COLINA
REAL ESTATE FUND LTD.

2022 ANNUAL REPORT

Providing the best in property solutions across The Bahamas.

Contents

MESSAGE FROM
The Chairman

Dear Shareholders,

Colina Real Estate Fund Ltd. (CREFL) enjoyed a relatively stable year in 2022, represented by an increase in operating income of 9.63%. In 2022, CREFL has booked a fair value loss on property of $375,000 as the property value in Nassau reflected an increase of $150,000 and the Freeport property declined in value by $525,000.

The Company's balance sheet recorded total assets of $12.994 million, which evidenced a decrease in total assets of $0.3 million with the decrease being directly attributable to the decrease in the Company's property values. Total liabilities stood at $1.2 million and represented a $0.4 million improvement year on year.

Based on the foregoing, total equity stood at $11.7 million as of December 31st, 2022, compared to $11.6 million as of December 31st, 2021.

The Company recorded a net income of 0.148 million for the year ended December 31st, 2022, compared to a net income of $1.022 million in 2021. The decline in net income is largely attributable to fair value loss on property values of $0.375 million. In 2021, CREFL reported a gain in property value of $0.775 million.

CREFL properties remain over 90% occupied, however, our Freeport property remains a challenge due to the local economy. Our Abaco property sale was completed in 2022.

The Company continues to look for opportunities to expand and grow.

As always, we are both grateful for and reliant upon the continued support of you, our shareholders, as we work together to continue building on CREFL's success.

Sincerely,

COLINA REAL ESTATE FUND LTD.
Emanuel M. Alexiou
Chairman

MANAGEMENT'S DISCUSSION & Analysis

Colina Real Estate Fund Ltd. (CREFL) - Management's Discussion and Analysis (MD&A) for the year ended December 31, 2022.

FORWARD-LOOKING STATEMENTS

This report provides an analysis of the Company's financial condition and results of operations. Historical information is presented and discussed and, where appropriate, the report may contain forward-looking statements about the Company including its business operations, strategies, and expected financial performance. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, and that indicate or imply future results, performance or achievements. Such forward-looking statements may include words like "believes", "expects", "estimates", "intends", "projects", "anticipates", "plans", and other words or phrases with similar meaning.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties, and assumptions about the Company that may cause actual results to differ significantly from those expressed or implied. As a result of these uncertainties, readers should not place undue reliance on forward-looking statements as a prediction of actual results.

Colina Real Estate Fund Ltd. (formerly RND Holdings Ltd.) was incorporated in The Bahamas on September 6th, 1994, under the provisions of the Companies Act 1992. On April 19th, 2011, the Company adopted its present name. On December 31, 2022, 84% of the Company's issued ordinary shares were owned by Colina Insurance Limited ("the Majority Shareholder").

BASIS OF PRESENTATION AND SUMMARY OF ACCOUNTING POLICIES

The Consolidated Financial Statements of the Company on which the information presented in this report is based have been prepared in accordance with International Financial Reporting Standards. This report should be read in conjunction with the annual consolidated financial statements and accompanying note disclosures.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

A description of changes in accounting policies and disclosures is included in Note 2 to the Consolidated Financial Statements.

OVERALL PERFORMANCE

Colina Real Estate Fund Ltd. (CREFL)

Statistical Financial Reporting Data
(All of the data in B$000's with exception of $ per share amounts)
For the year ended December 31, 2022

	2022	2021	2020	2019
Net Income(Loss)for the year	$148	$1,022	$(549)	$(639)
Net income for the Ordinary Shareholders	$148	$1,022	$(549)	$(639)
Revenue	$1,311	$1,310	$1,280	$1,447
Total Assets	$12,994	$13,248	$12,534	$13,578
Total Invested Assets	$12,716	$13,008	$12,365	$13,381
Share capital	$96	$96	$96	$96
Total Equity	$11,749	$11,603	$10,581	$11,139
Return as a % of total assets	1.14%	7.71%	-4.38%	-4.71%
Return on total equity	1.26%	8.81%	-5.19%	-5.74%
Earnings per ordinary share	0.015	0.1065	-0.006	-0.007

