

##### Amortised cost

These assets arise principally from the provision of services to customers (e.g. trade receivables), but also incorporate other types of 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 trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties 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.

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (f) Financial Instruments (cont'd)

###### (i) Financial Assets (cont'd)

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

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

Cash and cash equivalents includes deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

###### 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.

###### (ii) Financial Liabilities

The Company classifies its financial liabilities into the "other financial liabilities" category which include other payables which 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.

##### (g) 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.

##### (h) Current Income Tax

The tax expense for the period comprises of current income tax. 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.

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.

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (i) Retirement benefit obligation

###### *Defined Contribution Plan*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### 3 FINANCIAL RISK MANAGEMENT

##### (a) Fair Value Estimation

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

##### (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 the shareholder and benefits for other stakeholders.

##### (c) Financial Risk Factors

The Company's activities expose it to a variety of financial risks. A description of the significant risk factors is given below together with the risk management policies applicable.

###### (i) Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

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

	Amortised Cost	
	2023	2022
	USD	USD
<b>FINANCIAL ASSETS</b>		
Trade Receivables	78,145	275,784
Financial Assets at Amortised Cost	8,871	218,660
Cash and Cash Equivalents	2,351,502	2,308,904
	<u>2,438,518</u>	<u>2,803,348</u>
<b>FINANCIAL LIABILITY</b>		
Other Payables	857,035	287,797



## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 3 FINANCIAL RISK MANAGEMENT (CONT'D)

##### (c) Financial Risk Factors (cont'd)

###### (ii) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available. As at June 30, 2023 the Company is not exposed to significant liquidity risk.

###### (iii) Currency Risk

Included in the table below are the Company's financial assets and financial liability at carrying amounts classified by currencies:

	USD	MUR	EUR	Other currency	2023 USD
<b>FINANCIAL ASSETS</b>					
Trade Receivables	-	78,145	-	-	78,145
Financial Assets at Amortised Cost	-	8,871	-	-	8,871
Cash and Cash Equivalents	2,001,072	348,498	1,754	178	2,351,502
	<b>2,001,072</b>	<b>435,514</b>	<b>1,754</b>	<b>178</b>	<b>2,438,518</b>
<b>FINANCIAL LIABILITY</b>					
Other Payables	790,112	66,923	-	-	857,035

	USD	MUR	EUR	Other currency	2022 USD
<b>FINANCIAL ASSETS</b>					
Trade Receivables	-	266,662	9,122	-	275,784
Financial Assets at Amortised Cost	-	9,154	209,506	-	218,660
Cash and Cash Equivalents	1,474,875	820,614	13,244	171	2,308,904
	<b>1,474,875</b>	<b>1,096,430</b>	<b>231,872</b>	<b>171</b>	<b>2,803,348</b>
<b>FINANCIAL LIABILITY</b>					
Other Payables	244,267	43,530	-	-	287,797

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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#### 3 FINANCIAL RISK MANAGEMENT (CONT'D)

##### (c) Financial Risk Factors (cont'd)

###### (iii) Currency Risk (cont'd)

At June 30, 2023, if the USD weakens/strengthens by 5% against foreign currencies, with other variables held constant, the effect on profit/(loss) after tax would have been as follows:

	<b>Impact on</b>	
	<b>Profit after taxation 2023</b>	<b>Loss after taxation 2022</b>
	<b>USD</b>	<b>USD</b>
USD weakens by 5%	<b>126,736</b>	64,558
USD strengthens by 5%	<b>(126,736)</b>	(64,558)

#### 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.

##### **Impairment Testing of 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.

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.

##### **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.

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

5 EQUIPMENT	Plant & Equipment	Computer Equipment	Total
	USD	USD	USD
<b>COST</b>			
At July 01, 2021	708	19,718	20,426
Additions during the year	713	-	713
At June 30, 2022	1,421	19,718	21,139
Additions during the year	<b>7,747</b>	<b>5,150</b>	<b>12,897</b>
Disposals during the year	-	<b>(6,396)</b>	<b>(6,396)</b>
<b>At June 30, 2023</b>	<b>9,168</b>	<b>18,472</b>	<b>27,640</b>
<b>DEPRECIATION</b>			
At July 01, 2021	164	15,231	15,395
Charge for the year	284	3,239	3,523
At June 30, 2022	448	18,470	18,918
Charge for the year	<b>1,834</b>	<b>2,105</b>	<b>3,939</b>
Disposals during the year	-	<b>(5,537)</b>	<b>(5,537)</b>
<b>At June 30, 2023</b>	<b>2,282</b>	<b>15,038</b>	<b>17,320</b>
<b>NET BOOK VALUE</b>			
<b>At June 30, 2023</b>	<b>6,886</b>	<b>3,434</b>	<b>10,320</b>
At June 30, 2022	973	1,248	2,221

Depreciation charge of USD 3,939 (2022: USD 3,523) has been charged in administrative expenses.

