THE WINTERBOTHAM TRUST COMPANY LIMITED

Consolidated Financial Statements
For The Year Ended June 30, 2020
And Independent Auditors' Report

Deloitte.

THE WINTERBOTHAM TRUST COMPANY LIMITED

TABLE OF CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Winterbotham Trust Company Limited:

Opinion

We have audited the consolidated financial statements of The Winterbotham Trust Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of 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 consolidated financial position of the Group as at June 30, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the 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 IFRSs, 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 Consolidated financial statements

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

October 28, 2020

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020
(Expressed in United States dollars)

	Notes	2020	2019
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	5	$ 41,403,528	$ 36,669,238
Trade receivables, net	6	1,015,520	1,206,378
Prepaid expenses and other assets	7, 25	655,782	571,022
Repurchase agreements	8	2,523,134	779,862
Investments	9	17,319,986	20,269,123
Precious metals	10	3,854,417	3,047,646
Total current assets		66,772,367	62,543,269
NON-CURRENT ASSETS:			
Security deposits		1,017,664	1,039,873
Property, plant and equipment, net	11	4,092,279	4,055,860
Intangibles	12	58,511	65,034
Deferred tax assets	26, 27	37,289	24,264
Total non-current assets		5,205,743	5,185,031
TOTAL		$ 71,978,110	$ 67,728,300

(Continued)

See notes to consolidated financial statements.

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020
(Expressed in United States dollars)

	Notes	2020	2019
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Call accounts	14, 25	$ 41,258,217	$ 40,661,658
Accounts payable and accrued liabilities	15, 25	4,199,551	3,737,400
Loans and interest payable	17	681,454	644,686
Lease liabilities	13	146,762	-
Dividends payable	22	6,500,000	4,500,000
Advances from clients	16	545,218	612,127
Fees received in advance	16	1,915,223	1,932,562
Total current liabilities		55,246,425	52,088,433
NON- CURRENT LIABILITIES:			
Lease liabilities	13	197,034	-
Total non-current liabilities		197,034	-
EQUITY:			
Share capital:			
Authorized, issued and fully paid:			
2,500,000 shares of $1 each		2,500,000	2,500,000
Contributed surplus	23	551,000	551,000
Legal reserves	24	213,806	200,152
Fair value reserves	10	2,017,178	1,210,407
Retained earnings		11,247,918	11,170,025
Equity attributable to equity holders of the parent		16,529,902	15,631,584
Non-controlling interest		4,749	8,283
Total equity		16,534,651	15,639,867
TOTAL		$ 71,978,110	$ 67,728,300

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors on October 21, 2020, are signed on its behalf by:

Director

Director

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2020
(Expressed in United States dollars)

	Notes	2020	2019
INCOME:			
Fees for administration services		$ 12,192,795	$ 12,277,263
Commissions and fees on fiduciary transactions	18	7,282,200	5,436,140
Fees for company incorporation services		341,920	366,359
Total net fee and commission income		19,816,915	18,079,762
EXPENSES:			
Salaries and benefits	25	(8,022,610)	(8,213,185)
Administrative and general expenses	20	(4,034,109)	(4,056,551)
Employee profit participation	19, 25	(2,070,000)	(1,898,000)
Costs related with fees on fiduciary transactions	18	(787,477)	(462,027)
Depreciation	11	(513,727)	(467,327)
Amortization	12	(54,063)	(115,990)
Costs related to company incorporation services		(65,405)	(68,510)
Commissions		(326,866)	(315,217)
Total expenses		(15,874,257)	(15,596,807)
Profit from operations		3,942,658	2,482,955
NET FINANCIAL INCOME	21	2,724,037	2,795,342
OTHER RESULTS		39,725	3,167
PROFIT BEFORE TAXATION		6,706,420	5,281,464
Taxation	26, 27	(118,407)	(98,069)
PROFIT FOR THE YEAR		6,588,013	5,183,395
OTHER COMPREHENSIVE INCOME:			
Revaluation surplus on precious metals		806,771	329,396
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		$ 7,394,784	$ 5,512,791
Items that may be reclassified subsequently to profit or loss:			
Revaluation surplus on precious metals		$ 806,771	$ 329,396

See notes to consolidated financial statements.