BOARD OF **Directors**

Emanuel M. Alexiou

Chairman

Executive Vice Chairman
Colina Insurance Limited
Senior Partner, Alexiou, Knowles & Co.
Publisher, The Nassau Guardian Ltd.
Director since 2010

Anthony Ferguson

Director

President
Colina Financial Advisors Ltd.
Director since 2010

James Smith

Director

Chairman
Colina Financial Advisors Ltd.
Director since 2013

Steve Haughey

Director

Chief Operating Officer
Colina Insurance Limited
Director since 2021

Andrew Alexiou

Secretary

Director
Colina Insurance Limited, Colina
Real Estate Fund Ltd.
Director since 2010

MANAGEMENT'S DISCUSSION & ANALYSIS

CREFL's principal operation is the management and rental of its commercial properties. CREFL has in excess of 70,000 sq.ft. of commercial retail space between its New Providence and Freeport plazas.

For the 12-month period ended December 31st, 2022, revenues totaled $1.31 million, slightly increased from the prior year. The plazas are located in prime commercial locations which is further evidenced by the Nassau Plaza average occupancy levels which exceed 90%. Due to the market conditions in Freeport, new tenants are hard to find, and occupancy is 46%.

CREFL's balance sheet showed total assets of $12.9 million which compared with prior year of $13.2 million, a decrease of $0.3 due to the loss in property fair market value. Total liabilities decreased in 2022 to $1.25 million as compared to $1.65 million in 2021.

Based on the foregoing, total equity increased by $.148 million. Total equity stood at $11.75 million in 2022 compared to $11.6 million in 2021.

Statistical Financial Reporting data
(All data in B$000s with exception of $ per share amounts)
For the year ended December 31, 2022

	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Revenue	350	317	321	323	362	316	317	315
Total net income	(256)	52	256	96	854	82	50	36
Net income Attributable to ordinary shareholders	(256)	52	256	96	854	82	50	36
Quarterly earnings per share	0.02	0.01	0.03	0.01	0.09	0.01	0.01	0.00

The Annual General Meeting of the Company will be held at 4:00 p.m. on Wednesday, June 28, 2023 at the JW Pinder Centre at 21 Collins Avenue.
The Notice of the Meeting, detailing the business of the meeting, is sent to all shareholders.

CONSOLIDATED Financial Statements

For the year ended December 31, 2022

Consolidated Financial Statements

COLINA REAL ESTATE FUND LTD.

Year ended December 31, 2022

COLINA REAL ESTATE FUND LTD.

Consolidated Financial Statements

Year ended December 31, 2022

Deloitte & Touche
Chartered Accountants
and Management Consultants
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Nassau, Bahamas

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Colina Real Estate Fund Ltd.:

Opinion

We have audited the consolidated financial statements of **Colina Real Estate Fund Ltd.** (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

Deloitte & Touche

April 27, 2023

COLINA REAL ESTATE FUND LTD.

Consolidated Statement of Financial Position

December 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Notes	2022	2021
ASSETS			
Current assets			
Cash	**17**	$ 239,953	$ 121,912
Accounts receivable, net	**4,17**	196,797	148,744
Prepayments and deposits		81,856	91,161
Investments	**5,15,17**	651,265	625,936
Total current assets		1,169,871	987,753
Non-current assets			
Investment properties	**6**	11,825,000	12,260,000
Property and equipment	**7**	-	381
Total non-current assets		11,825,000	12,260,381
Total assets		$ 12,994,871	$ 13,248,134

(Continued)

See notes to consolidated financial statements.

COLINA REAL ESTATE FUND LTD.

Consolidated Statement of Financial Position

December 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Notes	2022	2021
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	**8**	$ 91,562	$ 122,203
Current portion of long-term debt	**9,15**	414,653	379,091
Security deposits		165,157	153,601
Total current liabilities		671,372	654,895
Non-current liabilities			
Long-term debt	**9,15**	574,936	989,591
Total liabilities		1,246,308	1,644,486
Equity			
Share capital	**10**	95,898	95,972
Share premium		6,167,938	6,171,227
Contributed capital		3,175,087	3,175,087
Retained earnings		2,309,640	2,161,362
Total equity		11,748,563	11,603,648
Total liabilities and equity		$ 12,994,871	$ 13,248,134

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on April 27, 2023, and are signed on its behalf by:

