

REPUBLIC WEALTH MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

SEPTEMBER 30, 2024

Ernst & Young Services Limited



# REPUBLIC WEALTH MANAGEMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2024

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**Statement of Management's Responsibilities**

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Republic Wealth Management Limited (“the Company”) which comprise the statement of financial position as at September 30, 2024, the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements including material accounting policy information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company’s assets, detection/prevention of fraud, and the achievement of Company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where IFRS Accounting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Karen Yip Chuck  
Chairperson  
November 11, 2024

Leesa Murally-Pantin  
Leesa Murally-Pantin (Nov 18, 2024 05:56 AST)

Leesa Murally-Pantin  
Director  
November 11, 2024





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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF REPUBLIC WEALTH MANAGEMENT LIMITED

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

##### **Opinion**

We have audited the financial statements of Republic Wealth Management Limited (“the Company”), which comprise the statement of financial position as at September 30 2024 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

##### **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’ (“IESBA”), International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF REPUBLIC WEALTH MANAGEMENT LIMITED

### **Report on the Audit of the Financial Statements (continued)**

#### **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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF REPUBLIC WEALTH MANAGEMENT LIMITED

**Report on the Audit of the Financial Statements (continued)**

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

We communicate with the Board of Directors 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.

A handwritten signature in blue ink that reads 'EY'.

Port of Spain  
TRINIDAD  
November 11, 2024

REPUBLIC WEALTH MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000)

ASSETS	Notes	2024	2023
Cash and cash equivalents		69,104	111,062
Trade debtors	5	3,242	6,432
Investment securities	4	25,441	16,387
Premises and equipment	6	343	837
Right-of-use-assets	7 (a)	2,218	187
Other assets		7,029	5,477
Deferred tax asset	8 (a)	–	7
Taxation recoverable		<u>864</u>	<u>869</u>
<b>TOTAL ASSETS</b>		<u><b>108,241</b></u>	<u><b>141,258</b></u>
<b>LIABILITIES &amp; EQUITY</b>			
<b>LIABILITIES</b>			
Due to related parties		746	–
Lease liabilities	7(b)	2,188	157
Other liabilities	9	32,369	27,673
Taxation payable		11,970	12,040
Deferred tax liability	8 (b)	<u>43</u>	<u>63</u>
<b>TOTAL LIABILITIES</b>		<u><b>47,316</b></u>	<u><b>39,933</b></u>
<b>EQUITY</b>			
Stated capital	10	2,002	2,002
Capital reserve		1	1
Revaluation reserve		(890)	(460)
Retained earnings		<u>59,812</u>	<u>99,782</u>
<b>TOTAL EQUITY</b>		<u><b>60,925</b></u>	<u><b>101,325</b></u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<u><b>108,241</b></u>	<u><b>141,258</b></u>

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

These financial statements were approved by the Board of Directors on November 11, 2024 and signed on its behalf by:

  
**Karen Yip Chuck**, *Chairperson*

  
Leesa Murally-Pantin (Nov 18, 2024 05:56 AST)  
**Leesa Murally-Pantin**, *Director*

REPUBLIC WEALTH MANAGEMENT LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000)

	<b>Notes</b>	<b>2024</b>	<b>2023</b>
Income	11 (a)	168,250	167,905
Commission expense		<u>(66)</u>	<u>(100)</u>
<b>Net income</b>		168,184	167,805
Operating expenses	11 (b)	<u>(10,842)</u>	<u>(10,243)</u>
<b>Net profit before taxation</b>		157,342	157,562
Taxation expense	12	<u>(47,203)</u>	<u>(47,460)</u>
<b>Net profit for the year</b>		<u>110,139</u>	<u>110,102</u>

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

REPUBLIC WEALTH MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000)

	<b>2024</b>	<b>2023</b>
<b>Net profit for the year</b>	110,139	110,102
<b>Other comprehensive income:</b>		
<i>Other comprehensive (loss)/income (net of tax) that will not be reclassified to the statement of income in subsequent periods:</i>		
<i>Remeasurement (loss)/gain on equity investment securities measured at fair value through other comprehensive income</i>	<u>(430)</u>	<u>15</u>
<b>Total comprehensive income for the year, net of tax</b>	<u>109,709</u>	<u>110,117</u>

REPUBLIC WEALTH MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000)

	<b>Stated capital</b>	<b>Revaluation reserve</b>	<b>Capital reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance as at October 1, 2022</b>	2,002	(475)	1	100,714	102,242
Profit for the year	–		–	110,102	110,102
Other comprehensive gain	–	15	–	–	15
Dividends paid (Note 19)	<u>–</u>	<u>–</u>	<u>–</u>	<u>(111,034)</u>	<u>(111,034)</u>
<b>Balance at September 30, 2023</b>	2,002	(460)	1	99,782	101,325
Profit for the year	–		–	110,139	110,139
Other comprehensive loss	–	(430)	–	–	(430)
Dividends paid (Note 19)	<u>–</u>	<u>–</u>	<u>–</u>	<u>(150,109)</u>	<u>(150,109)</u>
<b>Balance at September 30, 2024</b>	<u>2,002</u>	<u>(890)</u>	<u>1</u>	<u>59,812</u>	<u>60,925</u>

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

REPUBLIC WEALTH MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000)