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED JUNE 30, 2020
(Expressed in United States dollars)

	Notes	Share Capital	Contributed Surplus	Legal Reserves	Fair value Reserves	Retained Earnings	Equity attributable to equity holders of the parent	Non-controlling interest	Total
Balance as at June 30, 2018		$ 2,500,000	$ 551,000	$ 189,213	$ 881,011	$ 10,466,862	$ 14,588,086	$ 38,990	$ 14,627,076
Net income for the year		-	-	-	-	5,214,102	5,214,102	(30,707)	5,183,395
Legal reserve	24	-	-	10,939	-	(10,939)	-	-	-
Dividends declared	22	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)
Other comprehensive income for the year		-	-	-	329,396	-	329,396	-	329,396
Balance as at June 30, 2019		2,500,000	551,000	200,152	1,210,407	11,170,025	15,631,584	8,283	15,639,867
Net income for the year		-	-	-	-	6,591,547	6,591,547	(3,534)	6,588,013
Legal reserve	24	-	-	13,654	-	(13,654)	-	-	-
Dividends declared	22	-	-	-	-	(6,500,000)	(6,500,000)	-	(6,500,000)
Other comprehensive income for the year		-	-	-	806,771	-	806,771	-	806,771
Balance as at June 30, 2020		$ 2,500,000	$ 551,000	$ 213,806	$ 2,017,178	$ 11,247,918	$ 16,529,902	$ 4,749	$ 16,534,651

See notes to consolidated financial statements.

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(Expressed in United States dollars)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year		$ 6,588,013	$ 5,183,395
Adjustments for:			
Depreciation	11	513,727	467,327
Amortization	12	54,063	115,990
Deferred tax	27	(13,025)	(24,234)
Unrealized gain on investments		(278,466)	(45,835)
Gain on disposal of fixed assets and intangibles		(18,685)	(43,618)
Net cash from operations before working capital changes		6,845,627	5,653,025
Decrease in trade receivables, net		190,858	33,050
(Increase) Decrease in prepaid expenses and other assets		(155,469)	21,797
Decrease (Increase) in security deposits		22,209	(181,492)
Increase (Decrease) in call accounts		596,559	(237,347)
Increase in accounts payable and accrued liabilities		462,151	20,650
Decrease in advances from clients		(66,909)	(216,490)
Decrease in fees received in advance		(17,339)	(126,020)
Net cash from operating activities		7,877,687	4,967,173
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	11	(124,920)	(302,041)
Purchase of intangibles	12	(47,540)	(98,145)
New purchase agreements		(3,930,559)	(1,719,940)
Repurchase agreements proceeds		2,208,252	1,733,931
Proceeds from sale of fixed assets		18,685	74,093
Proceeds from sale of intangibles		-	83,927
Purchase of investments		(34,781,927)	(23,587,782)
Proceeds from sale of investments		38,010,757	42,831,131
Net cash from investing activities		1,352,748	19,015,174

(Continued)

See notes to consolidated financial statements.

THE WINTERBOTHAM TRUST COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020
(Expressed in United States dollars)

	Notes	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(4,500,000)	(4,000,000)
Loan advances		51,072	-
Payment of lease liability		(61,764)	-
Interest received from repurchase agreements		72,451	176,079
Interest paid		(57,904)	(103,254)
Net cash used in financing activities		(4,496,145)	(3,927,175)
NET CHANGE IN CASH AND CASH EQUIVALENTS		4,734,290	20,055,172
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		36,669,238	16,614,066
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 41,403,528	$ 36,669,238
SUPPLEMENTAL DISCLOSURE OF OPERATING ACTIVITIES:			
Interest received		$ 2,317,807	$ 1,564,664
Non collected interest on Repurchase agreement		$ 20,965	$ 18,451
Lease additions		$ 425,226	$ -
Taxes paid		$ 348,839	$ 336,644
Dividends received		$ 721	$ 390

(Concluded)

See notes to consolidated financial statements.

(Expressed in United States dollars)

1. GENERAL

The Winterbotham Trust Company Limited (the "Company") was incorporated and licensed in The Commonwealth of The Bahamas in 1994 under the Bank & Trust Companies Regulation Act of 1965, and is a 75% subsidiary of Winterbotham Holdings Limited. In December 1996, the Company was granted a license to carry on unrestricted banking and trust business, activities which, today, are subject to the terms and conditions of the Bank & Trust Companies Regulation Act, 2000. The Company is regulated by the Central Bank of The Bahamas. The Company is also a licensed fund administrator and securities broker/dealer, activities that are regulated by Securities Commission of The Bahamas.

These consolidated financial statements include the financial statements of the Company and its subsidiaries, which are hereinafter collectively referred to as the "Group".