Director

Director

COLINA REAL ESTATE FUND LTD.
Consolidated Statement of Comprehensive Income

Year ended December 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Note	2022	2021
Revenue			
Rent	**6, 14**	$ 1,311,334	$ 1,310,702
		1,311,334	1,310,702
General and Administrative expenses:			
Maintenance		157,027	238,521
Salaries	**15**	173,500	171,715
Insurance	**15**	163,421	161,373
Professional fees	**15**	149,615	121,481
Property taxes		72,346	77,162
Miscellaneous		49,504	48,725
Bad debt expenses	**4**	42,324	45,533
Director fees	**15**	40,000	32,000
Utilities and rent		37,315	24,023
Janitorial services		18,000	15,720
Business license fees		13,801	12,217
Depreciation	**7**	381	2,768
		917,234	951,238
Operating income		394,100	359,464
Other income (loss)			
Fair value (loss) gain on property	**6**	(375,000)	775,000
Net change in fair value investments	**5**	19,628	18,035
Other income	**11**	218,877	12,474
Finance cost	**12,15**	(109,327)	(142,341)
Net income		148,278	1,022,632
Total comprehensive income		$ 148,278	$ 1,022,632
Earnings per share:			
Basic and diluted		$ 0.015	$ 0.11

See notes to consolidated financial statements.

COLINA REAL ESTATE FUND LTD.

Consolidated Statement of Changes in Equity

Year ended December 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Share Capital	Share Premium	Contributed Capital	Retained Earnings	Total Equity
Balance as at December 31, 2020	$ 95,972	$ 6,171,227	$ 3,175,087	$ 1,138,730	$ 10,581,016
Comprehensive income	-	-	-	1,022,632	1,022,632
Balance as at December 31, 2021	95,972	6,171,227	3,175,087	2,161,362	11,603,648
Repurchase of shares (Note 11)	(74)	(3,289)	-	-	(3,363)
Comprehensive income	-	-	-	148,278	148,278
Balance as at December 31, 2022	$ 95,898	$ 6,167,938	$ 3,175,087	$ 2,309,640	$ 11,748,563

See notes to consolidated financial statements.

COLINA REAL ESTATE FUND LTD.

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with corresponding figures for 2021
(Expressed in Bahamian dollars)

	Note	2022	2021
Operating activities:			
Net gain (loss)		$ 148,278	$ 1,022,632
Adjustments for :			
Increase in loss allowance and bad debts write-offs	4	42,324	41,552
Interest expense	12	107,707	140,218
Depreciation charge for the year on property and equipment	7	381	2,768
Gain on Sale of Property		(189,539)	0
Fair value (gain) loss on investment properties	6	375,000	(775,000)
Net change in fair value of investments	5	(19,628)	(18,035)
Operating cash flow before movement in working		464,523	414,135
Net change in working capital items:			
Increase in accounts receivable, net		(90,377)	(41,823)
Decrease(Increase) in prepayments and deposits		9,305	(74,357)
(Decrease) Increase in accounts payable and accrued expenses and security deposits		(19,085)	37,842
Net cash provided by operating activities		364,366	335,797
Investing Activities			
Proceeds from sale of property and equipment	7	249,539	-
Proceeds from sale of investments		1,200	800
Purchase of investments	5	(6,900)	(10,300)
Net cash used in investing activities		243,839	(9,500)
Financing activities			
Interest paid		(107,707)	(140,218)
Repayment of long term debt		(379,093)	(346,580)
Repurchase of shares		(3,364)	-
Net cash used in financing activities		(490,164)	(486,798)
Net increase (decrease) in cash and cash equivalents		**118,041**	**(160,501)**
Cash and cash equivalents, beginning of the year		121,912	282,413
Cash and cash equivalents, end of the year		$ 239,953	$ 121,912

See notes to consolidated financial statements.