6 TRADE RECEIVABLES	Notes	2023	2022
		USD	USD
Trade receivables		78,145	247,180
Receivables from group companies:			
Ultimate holding company	19(f)	-	28,604
		78,145	275,784
Less: Provision for impairment	(a)	-	-
		<b>78,145</b>	<b>275,784</b>

Trade receivables are measured initially at fair value and are subsequently stated at amortised cost using the effective interest method less loss allowance.

#### (a) Impairment of Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period since incorporation before June 30, 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product (GDP) and the unemployment rate of Mauritius, the country in which it renders its services, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at June 30, 2023 and June 30, 2022 was determined as follows for trade receivables and impairment on expected credit losses is expected to be insignificant.

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 6 TRADE RECEIVABLES (CONT'D)

##### (a) Impairment of Trade receivables (cont'd)

At June 30, 2023	Current	More than 30 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
	USD	USD	USD	USD	USD
Gross carrying amount - Trade receivables	78,145	-	-	-	78,145
(-) Balances from related parties	-	-	-	-	-
Trade receivables - External parties	78,145	-	-	-	78,145
Loss Allowance	-	-	-	-	-

At June 30, 2022	Current	More than 30 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
	USD	USD	USD	USD	USD
Gross carrying amount - Trade receivables	149,886	116,776	-	9,122	275,784
(-) Balances from related parties	(28,604)	-	-	-	(28,604)
Trade receivables - External parties	121,282	116,776	-	9,122	247,180
Loss Allowance	-	-	-	-	-

##### (b) The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2023	2022
	USD	USD
Mauritian Rupee	78,145	266,662
Euro	-	9,122
	<u>78,145</u>	<u>275,784</u>

##### (c) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

##### (d) As at June 30, 2023, trade receivable of USD Nil (2022: USD 125,898) was past due but not impaired. The ageing analysis of these receivables is as follows:

	2023	2022
	USD	USD
More than 30 days past due	-	116,776
More than 120 days past due	-	9,122
	<u>-</u>	<u>125,898</u>

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

7 OTHER RECEIVABLES AND PREPAYMENTS	Note	2023	2022
		USD	USD
Other receivables		2,164,188	6,190
Other receivables with the holding company	19(f)	553,853	-
Prepayments		5,810	12,878
		<u>2,723,851</u>	<u>19,068</u>

These amounts generally are of short term nature and are due and payable within 1 year from the end of the reporting year. Collateral is not normally obtained.

Due to the short-term nature of the other receivables and prepayments, their carrying amount is considered to be the same as their fair value.

The carrying amounts of the Company's other receivables and prepayments are denominated in the followings currencies:

	2023	2022
	USD	USD
MUR	553,853	-
Euro	2,164,188	-
US Dollar	5,810	19,068
	<u>2,723,851</u>	<u>19,068</u>

8 FINANCIAL ASSETS AT AMORTISED COST	2023	2022
	USD	USD
At the beginning of the reporting year	218,660	1,475,966
Disposal during the year	(217,334)	(1,204,050)
Foreign exchange difference	8,536	(53,414)
Interest income	6,152	15,535
Interest received	(7,143)	(15,377)
At the end of the reporting year	<u>8,871</u>	<u>218,660</u>

At the end of the reporting year, the financial assets at amortised cost consist of notes subscribed in CM Diversified Credit Ltd in Rupee, carrying interests within the range of 3.0% to 5.5% per annum.

The carrying amounts of the Company's financial assets at amortised cost are denominated in the following currencies:

	2023	2022
	USD	USD
Euro	-	209,506
Mauritian Rupee	8,871	9,154
	<u>8,871</u>	<u>218,660</u>

9 SHARE CAPITAL	Ordinary Shares (No Par Value)
(a) Issued Share Capital	USD
At June 30, 2022 and June 30, 2023	<u>50,000</u>
(b) Number of Shares	
At June 30, 2022 and June 30, 2023	<u>5,000</u>

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 9 SHARE CAPITAL (CONT'D)

##### (c) Class Rights

Ordinary shares shall:

- (i) have the right to vote at meetings of the shareholder and on poll to cast one vote for each share held;
- (ii) subject to the rights of any other class of shares, have the right to an equal share in dividends and other distribution made by the Company; and
- (iii) subject to the rights of any other class of shares, have the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

#### 10 OTHER PAYABLES

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>USD</b>	<b>USD</b>
Amount due to Group Companies:	<b>19(f)</b>		
Fellow subsidiaries		<b>524,300</b>	27,349
Entity under common control		<b>7,269</b>	12,760
Other payables and accruals		<b>325,466</b>	247,688
		<b>857,035</b>	287,797

The carrying amounts of other payables approximate their fair values.