	Notes	2024	2023
<b>Operating activities</b>			
Net profit before taxation		157,342	157,562
<b>Adjustments for:</b>			
Depreciation of premises and equipment and right-of-use assets	6 &7(a)	537	493
Unrealised gain on investment securities	11(a)	(179)	(360)
Accretion of interest expense - lease	7(b)	38	15
Decrease/(increase) in trade debtors and other assets		1,638	(2,633)
Increase/(decrease) in other liabilities		4,696	(27,834)
Taxes paid		<u>(47,232)</u>	<u>(48,506)</u>
<b>Cash from operating activities</b>		<u>116,840</u>	<u>78,737</u>
<b>Financing activities</b>			
Repayment of principal portion of lease liabilities	7(b)	(446)	(446)
Dividends paid	19	<u>(150,109)</u>	<u>(111,034)</u>
<b>Cash used in financing activities</b>		<u>(150,555)</u>	<u>(111,480)</u>
<b>Investing activities</b>			
Redemption of investment securities		485,378	107,529
Purchase of investments		(493,621)	(93,580)
Additions to premises and equipment		(5)	(5)
Disposal of premises and equipment	6	<u>5</u>	<u>-</u>
<b>Cash generated (used in)/from investing activities</b>		<u>(8,243)</u>	<u>13,944</u>
<b>Net decrease in cash and cash equivalents</b>		(41,958)	(18,799)
Cash and cash equivalents at beginning of year		<u>111,062</u>	<u>129,861</u>
<b>Cash and cash equivalents at end of year</b>		<u>69,104</u>	<u>111,062</u>
<b>Cash and cash equivalents at end of year are represented by:</b>			
Cash at bank		<u>69,104</u>	<u>111,062</u>
<b>Supplemental information:</b>			
Interest received		13	4
Dividends received		440	250

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



# REPUBLIC WEALTH MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated

### **1. Corporate information**

Republic Wealth Management Limited ("the Company") was incorporated on May 7, 1979 in the Republic of Trinidad and Tobago. It was continued under the provision of the Companies Act, 1995 on July 22, 1999 and its registered office is located at 8 Rapsey Street, Ellerslie Plaza, Maraval. The Company became a wholly owned subsidiary of Republic Financial Holdings Limited (RFHL) on February 29, 2004. The Company's principal activities are asset management services and trading in stocks, shares and other securities on the local stock exchange and via intermediaries on the regional and international stock exchanges.

Republic Financial Holdings Limited ("the Parent"), the financial holding company for the Republic Group and the ultimate Parent of the Group, is incorporated in the Republic of Trinidad and Tobago and its registered office is located at Republic House, 9-17 Park Street, Port of Spain. Republic Financial Holdings Limited is listed on the Trinidad and Tobago Stock Exchange.

### **2. Material accounting policies**

These financial statements provide information on the accounting estimates and judgements made by the Company. These estimates and judgements are reviewed on an ongoing basis. Given the continued impact of global economic uncertainty exacerbated by high inflation and rising interest rates, the Company has maintained its estimation uncertainty in the preparation of these financial statements. The estimation uncertainty is associated with the extent and duration of the expected economic downturn in the economies in which the Company operates. This includes forecasts for economic growth, unemployment, interest rates and inflation.

The Company has formed estimates based on information that was available on September 30, 2024, which was deemed to be reasonable in forming these estimates. The actual economic conditions may be different from the estimates used and this may result in differences between the accounting estimates applied and the actual results of the Company for future periods.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied across the Company.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies (continued)**

**2.1 Basis of preparation**

The financial statements of the Company are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and are stated in Trinidad and Tobago Dollars. These financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value through profit or loss or equities measured at fair value through other comprehensive income. The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, requires management to make estimates and assumptions. Actual results could differ from those estimates. Significant accounting judgements and estimates in applying the Company's accounting policies have been described in Note 3.

**2.2 Changes in accounting policies**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended September 30, 2023, except for the adoption of new standards and interpretations below.

Several amendments and interpretations apply for the first time in 2024, but do not have any impact on the financial statements of the Company. These are also described in more detail below. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

***IFRS 9 - Reclassification***

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The Company's classification of its financial assets is explained in Note 2.5(c).

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies** (continued)

**2.2 Changes in accounting policies** (continued)

***IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments to IAS 8 (effective January 1, 2023)***

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB.

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments had no impact on the financial statements of the Company.

***IAS 12 Income Taxes - Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)***

The amendments to IAS 12, narrows the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies** (continued)

**2.2 Changes in accounting policies** (continued)

***IAS 12 Income Taxes - Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)*** (continued)

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in statement of income.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

These amendments had no impact on the financial statements of the Company.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies** (continued)

**2.2 Changes in accounting policies** (continued)

***IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 - Amendments to IAS 1 - Disclosure of Accounting Policies (effective January 1, 2023)***

The IASB issued amendments to provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments had no impact on the financial statements of the Company.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies (continued)**

**2.3 Standards in issue not yet effective**

The following is a list of standards and interpretations that are not yet effective up to the date of issuance of the Company's financial statements. These standards and interpretations will be applicable to the Company at a future date and will be adopted when they become effective. The Company is currently assessing the impact of adopting these standards and interpretations.

***IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 - Amendments to IAS 1 - Classification of Liabilities as Current or Non-current (effective January 1, 2024)***

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

***IFRS 16 Leases - Amendments to IFRS 16 (effective January 1, 2024)***

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies** (continued)

**2.3 Standards in issue not yet effective** (continued)

*IFRS 16 Leases - Amendments to IFRS 16 (effective January 1, 2024)* (continued)

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 01 2024. Earlier application is permitted and that fact must be disclosed.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

*IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Amendments to IAS 7 and IFRS 7 (effective January 1, 2024)*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

REPUBLIC WEALTH MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Expressed in thousands of Trinidad & Tobago dollars (\$'000) except where otherwise stated  
(Continued)

**2. Material accounting policies** (continued)

**2.3 Standards in issue not yet effective** (continued)

*IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Amendments to IAS 7 and IFRS 7 (effective January 1, 2024)* (continued)

*Characteristics*

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

*Disclosure requirements*

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

*IAS 21 The Effects of Changes in Foreign Exchange Rates - Amendments to IAS 21 (effective January 1, 2025)*

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.



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**2. Material accounting policies** (continued)

**2.3 Standards in issue not yet effective** (continued)

***IAS 21 The Effects of Changes in Foreign Exchange Rates - Amendments to IAS 21 (effective January 1, 2025)*** (continued)

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

***IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)***

The amendments:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

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**2. Material accounting policies** (continued)

**2.3 Standards in issue not yet effective** (continued)

*IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)*

IFRS 18 introduces new categories and subtotals in the statement of income. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

*Statement of income*

An entity will be required to classify all income and expenses within its statement of income into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

*Main business activities*

For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.

*Management-defined performance measures*

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

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**2. Material accounting policies** (continued)

**2.3 Standards in issue not yet effective** (continued)

*IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027)*  
(continued)

*Location of information, aggregation and disaggregation*

IFRS 18 differentiates between ‘presenting’ information in the primary financial statements and ‘disclosing’ it in the notes, and introduces a principle for determining the location of information based on identified ‘roles’ of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. Guidance is also provided for determining meaningful descriptions, or labels, for items that are aggregated in the financial statements.

*Consequential amendments to other accounting standards*

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method from ‘profit or loss’ to ‘operating profit or loss’. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed.

IAS 33 Earnings per Share is amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria. The numerator must be:

- An amount attributable to ordinary equity holders of the parent entity; and
- A total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 Presentation of Financial Statements have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which has been renamed IAS 8 Basis of Preparation of Financial Statements. IAS 34 Interim Financial Reporting has been amended to require disclosure of MPMs.

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**2. Material accounting policies** (continued)

**2.4 Improvements to IFRS Accounting Standards**

The annual improvements process of the International Accounting Standards Board deals with non-urgent but necessary clarifications and amendments to IFRS. The following amendments are applicable to annual periods beginning on or after January 1, 2026.

**IFRS Subject of Amendment**

IFRS 1	First-time Adoption of International Financial Reporting Standards – Hedge accounting by a first-time adopter.
IFRS 7	Financial Instruments: Disclosures – Gain or loss on derecognition
IFRS 7	Financial Instruments: Disclosures – Disclosure of deferred difference between fair value and transaction price
IFRS 7	Financial Instruments: Disclosures – Introduction and credit risk disclosures
IFRS 9	Financial Instruments – Lessee derecognition of lease liabilities
IFRS 9	Financial Instruments – Transaction price
IAS 7	Statement of Cash Flows – Cost method

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies**

**a) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of highly liquid investments, cash on hand and at bank.

**b) Financial instruments - initial recognition**

*i) Date of recognition*

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

*ii) Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.5c (i). Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at fair value through profit or loss (FVPL), transaction costs are added to, or subtracted from, this amount.

*iii) Measurement categories of financial assets and liabilities*

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVPL as explained in Note 2.5 c (ii)
- FVOCI as explained in Note 2.5 c (iii)

Financial liabilities are measured at amortised cost.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**c) Financial assets and liabilities**

**i) Due from related parties, Treasury Bills, Trade debtors, and Investment securities and other assets.**

The Company only measures Due from related parties, Treasury bills, Trade debtors, Other assets and Investment securities at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The details of these conditions are outlined below.

*The SPPI test*

For the first step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For the purpose of this, 'principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL or fair value through other comprehensive income (FVOCI) without recycling.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**c) Financial assets and liabilities** (continued)

**i) Due from related parties, Treasury Bills, Trade debtors, Investment securities and Other assets** (continued)

*Business model assessment*

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**c) Financial assets and liabilities** (continued)

**ii) Financial assets at fair value through profit or loss**

Financial assets in this category are those that are designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management may designate an instrument at FVPL upon initial recognition.

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis.

Financial assets at FVPL are recorded in the statement of financial position at fair value. Interest earned or incurred on instruments designated at FVPL is accrued in interest income, using the effective interest rate (EIR), taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other income when the right to the payment has been established.

**iii) Financial assets at fair value through other comprehensive income**

The Company elects to classify some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 *Financial instruments*. Gains and losses on these instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income. Equity instruments at FVOCI are not subject to an impairment assessment.

**d) Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

**e) Derecognition of financial assets and liabilities**

*Financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive the cash flows from the asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.



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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**e) Derecognition of financial assets and liabilities** (continued)

*Financial assets* (continued)

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset, or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**e) Derecognition of financial assets and liabilities** (continued)

*Financial assets* (continued)

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

*Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of income.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**f) Impairment of financial assets**

**i) Overview of the ECL principles**

The Company records an allowance for expected credit losses (ECL) for all investment securities, trade debtors and other assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Company uses the simplified approach when calculating ECLs. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

When estimating the ECLs, the Company considers among other factors the aging of the financial instrument. When relevant, it also incorporates how defaulted assets are expected to be recovered, including the value of the amount that might be received for selling the underlying asset.

**ii) The calculation of ECLs**

Expected credit losses on trade debtors are calculated by using the provision matrix approach. The provision matrix is determined based on historical observed default rates over the expected life of the trade debtors and is adjusted for forward looking estimates using various macroeconomic indicators.