1. General

Colina Real Estate Fund Ltd. (formerly RND Holdings Ltd.) was incorporated in The Bahamas on September 6, 1994, under the provisions of the Companies Act, 1992. The registered office of the Colina Real Estate Fund Ltd. (the "Company) and its subsidiaries (collectively referred to as "the Group" in these consolidated financial statements) is at Trinity Place Annex, Fredrick Street, Nassau, The Bahamas. The Group is 84% owned by Colina Insurance Limited ("the Majority Shareholder"). The Group acts through its subsidiaries and does not have any principal business activity of its own. As at December 31, 2022, the Group's holdings in subsidiaries are disclosed below:

Name of Subsidiary	Place of Incorporation and Operation	Proportion of Ownership Interest	Principal Activity
RND Properties Limited	The Bahamas	100%	Rental of commercial space
Ticket Xpress Limited	The Bahamas	100%	Dormant
RND Cinemas Limited	The Bahamas	100%	Dormant

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies are as follows:

(a) Basis of preparation

The consolidated financial statements are prepared on the historical cost basis, except for investment properties and investments, which are carried at fair value.

(b) Functional and presentation currency

The consolidated financial statements are presented in Bahamian dollars which is the functional currency of the Group.

(c) Going concern

These consolidated financial statements have been prepared on the basis of going concern assumption. Management and directors have performed subsequent review on the Group's consolidated financial statements and anticipate no negative impact on its 2022 cash flow, revenue and net income and therefore is not expected to give rise to any material adjustments or a business going concern.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate are revised and in any future periods affected.

2. Basis of preparation *(continued)*

(d) Use of estimates and judgments (continued)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements and significant assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment(s) within the next financial year are included in Note 6 – Investment Properties.

(e) New standards and interpretations

Standards and Interpretations in issue but not yet effective

The following standards, amendments and interpretations are effective for accounting periods, beginning on or after January 1, 2022. These standards, interpretations and amendments do not have a material effect on the Group's financial statements.

- IAS 16 Property, Plant, and Equipment – Proceeds before Intended Use (amendments);
- Annual Improvements to IFRS Standards 2018 -2020;
- Reference to Conceptual Framework;
- IAS 37 Provisions, Contingent Liabilities, and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract (amendments);
- IFRS 17 Insurance Contracts;
- IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current (amendments);
- IAS 1 Presentation of Financial Statements – Disclosure of accounting policies (amendments); and
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of accounting estimates (amendments).

3. Summary of significant accounting policies

The Group has applied the following accounting policies to the period presented in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Group and its subsidiaries as at December 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

3. Summary of significant accounting policies *(continued)*

Basis of consolidation *(continued)*

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns
- Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: The contractual arrangement(s) with the other vote holders of the investee rights arising from other contractual arrangements, the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated at fair value at the reporting date. Valuations are performed annually with independent assessments done at least every three years, with any adjustment to fair value being based on management's assessment at the reporting date. Investment properties are de-recognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of investment property are recognized in the consolidated statement of comprehensive income in the year of retirement or disposal and are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period consolidated financial statements. Gains or losses arising from changes in the fair values are included in the consolidated statement of comprehensive income in the year in which they arise.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

3. Summary of significant accounting policies *(continued)*

Property and equipment

All property and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is charged so as to write-off the cost or valuation of assets, other than properties under construction, over their estimated useful lives,
using the straight-line method, on the following basis:

Leasehold improvements	33.33%
Furniture, fixtures, and equipment	12.50% to 33%
Vehicles	20%

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

Intangible assets

Intangible assets relate to computer software costs incurred by the Group. These intangible assets are measured initially at purchase cost. For subsequent measurement, the Group applies the cost model, and accordingly carries the intangible assets at cost less any accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method over an average of five years.

Impairment of non-financial and intangible assets

At each reporting date, the Group reviews the carrying amounts of its non-financial and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses are recognized in the consolidated statement of comprehensive income consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in other comprehensive income up to the amount of any previous revaluation. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

3. Summary of significant accounting policies *(continued)*

Impairment of non-financial and intangible assets *(continued)*

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Revenue recognition

Rental income arising from operating leases is recognized on a straight-line basis except for contingent rental income which is recognized when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of comprehensive income when the right to receive them arises. Interest income is recognized on an accrual basis.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group only deals with operating leases as a lessor.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value when the effect is material.

Foreign currency transactions

The Group's presentation and functional currency is Bahamian Dollars. In preparing the consolidated financial statements of the Group, transactions in currencies other than Bahamian Dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

The Group's financial instruments include non-derivative financial assets and financial liabilities.