#### 11 CURRENT TAX LIABILITIES/ (ASSETS)

The Company is a tax incentive company in Mauritius and under current laws and regulations, is liable to pay tax on its net income at a rate of 15%. Pursuant to the enactment of the Finance Act 2018, with effect as from January 01, 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Under the new tax regime and subject to meeting the necessary substance and compliance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) along with such guidelines issued by the competent authorities in Mauritius, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source interest income.

In addition, the Company currently benefits from a partial exemption of 80% of income derived from its investment advisory activities under the Income Tax Act 1995.

	<b>2023</b>	<b>2022</b>
	<b>USD</b>	<b>USD</b>
<b>(a) In the Statement of Financial Position</b>		
Current tax (assets)/liabilities at the beginning of the reporting year	<b>(719)</b>	12,113
Income tax charge on the adjusted profit for the year at 15% (2022: 15%)	<b>53,648</b>	-
Net income tax paid	<b>(11,110)</b>	(12,832)
Current tax liabilities/(assets) at the end of the reporting year	<b>41,819</b>	(719)

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 11 CURRENT TAX LIABILITIES/(ASSETS) (CONT'D)

	Note	2023 USD	2022 USD
<b>(b) In the Statement of Profit or Loss</b>			
Current tax charge on the adjusted profit for the year at 15% (2022: 15%)		53,648	-
Deferred tax charge/(credit) for the year	12	7,564	(6,969)
Income tax charge/(credit)		<u>61,212</u>	<u>(6,969)</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:

	2023 USD	2022 USD
<b>Profit/(Loss) before Tax</b>	<u>1,789,924</u>	<u>(223,402)</u>
Tax calculated at a rate of 15% (2022: 15%)	268,489	(33,510)
Tax effect on:		
Tax loss brought forward	(6,969)	-
Expenses not deductible for tax purposes	179,594	146,050
Income not subject to tax	(387,466)	(119,509)
Deferred tax charge/(credit) for the year	7,564	(6,969)
Tax loss carried forward	-	6,969
<b>Tax Charge/(Credit)</b>	<u>61,212</u>	<u>(6,969)</u>

#### 12 DEFERRED TAX LIABILITY/(ASSET)

Deferred income taxes are calculated on all temporary differences under the liability method at 15%. (2022: 15%)

The movement on the deferred tax liability/(asset) is as follows:

	Note	2023 USD	2022 USD
At the beginning of the reporting year		(6,969)	-
Charge/(Credit) to Profit or Loss	11	7,564	(6,969)
At the end of the reporting year		<u>595</u>	<u>(6,969)</u>
Deferred Tax Liability/(Asset) :-			
Tax Losses		-	(6,969)
Accelerated Tax Depreciation		595	-
		<u>595</u>	<u>(6,969)</u>

#### 13 REVENUE

	2023 USD	2022 USD
Revenue from Corporate Finance Activities	<u>3,147,756</u>	<u>975,992</u>

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 13 REVENUE (CONT'D)

Year ended June 30, 2023	Retainer Fee	Fixed Fee	Success Fee	Total
	USD	USD	USD	USD
Corporate Finance Activities	51,747	168,444	2,927,565	3,147,756
Primary Geographic Markets				
Mauritius	61,953	144,056	2,072,157	2,278,166
Africa	(10,206)	24,388	855,408	869,590
	51,747	168,444	2,927,565	3,147,756
	Retainer Fee	Fixed Fee	Success Fee	Total
	USD	USD	USD	USD
Timing of Revenue Recognition				
At a point in time	-	168,444	2,927,565	3,096,009
Over time	51,747	-	-	51,747
	51,747	168,444	2,927,565	3,147,756
<b>Year ended June 30, 2022</b>	Retainer Fee	Fixed Fee	Success Fee	Total
	USD	USD	USD	USD
Corporate Finance Activities	89,127	67,093	819,772	975,992
Primary Geographic Markets				
Mauritius	89,127	37,093	819,772	945,992
Dubai	-	30,000	-	30,000
	89,127	67,093	819,772	975,992
Timing of Revenue Recognition				
At a point in time	-	67,093	819,772	886,865
Over time	89,127	-	-	89,127
	89,127	67,093	819,772	975,992

#### 14 ADMINISTRATIVE EXPENSES

	Notes	2023	2022
		USD	USD
Audit fees		2,750	2,460
Depreciation charge	18(a)	3,939	3,523
Employee benefit expense	15	779,474	774,410
Legal & professional fees		36,013	10,953
Management charge		148,974	111,144
Other expenses		70,004	74,088
Overseas travelling expenses		67,846	27,715
		1,109,000	1,004,293

#### 15 EMPLOYEE BENEFIT EXPENSE

	2023	2022
	USD	USD
Wages and salaries	707,565	706,269
Social security costs	17,126	16,952
Pension costs - Defined Contribution Plan	54,783	51,189
	779,474	774,410

Note: The Company participates in MCB Group's multi-employer plan and contributions made have been accounted as a Defined Contribution Plan. Payments to defined contribution retirement plans are charged as expenses as they fall due.



## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

16 OTHER NET INCOME/(EXPENSE)	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		USD	USD
Interest income	18(a)	72,944	16,223
Reimbursable income		2,318	20,799
Sundry income		3,302	-
Foreign exchange gain/(loss)	18(a)	96,796	(105,676)
		<u>175,360</u>	<u>(68,654)</u>
17 EARNINGS/(LOSS) PER SHARE		<u>2023</u>	<u>2022</u>
Earnings/(Loss) per share is based on:			
Profit/(Loss) for the year	USD	<u>1,728,712</u>	<u>(216,433)</u>
Number of Shares in Issue		<u>5,000</u>	<u>5,000</u>
Earnings/(Loss) per Share	USD	<u>345.74</u>	<u>(43.29)</u>
18 NOTES TO THE STATEMENT OF CASH FLOWS			
<b>(a) Cash generated from operations</b>			
Reconciliation of profit/(loss) before taxation to cash (used in)/generated from operations:			
	<u>Notes</u>	<u>2023</u>	<u>2022</u>
		USD	USD
Profit/(Loss) before Taxation		1,789,924	(223,402)
Adjustments for:			
Interest income	16	(72,944)	(16,223)
Foreign exchange (gain)/loss	16	(96,796)	105,676
Loss on disposal of non current assets		859	-
Loss on disposal of financial assets		65	174
Depreciation charge	14	3,939	3,523
Changes in working capital:			
- trade receivables		197,639	908,183
- other receivables and prepayment		(2,704,783)	(6,806)
- other payables		569,238	(276,520)
<b>Cash (used in)/generated from operations</b>		<u>(312,859)</u>	<u>494,605</u>
<b>(b) Cash and Cash Equivalents</b>		<u>2023</u>	<u>2022</u>
		USD	USD
Cash at bank and in hand		2,136,070	1,738,017
Fixed deposit		215,432	-
Treasury Bills		-	570,887
		<u>2,351,502</u>	<u>2,308,904</u>
19 RELATED PARTY TRANSACTIONS		<u>2023</u>	<u>2022</u>
		USD	USD
<b>(a) Revenue</b>			
Ultimate holding company		-	11,325
<b>(b) Reimbursable Income</b>			
Ultimate holding company		-	15,289

## MCB FINANCIAL ADVISERS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### 19 RELATED PARTY TRANSACTIONS (CONT'D)

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>USD</b>	<b>USD</b>
<b>(c) Interest Income</b>			
Fellow subsidiaries		6,838	5,148
Holding company		10,045	-
Entity under common control		53,475	-
		<u>70,358</u>	<u>5,148</u>
<b>(d) Operating Expenses</b>			
Fellow subsidiary		<u>315,310</u>	<u>126,477</u>
<b>(e) Administrative Expenses</b>			
Fellow subsidiaries		278,561	123,579
Entity under common control		134	2,165
		<u>278,695</u>	<u>125,744</u>
<b>(f) Outstanding balances as at June 30,</b>		<b>2023</b>	<b>2022</b>
		<b>USD</b>	<b>USD</b>
<i>Receivables from related parties</i>			
Ultimate holding company	6	-	28,604
Holding company	7	553,853	-
		<u>553,853</u>	<u>28,604</u>
<i>Payables to related parties</i>	10		
Fellow subsidiaries		524,300	27,349
Entity under common control		7,269	12,760
		<u>531,569</u>	<u>40,109</u>
<i>Cash and Cash Equivalents</i>			
Entity under common control		<u>2,351,324</u>	<u>1,737,846</u>
<i>Financial Assets at amortised cost</i>			
Fellow subsidiary		<u>8,870</u>	<u>218,660</u>

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, 2023 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 condition. Consequently, the probability of default is therefore negligible and the Company has not accounted for any impairment loss.

#### 20 ULTIMATE HOLDING COMPANY

The holding company of MCB Financial Advisers is MCB Capital Markets Ltd and the ultimate holding company is MCB Group Limited. Both companies are incorporated in Mauritius.

**21 EVENTS AFTER THE REPORTING PERIOD**

The Company has been served with complaints with summons before the Supreme Court of Mauritius from certain noteholders of CM Structured Finance (1) Ltd (fellow subsidiary). These complaints are strongly resisted by the Company and have no financial impact as at the signing date of these financial statements.