**g) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*The Company as a lessee*

The Company as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**g) Leases** (continued)

*Right-of-use assets*

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

*Lease liabilities*

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a change in rate used to determine such lease payments).

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**g) Leases** (continued)

*Lease liabilities* (continued)

The Company applies the short-term lease recognition exemption to its short-term leases of property etc. (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*Company as a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**h) Premises and equipment**

Premises and equipment are stated at cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**h) Premises and equipment** (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income.

Leasehold improvements and leased equipment are depreciated on a straight-line basis over the period of the lease. Depreciation other than on leasehold improvements and leased equipment is computed on the declining balance method at rates expected to apportion the cost of the assets over their estimated useful lives.

The depreciation rates used are as follows:

Leasehold premises	Straightline based on lease term
Equipment, furniture and fittings	10% - 25%

**i) Impairment of non-financial assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions (Note 3)
- Premises and equipment (Note 6)

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**i) Impairment of non-financial assets** (continued)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows available to shareholders are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**j) Taxation**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax payable on profits, based on the applicable tax law, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

**k) Fiduciary assets**

The Company provides custodial services to third parties. All related assets are held in a fiduciary capacity and are not included in these financial statements as they are not the assets of the Company. These custodial assets at September 30, 2024 totalled \$1,100 million (2023: \$909 million).

**l) Foreign currency translation**

The financial statements are expressed in Trinidad and Tobago dollars which is the currency of the primary economic environment in which the entity operates (its functional currency).

Monetary assets and liabilities which are denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling on September 30. Non-monetary assets and liabilities denominated in foreign currencies are translated at historic rates. All revenue and expenditure transactions denominated in foreign currencies are translated at mid-exchange rates and the resulting profits and losses on exchange from these trading activities are dealt with in the statement of income.



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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**m) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

*The EIR method*

Interest income and expense is recorded using the EIR method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**m) Revenue recognition** (continued)

*Interest income and expense*

The Company calculates interest income and expense by applying the EIR to the gross carrying amount of financial assets and liabilities other than credit-impaired assets, measured at amortised cost.

Interest income and expense are recognised in the statement of income for all interest-bearing instruments on an accrual basis using the effective interest yield method. Interest income includes coupons earned on fixed income investment and trading securities and accrued discount and premium on other discounted instruments.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in net trading income and net gains/(losses) on financial assets at FVPL, respectively.

*Fee and commission income*

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis as the service is provided. Fees and commissions not integral to effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party are recognised on completion of the underlying transaction. Portfolio and other management advisory service fees are recognised based on the applicable service contracts. Asset management fees related to investment funds are recognised over the period the service is provided.

*Dividend income*

Dividend income is recognised when the right to receive the payment is established.

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**2. Material accounting policies (continued)**

**2.5 Summary of material accounting policies (continued)**

**n) Fair value**

The Company measures financial instruments at fair value at each financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are shown in Note 16 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

***Level 1***

Included in the Level 1 category are financial assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**n) Fair value** (continued)

*Level 2*

Included in the Level 2 category are financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions and for which pricing is obtained via pricing services, but where prices have not been determined in an active market. This includes financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the parent's own models whereby the majority of assumptions are market observable.

*Level 3*

Included in the Level 3 category are financial assets and liabilities that are not quoted as there are no active markets to determine a price. These financial instruments are held at cost, being the fair value of the consideration paid for the acquisition of the investment, and are regularly assessed for impairment.

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 re-assessing 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.

Where the Company's financial assets and liabilities are not actively traded in organised financial markets, the fair value is determined using discounted cash flow analysis, which requires considerable judgement in interpreting market data and developing estimates. Accordingly estimates contained herein are not necessarily indicative of the amounts that the Company could realise in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The fair value information for financial assets and liabilities is based on information available to management as at the dates presented. Management is not aware of any factors that would significantly affect the estimated fair value amounts.

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**2. Material accounting policies** (continued)

**2.5 Summary of material accounting policies** (continued)

**n) Fair value** (continued)

*Level 3* (continued)

Financial instruments where carrying value is equal to fair value:- Due to their short-term maturity, the carrying value of certain financial instruments is assumed to approximate their fair values. These include cash and cash equivalents, trade debtors, other assets and other liabilities.

**3. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- a) Risk management (Note 14)
- b) Capital management (Note 15)

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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**3. Significant accounting judgements, estimates and assumptions (continued)**

**Estimates and assumptions (continued)**

*Impairment losses on financial assets*

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

**Other assumptions**

*Deferred taxes (Note 8)*

In calculating the provision for deferred taxation, management uses judgment to determine the probability that future taxable profits will be available to facilitate utilisation of temporary tax differences which may arise.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

*Premises and equipment (Note 6)*

Management exercises judgment in determining whether costs incurred can accrue sufficient future economic benefits to the Company to enable the value to be treated as a capital expense. Further judgment is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

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**3. Significant accounting judgements, estimates and assumptions (continued)**

**Judgements (continued)**

*Leases (Note 7)*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has a lease contract that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments to reflect the terms and conditions of the lease.