Financial assets and financial liabilities are recognized on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

3. Summary of significant accounting policies, *(continued)*

Financial instruments *(continued)*

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification. On derecognition of financial assets due to transfer of control or loss of rights to receiving cash flows, the Group evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group 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 that the Group could be required to repay.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans, and borrowings. The subsequent measurement of financial liabilities depends on their classification. On derecognition or exchange/modification of a financial liability, the difference in respect of the carrying amount is recognized in the consolidated statement of comprehensive income.

Accounts receivable

Accounts receivables are recognized at their original invoiced value. Appropriate loss allowances for estimated irrecoverable amounts are recognized in the consolidated statement of comprehensive income and are based on management's evaluation that the Group will not be able to recover its balances in full. Balances are written off in the year in which they are identified. IFRS 9 requires the Group to measure the expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles over a period of 36 months before or up to December 31, 2022 and the corresponding historical credit losses experienced within this period.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (GDP), Consumer Price Index (CPI) and the unemployment rate of The Bahamas to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. On that basis, the loss allowance as at December 31, 2022 is outlined in Note 4 – Accounts Receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks, short term bank overdrafts, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. Summary of significant accounting policies, *(continued)*

Investments

Investments are classified as fair value through profit or loss (FVTPL).

Investments classified as FVTPL include equity investments and debt securities. Equity investments classified as FVTPL are those that neither have objective of business model to hold them to collect contractual cash flows nor held to achieve an objective of collecting contractual cash flows and selling those investments. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

The fair value of investments classified as FVTPL that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For FVTPL investments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- NAV per share for investment funds
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

After initial measurement, FVTPL financial investments are subsequently measured at fair value with unrealized gains or losses recognized in the profit & loss. Interest earned whilst holding financial investments is reported as interest income, using the effective interest rate method.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the consolidated financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognize a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortized cost or at FVTOCI;

(2) Lease receivables.

(3) Trade receivables and contract assets; and

(4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the consolidated financial instrument is a purchased or originated credit-impaired financial asset.

3. Summary of significant accounting policies *(continued)*

Investments *(continued)*

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables.

Fair value measurement

The Group measures financial instruments, such as investments, and non-financial assets such as investment properties, at fair value at each reporting date. 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:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous and accessible 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. 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Financial liabilities

Financial liabilities issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The Group's financial liabilities consist of accounts payables and long term debt and are measured at amortized cost.

3. Summary of significant accounting policies *(continued)*

Long-term debt

Interest-bearing loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premium payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Share capital

Share capital issued by the Group is recorded at the proceeds received, net of direct issue costs.

Taxation

There is currently no taxation imposed on company profits or capital gains by the Government of The Bahamas. Effective January 1, 2015 the Value Added Tax Act, 2014 ("VAT") was implemented in the Commonwealth of The Bahamas. VAT is an indirect tax which is considered a broadly based consumption tax charged on the value added to goods and services. It applies to almost all goods and services that are imported, bought and sold for use or consumption. Conversely, goods exported supplied to customers abroad are exempted or zero-rated. Currently, VAT is assessed at 10%. The Group is a VAT registrant.

Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).

(Expressed in Bahamian dollars)

3. Summary of significant accounting policies *(continued)*

Related parties *(continued)*

A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Earnings per share

Basic earnings per share is computed by dividing the net income attributable to common shareholders by the weighted average number of shares outstanding during the year.

4. Accounts receivable, net

Accounts receivable, net is comprised of the following:

	2022	2021
Tenants receivable	$ 889,953	$ 799,576
Provision for doubtful accounts	(693,156)	(650,832)
	$ 196,797	$ 148,744

The movement in provision of accounts receivable is as follows:

	2022	2021
Balance, beginning of year	$ 650,832	$ 609,280
Provision for the year	42,324	41,552
Balance, end of year	$ 693,156	$ 650,832

The loss allowance for trade receivables as of December 31, 2022 was determined as follows:

The aging of the accounts receivable is as follows:

Current	$ 95,989	$ 112,198
31-60 days	45,342	36,546
61-90 days	26,729	-
over 90 days	721,893	650,832
Provision	(693,156)	(650,832)
	$ 196,797	$ 148,744

The Group uses an allowance matrix to measure the ECL on accounts receivable. Loss allowance rates are based on credit loss experience.

(Expressed in Bahamian dollars)

4. Accounts receivable, net *(continued)*

These rates are multiplied by the scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The scales factors used are Gross Domestic Product (GDP), Consumer Price Index (CPI) and unemployment rate of the Bahamas at 7.1%,4.1% and .006%, respectively (2021: 6% and 7.3%). No interest is charged on the outstanding balances.

5. Investments

Investments are classified as FVTPL and comprise the following:

2022		**Cost**		**Fair Value**
Level 2				
FOCOL Pref 1.75 % APR	$	150,000	$	150,000
Colina Holdings (Bahamas) Ltd.		14,576		49,542
Level 3				
CFAL Money Market Fund		397,820		444,562
CFAL Bond Fund		6,800		7,161
	$	569,196	$	651,265

2021		**Cost**		**Fair Value**
Level 2				
FOCOL Pref 1.75 % APR	$	150,000	$	150,000
Colina Holdings (Bahamas) Ltd.		14,576		40,656
Level 3				
CFAL Money Market Fund		389,250		430,620
CFAL Bond Fund		4,500		4,660
	$	558,326	$	625,936

		2022		**2021**
Level 3 Investments				
Balance, beginning of year	$	435,280	$	414,134
Purchases		6,900		4,500
Sales		(1,200)		-
Changes in fair value		10,743		16,646
Balance, end of year	$	451,723	$	435,280

The overall net change in fair value on the investments above is $19,628 (2021: $18,035).

(Expressed in Bahamian dollars)

6. Investment properties

Investment properties are comprised as follows:

	2022	2021
Plaza at John F. Kennedy Drive in Nassau	$ 8,600,000	$ 8,450,000
Plaza at East Mall Drive in Freeport	3,225,000	3,750,000
Plaza at Marsh Harbor, Abaco	-	60,000
	$ 11,825,000	$ 12,260,000

	2022	2021
Balance, beginning of year	$ 12,260,000	$ 11,485,000
Sale of Property in Abaco	$ (60,000)	$ -
Change in fair value	(375,000)	775,000
Balance, end of year	$ 11,825,000	$ 12,260,000

The property rental income earned by the Group from its investment properties amounted to $1,311,334 (2021: $1,310,702). Direct operating expenses arising on the investment properties in the year amounted to $785,679 (2021: $700,731).

In accordance with the Group's policies for the valuation of investment properties in intervening periods, the fair values of the properties as at December 31, 2022 were based on valuations performed by management using the Discounted Cash Flow Method ("DCF"). Significant unobservable inputs used in the valuations were as follows:

Valuation Techniques	Key Significant unobservable inputs	2022	2021
DCF	Estimated rental rate/sq.ft./p.a	$11 - $80	$22.8 - $24.2
	Discount rate	9.80%-11%	9.75%-11%
	Rent growth p.a	2%-3%	3%
	Expense inflation p.a	2%-3%	2%
	Capitalization rate for terminal value	8.5% - 9.75%	8.5% - 9.75%
	Vacancy rate	7% - 27%	5% - 44%

Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

6. Investment properties *(continued)*

A market-derived discount rate is applied to establish the present value of the income streams associated with the property. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of the inflows and outflows are determined by events such as lease renewals, and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of property. Periodic cash flows are typically estimated as gross rental income less vacancy, non-recoverable expenses, maintenance and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to either purchase, construct or develop investment property for repair, maintenance and enhancement.

(Expressed in Bahamian dollars)

7. Property and equipment

The movement in property and equipment is as follows:

	Furniture, fixtures and equipment	Leasehold improvements	Vehicles	Total
COST OR VALUATION:				
Balance at December 31, 2020	$ 348,366	30,000	38,701	417,067
Additions	-	-	-	-
Sales/transfers	-	-	-	-
Balance at December 31, 2021	348,366	30,000	38,701	417,067
Additions	-	-	-	-
Balance at December 31, 2022	$ 348,366	$ 30,000	$ 38,701	$ 417,067