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<b>4. Investment securities</b>	<b>2024</b>	<b>2023</b>
a) <b>Designated as fair value through other comprehensive income</b>		
Equities	<u>1,171</u>	<u>1,600</u>
b) <b>Designated as fair value through profit or loss</b>		
Government bonds	<u>24,270</u>	<u>14,787</u>
<b>Total investment securities</b>	<u><u>25,441</u></u>	<u><u>16,387</u></u>
<b>5. Trade debtors</b>	<b>2024</b>	<b>2023</b>
a) Gross receivables	3,267	6,457
Less ECL	<u>(25)</u>	<u>(25)</u>
<b>Net receivables</b>	<u><u>3,242</u></u>	<u><u>6,432</u></u>
b) ECL balance brought forward	25	25
Charge to statement of income	<u>—</u>	<u>—</u>
<b>ECL balance carried forward</b>	<u><u>25</u></u>	<u><u>25</u></u>
<b>6. Premises and equipment</b>		
	<b>Equipment, furniture &amp; fittings</b>	
	<b>2024</b>	<b>2023</b>
<b>Cost</b>		
At beginning of year	2,576	2,571
Additions at cost	5	5
Disposals	(5)	—
Write offs	<u>(401)</u>	<u>—</u>
At end of year	<u><u>2,175</u></u>	<u><u>2,576</u></u>
<b>Accumulated depreciation</b>		
At beginning of year	1,739	1,619
Charge for the year (Note 11b)	<u>93</u>	<u>120</u>
At end of year	<u><u>1,832</u></u>	<u><u>1,739</u></u>
<b>Net book value</b>	<u><u>343</u></u>	<u><u>837</u></u>



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7. Leases

a) Right-of-use assets	Leasehold premises	
	2024	2023
<b>Cost</b>		
At beginning of year	1,679	1,679
Additions at cost	<u>2,475</u>	<u>—</u>
Total	<u>4,154</u>	<u>1,679</u>
<b>Accumulated depreciation</b>		
At beginning of year	1,492	1,119
Charge for the year (Note 11b)	<u>444</u>	<u>373</u>
At end of year	<u>1,936</u>	<u>1,492</u>
<b>Net book value</b>	<u>2,218</u>	<u>187</u>

The leasehold premises generally have a lease term between 4 to 6 years.

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7. Leases (continued)

b) Lease liabilities	Leasehold premises	
	2024	2023
At beginning of year	157	588
Additions at cost	2,475	–
Accretion of interest expense	38	15
Less: Principal payments	<u>(482)</u>	<u>(446)</u>
At end of year	<u>2,188</u>	<u>157</u>

The contractual maturity analysis of lease liabilities are disclosed in Note 14.3 and 17.

8. Deferred tax assets and liabilities

a) Deferred tax assets	Opening balance	Statement of income	Closing balance
	2023		2024
Leases	<u>7</u>	<u>(7)</u>	<u>–</u>
	<u>7</u>	<u>(7)</u>	<u>–</u>

	Opening balance	Statement of income	Closing balance
	2022		2023
Leases	<u>7</u>	<u>–</u>	<u>7</u>
	<u>7</u>	<u>–</u>	<u>7</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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**8. Deferred tax assets and liabilities (continued)**

	<b>Opening balance 2023</b>	<b>Statement of income</b>	<b>Closing balance 2024</b>
<b>b) Deferred tax liabilities</b>			
Premises and equipment	63	(20)	43
	<u>63</u>	<u>(20)</u>	<u>43</u>
	<b>Opening balance 2022</b>	<b>Statement of income</b>	<b>Closing balance 2023</b>
Premises and equipment	63	–	63
	<u>63</u>	<u>–</u>	<u>63</u>
<b>9. Other liabilities</b>		<b>2024</b>	<b>2023</b>
Amounts due to clients		26,318	19,478
Amounts due to brokers		542	1,304
Other		<u>5,509</u>	<u>6,891</u>
		<u>32,369</u>	<u>27,673</u>
<b>10. Stated capital</b>			
<b>Authorised</b>			
Unlimited ordinary shares of no par value			
<b>Issued and fully paid</b>			
2,001,988 shares of no par value		<u>2,002</u>	<u>2,002</u>

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<b>11. Operating profit</b>	<b>2024</b>	<b>2023</b>
<b>a) Income</b>		
Fee and commission income	161,538	165,110
Dividends	440	250
Unrealised gains from investments FVPL	179	360
Other operating income	<u>6,093</u>	<u>2,185</u>
	<u>168,250</u>	<u>167,905</u>
<b>b) Operating expenses</b>		
Staff costs	6,655	6,956
General administrative expenses	3,650	2,794
Depreciation expense		
- Right-of-use-asset (Note 7a)	444	373
- Premises and equipment (Note 6)	<u>93</u>	<u>120</u>
	<u>10,842</u>	<u>10,243</u>
<b>12. Taxation expense</b>		
Corporation tax	47,215	47,460
Deferred tax	<u>(12)</u>	<u>—</u>
	<u>47,203</u>	<u>47,460</u>

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**12. Taxation expense (continued)**

**Reconciliation between taxation expense and net profit before taxation**

Income taxes in the statement of income vary from amounts that would be computed by applying the statutory tax rate for the following reasons:

	<b>2024</b>	<b>2023</b>
Net profit before taxation	<u>157,342</u>	<u>157,562</u>
Tax at applicable statutory tax rates	47,203	47,269
<i>Tax effect of items that are adjustable in determining taxable profit:</i>		
Tax exempt income	(132)	(75)
Non-deductible expenses	154	298
Allowable deductions	<u>(22)</u>	<u>(32)</u>
	<u>47,203</u>	<u>47,460</u>

**13. Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms and conditions, at market rates.

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
Republic Bank Limited	<u>69,071</u>	<u>111,027</u>
<b>Income</b>		
Republic Bank Limited	<u>105,117</u>	<u>109,908</u>
<b>Expense</b>		
Republic Bank Limited	<u>71</u>	<u>42</u>
<b>Due to related banks</b>	<u>444</u>	<u>—</u>

**Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

	<b>2024</b>	<b>2023</b>
Short-term benefits	71	42

## REPUBLIC WEALTH MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 14. Risk management

##### 14.1 General

The Company's prudent brokering practices are founded on solid risk management. In an effort to keep pace with its dynamic environment, the Company has established a comprehensive framework for managing risks, which is continually evolving as the Company's business activities change in response to market, credit, product and other developments.