	Furniture, fixtures and equipment	Leasehold improvements	Vehicles	Total
ACCUMULATED DECPRECIATION:				
Balance at December 31, 2020	$ 345,217	$ 30,000	$ 38,701	$ 413,918
Depreciation	2,768	-	-	2,768
Balance at December 31, 2021	347,985	30,000	38,701	416,686
Depreciation	381	-	-	381
Balance at December 31, 2022	$ 348,366	$ 30,000	$ 38,701	$ 417,067
CARRYING AMOUNT:				
Balance at December 31, 2022	$ -	$ -	$ -	$ -
Balance at December 31, 2021	$ 381	$ -	$ -	$ 381

(Expressed in Bahamian dollars)

8. Accounts payable and accrued expenses

Accounts payable and accrued expenses are as follows:

	2022	2021
Other payables	$ 43,348	$ 62,893
Accrued expenses	48,214	44,030
Trade payables	-	15,280
	$ 91,562	$ 122,203

9. Long-term debt

	2022	2021
Colina Mortgage Corp Ltd.	$ 989,589	$ 1,368,682
Less: current portion of long term debt	(414,633)	(379,091)
	$ 574,956	$ 989,591

	2,022	2,021
On demand or within one year	$ 414,633	$ 379,091
In the second year	453,408	414,650
In the third year	121,548	453,406
In the fourth year	-	121,535
Fifth year and after	-	-
	$ 989,589	$ 1,368,682

In March 2010, the Group obtained a loan from Colina Mortgage Corporation Ltd. (“CMCO”), a wholly-owned subsidiary of Colina Insurance Limited. This demand installment loan is repayable by 182 regular blended monthly payments of $37,528, which commenced in April, 2010. The loan bears a fixed interest charge at a rate of 9.00% per annum.

In April 2012, the Group obtained another loan from CMCO to fund its renovations on its property in Freeport. This loan bears a fixed interest charge at the rate of 9.00% per annum and repayable in 154 monthly installments of $3,038 starting May 2012.

(Expressed in Bahamian dollars)

9. Long-term debt *(continued)*

CMCO's loan facility is secured as follows:

Floating charge debenture stamped for $3,700,000 with power to up stamp giving CMCO a fixed and floating charge over all business assets, incorporating a first legal mortgage over the Marsh Harbour, Abaco, Freeport, Grand Bahama, and JFK Drive, New Providence properties.

Assignment of fire and other perils insurance on the business assets including property, furniture, fixtures, and equipment for full replacement value.

10. Share capital.

Share capital is comprised as follows:

	2022	2021
Authorized:		
10,000,000 (2020: 10,000,000) Ordinary shares of BS$0.01 each	$ 100,000	$ 100,000
Issued and fully paid:		
9,589,788 (2021: 9,597,369) Ordinary shares of B$0.01 each	$ 95,898	$ 95,972

During the year, the Group purchased and cancelled 7,490 shares at a cost of $3,364 (2021: nil)

11. Other income

Other income comprises the following:

	2022	2021
Dividend income	$ 10,394	$ 10,277
Reversal of accounts payables/write-backs	18,944	2,197
Income from sale of Abaco property	189,539	-
	$ 218,877	$ 12,474

In 2022 the Group sold the property in Abaco for $249,539 and made a substantial gain of $189,539, which is included in "Other income" in the consolidated statement of comprehensive income.

(Expressed in Bahamian dollars)

12. Finance costs

Finance costs for the year are as follows:

		2022		2021
Interest on long term debt	$	107,707		140,218
Bank charges		1,620		2,123
Interest on lease liability		-		-
	$	109,327	$	142,341

13. Earnings per share

The calculation of the earnings per share attributable to the equity holders of the Group is based on the following data:

		2022		2021
Net loss				
Net earnings (loss) for the purpose of basic and diluted earnings per share	$	148,278	$	1,022,632
Number of shares				
Weighted average number of equity shares for the purpose of basic and diluted earnings per share	$	9,589,788	$	9,597,369

There were no potentially dilutive equity shares at the end of the year consequently the basic and diluted earnings per share are equal.

14. Rental income

Property rental income earned during the year was $1,311,334 (2021– $1,310,702). At the date of the consolidated statement of financial position, the future minimum lease payments are as follows:

		2022		2021
Within one year	$	1,377,473	$	716,959
In the second to fifth year inclusive		1,113,943		2,023,465
	$	2,491,416	$	2,740,424

(Expressed in Bahamian dollars)

15. Related party balances and transactions

The Group has identified the following related-party relationships:

- Majority shareholder
- Other entities/affiliates
- Details of balances and transactions between the Group and other related parties are disclosed below:

	2022	2021
Related party balances		
Receivabes	$ 3,704	$ 6,519
Investments (Note 5)	$ 501,264	$ 475,936
Long-term debt (Note 9)	$ 989,589	$ 1,368,682

	2022	2021
Related party transactions		
Rental income	$ 18,195	$ 34,795
Dividend income	$ 1,394	$ 1,278
Interest on long term debt (Note 12)	$ 107,707	$ 140,218
Administrative expenses	$ 306,023	$ 315,038
Compensation of key management personnel		
Salaries, directors' fees and professional fees	$ 272,643	$ 269,257
National insurance and other insurance	$ 14,424	$ 15,603
Other allowances	$ 880	$ 3,388

The affiliated companies include Colina Financial Advisors Ltd, Colina General Insurance Agency, The Contact Center, Bahamas Central Security Depository and Alexiou Knowles & Co.

16. Fair value of financial assets and liabilities

The directors are of the opinion that the fair value of the consolidated financial assets and financial liabilities of the Group approximate their carrying value as reported in these consolidated financial statements either due to their short-term nature or because they bear interest at rates, which approximate market rates.

(Expressed in Bahamian dollars)

16. Fair value of financial assets and liabilities *(continued)*

In management's opinion, the fair value of financial assets and liabilities (cash, receivables, other assets, payables, and other liabilities) at the date of the consolidated statement of financial position were not materially different from their carrying values.

17. Risk management

Financial Risk Management

Cash Flow and Fair Value Interest Rate Risk

Cash flow risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. Interest margins may increase or decrease as a result of such changes.

Credit Risk

Credit risk arises from the failure of counterparties to perform according to the terms of the contract. From this perspective, the Group's credit risk exposure is primarily concentrated in its deposits, investments and its accounts receivable. The Group manages this risk by placing its deposits with a high-quality financial institution.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

The following table demonstrates the significant assets with credit risk exposure for the Group:

Credit Risk

	2022	2021
Cash and cash equivalents	$ 239,953	$ 121,912
Accounts receivable, net	$ 196,797	$ 148,744
Investments	$ 651,265	$ 625,936

Interest Rate Risk

Interest rate risk is the risk that a financial instrument may fluctuate significantly as a result of changes in market interest rates. The Group is exposed to interest rate risk from its long term debt. The Group's exposure to interest rate risk on its investments is immaterial. The Group manages this risk by mainlining tenant base to provide sufficient rental income for the loan interest and principal repayments.

Fair value sensitivity analysis for fixed rate financial instruments

The Group does not account for any financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not impact profit or loss.

17. Risk management *(continued)*

Real Estate Risk

Real estate risk is the probability that a major tenant may become insolvent causing a significant loss of rental income and reduction in the investment property value.

Real Estate Risk (continued)

Management manages this risk by considering the consolidated financial status and professional reputation of prospective tenants. This information is used to determine the appropriate level of security required, if any.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Group has exposure to liquidity risk and its objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. Details of the Group's exposure to liquidity risk are disclosed throughout the notes to the consolidated financial statements.

Capital Management

The primary objective of the Group's capital management is to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. No changes were made in the objectives, policies or processes during the years ending December 31, 2022 and December 31, 2021.

During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

18. Contingency

The Group is a defendant in an action which originated in 2019, whereby plaintiff filed a claim against the Group for the injuries sustained at the Group's property. The Group had filed for a stay which remains in place until the Plaintiff is seen by a medical expert. To date the Group has not received any medical records and/or medical evaluation from the plaintiff to support the assertion made in the claim. The statement of claim filed does not include the amount claimed. Without the medical report, the Group's attorney and management is not able to determine the amount of damages or the probability of the outcome of the claim.

Accordingly, no provision has been made in these financial statements in respect of this matter.

19. Events after the reporting period

As of the date of issuance of these financial statements, there were no subsequent events that require a disclosure in these financial statements.

* * * * **

notes

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