The basic principles of risk management followed by the Company include:

- Managing risk within parameters approved by the Board of Directors and
- Assessing risk initially and then consistently monitoring those risks through their life cycle;
- Abiding by all applicable laws, regulations and governance standards in every country in which we do business;
- Applying high and consistent ethical standards to our relationships with all customers, employees and other stakeholders; and
- Undertaking activities in accordance with fundamental control standards. These controls include the disciplines of planning, monitoring, segregation, authorisation and approval, recording, safeguarding, reconciliation and valuation.

##### **Risk governance and risk management strategies**

The Board of Directors has ultimate responsibility for the management of risk of the Company. Acting with authority delegated by the Board, the Credit, Audit, Asset/Liability Committee (ALCO) and Enterprise Risk Committees of the Parent Company, review specific areas.

The Internal Audit function of the Parent Company audits Risk Management processes of the Company by examining both the adequacy of the procedures and the Company's compliance with these procedures. Internal Audit discusses the results of all assessments with Management and reports its findings and recommendations to the Audit Committees of the Parent and its respective subsidiaries.

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(Continued)

**14. Risk management** (continued)

**14.1 General** (continued)

**Risk governance and risk management strategies** (continued)

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk. The Company operates in a highly liquid market and therefore must ensure that it is able to settle all claims that might fall due.

The main risks arising from the Company's financial instruments are credit risk, interest rate and market risk, liquidity risk, foreign currency risk and operational risk. The Company reviews and agrees policies for managing each of these risks as follows:

**14.2 Credit risk**

Credit risk is the potential that an investor will fail to meet its stated obligations in accordance with agreed terms. The effective management of credit risk is a key element of a comprehensive approach to risk management and is considered essential to the long-term success of the Company.

Credit risk arises from cash and cash equivalents, investment securities, deposits with banks and other financial institutions and also credit exposures to clients including receivable balances outstanding. It is the Company's policy to assess the credit quality of clients taking into account the financial positions, past experience and other factors before conducting business. New clients are also required to make a 50% deposit of equity purchases. Trades done on clients' behalf are settled by cheques or direct bank transfers.

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(Continued)

**14. Risk management** (continued)

**14.2 Credit risk** (continued)

**14.2.1 Analysis of risk concentration**

The table below shows the Company's maximum exposure to any client or counter party before taking into account collateral or other credit enhancements:

	<b>Gross maximum</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	69,104	111,062
Investment securities	24,270	14,787
Trade debtors	3,242	6,432
Other assets	7,029	5,477
	<u>103,645</u>	<u>137,758</u>

Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

The Company's credit risk exposure is geographically concentrated in Trinidad and Tobago. Its cash and cash equivalents have been placed within the local private financial services sector. Management considers these institutions to have strong financial performance and the capacity to meet their obligations.

**14.2.2 Impairment assessment**

Financial asset provisions are reviewed annually in accordance with established guidelines. Outstanding trade debtors are reviewed quarterly by the Board however it is not the policy to write off balances. The Company's impairment assessment and measurement approach is set out below.

**14.2.3 Default and recovery**

The Company considers a financial instrument defaulted for ECL calculations in cases when the balance, mainly client receivable balances, becomes 90 days past due on its contractual payments. Broker balances that are reflected in the over 90 days bucket are deemed to be receivable on demand and therefore not defaulted.



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**14. Risk management** (continued)

**14.2 Credit risk** (continued)

**14.2.3 Default and recovery** (continued)

The ECL methodology and definition of default remained consistent with prior periods.

*Trade debtors*

An aged analysis of the Company's trade debtors as at September 30 is as follows:

	<b>Less than 45 days</b>	<b>45-90 days</b>	<b>More than 90 days</b>	<b>ECL</b>	<b>Total</b>
<b>2024</b>					
Client	1,098	52	327	(25)	1,452
Broker	18	497	1,232	–	1,747
Other receivables	<u>43</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>43</u>
Total undiscounted	<u>1,159</u>	<u>549</u>	<u>1,559</u>	<u>(25)</u>	<u>3,242</u>
<b>2023</b>					
Client	414	2,256	979	(25)	3,624
Broker	974	–	1,642	–	2,616
Other receivables	<u>192</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>192</u>
Total undiscounted	<u>1,580</u>	<u>2,256</u>	<u>2,621</u>	<u>(25)</u>	<u>6,432</u>

**14.3 Liquidity risk**

Liquidity risk is defined as the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access these only at excessive cost.

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**14. Risk management** (continued)

**14.3 Liquidity risk** (continued)

Liquidity management is therefore primarily designed to ensure that funding requirements can be met, including the replacement of existing funds as they mature or are withdrawn, or to satisfy the demands of customers for additional borrowings. Liquidity management focuses on ensuring that the Company has sufficient funds to meet all of its obligations.

The table below summarises the maturity profile of the Company's financial liabilities at September 30 based on contractual undiscounted repayment obligations.

These balances include interest to be paid over the remaining life of those liabilities and will therefore be greater than the carrying amounts on the statement of financial position. Refer to Note 17 for a maturity analysis of assets and liabilities.

**Financial liabilities**

	<b>On Demand</b>	<b>Up to One Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<b>2024</b>					
Lease liabilities	–	–	1,994	194	2,188
Due to related parties	745	–	–	–	745
Other liabilities	–	32,369	–	–	32,369
<b>Total undiscounted financial liabilities</b>	<u>745</u>	<u>32,369</u>	<u>1,994</u>	<u>194</u>	<u>35,302</u>
<b>2023</b>					
Lease liabilities	–	172	–	–	172
Due to related parties	301	–	–	–	301
Other liabilities	–	27,673	–	–	27,673
<b>Total undiscounted financial liabilities</b>	<u>301</u>	<u>27,845</u>	<u>–</u>	<u>–</u>	<u>28,146</u>

**14.4 Market risk**

Market risk is the risk that investments held in the portfolio will fluctuate due to changes in market prices. Market risk comprises of price risk, currency risk and interest rate risk.

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**14. Risk management** (continued)

**14.4 Market risk** (continued)

The Company is exposed to equity price risk because of investments held and classified as financial assets at FVPL on the statement of financial position. Through daily monitoring, management is able to mitigate market risk resulting from fluctuations in the prices of equities traded and capitalise on profitable disposals.

**14.4.1 Price risk**

The table below summarises the exposure to market risks by geographical concentrations of the Company's designated at fair value through other comprehensive income:

	2024		2023	
	\$'000	%	\$'000	%
Domestic	<u>1,171</u>	<u>100</u>	<u>1,600</u>	<u>100</u>

The table below summarises the concentration of the Company's investment securities portfolio by sector:

	2024		2023	
	\$'000	%	\$'000	%
Finance	10	–	10	1
Conglomerate	<u>1,161</u>	<u>–</u>	<u>1,590</u>	<u>99</u>
	<u>1,171</u>	<u>–</u>	<u>1,600</u>	<u>100</u>

The effect on net assets at September 30 due to a reasonable possible change in equity indices, with all other variables held constant, is as follows:

Change in equity price %	Effect on net assets	
	2024	2023
+/-5	59	80

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(Continued)

**14. Risk management** (continued)

**14.4 Market risk** (continued)

**14.4.2 Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's exposure to the effects of fluctuations in foreign currency exchange rates arises mainly from its investments and recognised assets and liabilities that are denominated in a currency other than the Company's functional currency. The primary currency exposure is that of the United States dollar (USD). The Company's policy is to match the initial net foreign currency investment with funding in the same currency.

The tables below indicate the currencies to which the Company had significant exposure at September 30 on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis also calculates the effect of a reasonably possible movement of each currency rate against the Trinidad & Tobago dollar (TTD), with all other variables held constant.

<b>2024</b>	<b>TTD</b>	<b>USD</b>	<b>OTHER</b>	<b>Total</b>
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	53,221	15,880	3	69,104
Investment securities	1,849	23,592	–	25,441
Trade debtors and other assets	9,256	1,015	–	10,271
	<u>64,326</u>	<u>40,487</u>	<u>3</u>	<u>104,816</u>
<b>FINANCIAL LIABILITIES</b>				
Due to related parties	745	–	–	745
Other liabilities	14,355	17,269	–	31,624
	<u>15,100</u>	<u>17,269</u>	<u>–</u>	<u>32,369</u>
<b>NET CURRENCY RISK EXPOSURE</b>				
		<u>23,219</u>	<u>3</u>	<u>23,222</u>
<b>Reasonably possible change in currency rate:</b>		<u>1%</u>	<u>1%</u>	
<b>Effect on profit before tax</b>		<u>196</u>	<u>–</u>	<u>196</u>

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**14. Risk management** (continued)

**14.4 Market risk** (continued)

**14.4.2 Currency risk** (continued)

	<b>TTD</b>	<b>USD</b>	<b>OTHER</b>	<b>Total</b>
<b>2023</b>				
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	96,788	14,274	–	111,062
Investment securities	4,603	11,784	–	16,387
Trade debtors and other assets	8,888	3,003	–	11,891
	<u>110,279</u>	<u>29,061</u>	<u>–</u>	<u>139,340</u>
<b>FINANCIAL LIABILITIES</b>				
Due to related parties	301	–	–	301
Other liabilities	14,847	12,826	–	27,673
	<u>15,148</u>	<u>12,826</u>	<u>–</u>	<u>27,974</u>
<b>NET CURRENCY RISK EXPOSURE</b>	<u>95,131</u>	<u>16,235</u>	<u>–</u>	<u>111,366</u>
<b>Reasonably possible change in currency rate:</b>		<u>1%</u>	<u>1%</u>	
<b>Effect on profit before tax</b>		<u>162</u>	<u>–</u>	<u>162</u>

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**14. Risk management** (continued)

**14.4 Market risk** (continued)

**14.4.3 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company's interest bearing financial assets and liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The majority of the Company's financial instruments are held in equities or fixed rate instruments. As a result, the Company's exposure to interest rate risk is considered minimal.

**14.4.4 Operational risk**

Operational risk is inherent within all business activities and is the potential for financial or reputational loss arising from inadequate or failed internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud.

The Company recognises that such risk can never be entirely eliminated and manages the risk through a combination of systems and procedures to monitor and document transactions. The Parent Company's operational risk department oversees this and where appropriate, risk is transferred by the placement of adequate insurance coverage.

The Parent Company has developed contingency arrangements and established facilities to support operations in the event of disasters. Independent checks on operational risk issues are also undertaken by the internal audit function.

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**15. Capital management**

The primary objective of the Company's capital management process is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholder, return capital to the shareholder or issue new shares. No changes were made in the objectives, policies or processes during the year ended September 30, 2024 (2023: nil).

The Company is not subject to any specific externally imposed capital requirements.

**16. Fair value**

**16.1 Carrying values and fair values**

**16.1.1 Determination of fair value and fair value hierarchies**

The following table summarises the carrying amounts and the fair values of the Company's financial assets and liabilities:

<b>2024</b>	<b>Carrying value</b>	<b>Fair value</b>	<b>Un- recognised (loss)/gain</b>
<b>Financial assets</b>			
Cash and cash equivalents	69,104	69,104	—
Investment securities	25,441	25,441	—
Trade debtors and other assets	3,243	3,243	—
<b>Financial liabilities</b>			
Other liabilities	32,369	32,369	—
<b>Total unrecognised change in unrealised fair value</b>			<u>—</u>

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**16. Fair value** (continued)

**16.1 Carrying values and fair values** (continued)

**16.1.1 Determination of fair value and fair value hierarchies** (continued)

<b>2023</b>	<b>Carrying value</b>	<b>Fair value</b>	<b>Un- recognised (loss)/gain</b>
<b>Financial assets</b>			
Cash and cash equivalents	111,062	111,062	—
Investment securities	16,387	16,387	—
Trade debtors and other assets	11,909	11,909	—
<b>Financial liabilities</b>			
Other liabilities	27,673	27,673	—
<b>Total unrecognised change in unrealised fair value</b>			<u>—</u>

The following table shows the fair value measurement hierarchy of the Company's assets and liabilities.

<b>2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investment securities	<u>1,161</u>	<u>24,270</u>	<u>10</u>	<u>25,441</u>
<b>2023</b>				
<b>Financial assets</b>				
Investment securities	<u>1,590</u>	<u>14,787</u>	<u>10</u>	<u>16,387</u>

Due to their short-term maturity, the carrying value of certain financial instruments are assumed to approximate their fair values. These include balances due from related parties, treasury bills, trade debtors, other assets, due to related parties and other liabilities.

**16.1.2 Transfers between Level 1 and 2**

For the year ended September 30, 2024, no assets were transferred between Level 1 and Level 2 (2023: none).



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**16. Fair value** (continued)

**16.1 Carrying values and fair values** (continued)

**16.1.3 Reconciliation of movements in Level 3 financial instruments measured at fair value**

<b>2024</b>	<b>Balance at beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at end of year</b>
Investment securities	<u>10</u>	<u>–</u>	<u>–</u>	<u>10</u>
<b>2023</b>	<b>Balance at beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at end of year</b>
Investment securities	<u>10</u>	<u>–</u>	<u>–</u>	<u>10</u>

**17. Maturity analysis**

<b>2024</b>	<b>Within one year</b>	<b>After one year</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	69,104	–	69,104
Trade debtors	3,242	–	3,242
Investment securities	20,118	5,323	25,441
Premises and equipment	–	343	343
Right-of-use assets	–	2,218	2,218
Other assets	7,029	–	7,029
Taxation recoverable	<u>–</u>	<u>864</u>	<u>864</u>
Total	<u>99,493</u>	<u>8,748</u>	<u>108,241</u>

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**17. Maturity analysis (continued)**

<b>2024</b>	<b>Within one year</b>	<b>After one year</b>	<b>Total</b>
<b>LIABILITIES</b>			
Due to related parties	746	–	746
Lease liabilities	382	1,806	2,188
Other liabilities	32,369	–	32,369
Taxation payable	11,970	–	11,970
Deferred tax liability	–	43	43
<b>Total</b>	<b>45,467</b>	<b>1,849</b>	<b>47,316</b>
<b>2023</b>	<b>Within one year</b>	<b>After one year</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	111,062	–	111,062
Trade debtors	6,432	–	6,432
Investment securities	11,654	4,733	16,387
Premises and equipment	–	837	837
Right-of-use assets	187	–	187
Other assets	5,477	–	5,477
Deferred tax asset	–	7	7
Taxation recoverable	–	869	869
<b>Total</b>	<b>134,812</b>	<b>6,446</b>	<b>141,258</b>
<b>LIABILITIES</b>			
Lease liabilities	157	–	157
Other liabilities	27,673	–	27,673
Taxation payable	12,040	–	12,040
Deferred tax liability	–	63	63
<b>Total</b>	<b>39,870</b>	<b>63</b>	<b>39,933</b>

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**18. Commitment and contingencies**

As at September 30, 2024 there were no litigation matters to disclose or provide for (2023: nil). Commitments and contingencies amounted to \$4,447 as at September 30, 2024 (2023: \$8,714).

**19. Dividends**

The Company proposed that a final dividend of \$14.32 per share (2023: \$34.27) totalling \$28,678 (2023: \$68,647) to be paid to its shareholder. Dividend payments made are outlined below:

	<b>2024</b>	<b>2023</b>
Interim dividends for 2024: \$81,460 (2023: \$19,434)	81,460	19,434
Final dividends for 2024: \$28,678 (2023: \$68,647)	<u>28,678</u>	<u>68,647</u>
	<u>110,138</u>	<u>88,081</u>

**20. Events after the reporting date**

There are no events after the reporting date that require adjustment to, or disclosure in these financial statements.