As of June 30, 2020, the Company's holdings in subsidiaries are as follows:

Name of subsidiary	Place of incorporation and operation	Ownership interest	Principal activity
The Winterbotham Trust Company (Uruguay) S.A.	Uruguay	100%	Provides administrative services to the parent company on internal matters (such as certain accounting functions) and also with respect to client servicing (with particular focus on clients in Latin America due to geographical proximity and language similarity).
Shiffel Corp. S.A	Uruguay	100%	Provides administrative services to the parent company on internal matters (such as certain accounting functions) and also with respect to client servicing (with particular focus on clients in Latin America due to geographical proximity and language similarity). The Company also provides IT contingency services to its Parent and to its clients. This company operates from a free trade zone.
Winterbotham Properties Limited	Bahamas	100%	Holds real-estate in Nassau.

Haplar Holdings Limited	Uruguay	100%	Holds real-estate in Uruguay.
WNS Limited	Bahamas	100%	Acts as Company Secretary for client companies.
WND Limited	Bahamas	100%	Acts as Company Director for client companies.
WTD Limited	Bahamas	100%	Acts as Company Director for client companies.
Delacroix Limited	Bahamas	100%	Acts as a nominee of The Winterbotham Trust Company Limited in its capacity as trustee and/or custodian.
Delaroche Limited	Bahamas	100%	Acts as a nominee of The Winterbotham Trust Company Limited in its capacity as trustee and/or custodian.
The Winterbotham Trust Company (Hong Kong) Limited	Hong Kong	97 %	Provides fiduciary, corporate, and trust services to clients and represents the Group in Asia.
Winterbotham Corporate and Funds Services (Cayman) Limited	Cayman	100%	Provides corporate and funds services to clients and represents the Group in Cayman
WTC International Bank Corporation	Puerto Rico	100%	Provides banking services as an International Financial Entity.

Delacroix Limited and Delaroche Limited are duly licensed and regulated by the Central Bank of The Bahamas as Nominee Trust Companies. These companies, acting individually or together, are nominees for The Winterbotham Trust Company Limited in its capacity as trustee and/or custodian. WNS Limited, WND Limited and WTD Limited have been approved by the Central Bank of The Bahamas with a restricted license. Winterbotham Fiduciaria S.A. Administradora de Fondos de Inversión is duly licensed and regulated by the Central Bank of Uruguay as a professional Trust Company and is a wholly-owned subsidiary of The Winterbotham Trust Company (Uruguay) S.A. Also, a wholly owned subsidiary of The Winterbotham Trust Company (Uruguay) S.A., WBTC Investment Advisors S.A. has been registered with the Central Bank of Uruguay and will begin operations on October 1, 2020.

On July 19th 2018 WTC International Bank Corporation obtained from the Office of the Commissioner of Financial Institutions of Puerto Rico a license to operate as an International Financial Entity, in accordance with Act No. 273 of September 25, 2012, known as the International Financial Center Regulatory Act.

The registered office of the Company is Winterbotham Place, Marlborough and Queen Streets, Nassau, Bahamas.

The average number of employees for the year is 129 (2019: 127).

2. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AND INTERNATIONAL ACCOUNTING STANDARDS (IAS)

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.

In the current year, the Group has applied amendments to following IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and amended Standards		**Effective for annual periods beginning on or after**
IFRS 9	Amendments to IFRS 9 - Prepayment Features with Negative Compensation	January 1, 2019
IAS 28	Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures	January 1, 2019
IAS 19	Amendments to IAS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and	January 1, 2019

NEW ACCOUNTING STANDARDS AND IFRS INTERPRETATIONS THAT ARE NOT YET EFFECTIVE FOR THE CURRENT YEAR

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them.
Management has not assessed whether the relevant adoption of these standards and interpretations in future periods will have a material impact on the financial statements of the Company.

New and amended Standards			Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts – New standard		January 1, 2023
IFRS 10 and IAS 28	IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	(*)	
Amendments to IFRS 3	Definition of a business		January 1, 2020
Amendments to IAS 1 and IAS 8	Definition of material		January 1, 2020
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards		January 1, 2020

(*) The IASB decided in September 2014 to defer the effective date indefinitely; nevertheless, the amendments are available for earlier adoption.

The following amendments and interpretations are effective for the year ended June 30, 2020.

Impact of initial application of IFRS 16 Leases

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 1, 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

- **Definition of a Lease**

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IAS 17. The Group now assesses whether a contract is or contains a lease based on the definition of a lease (see note 13).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

- **As a lessee**

As a lessee, the Group leases a few assets including office building and IT equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment) for a total of USD 13,467;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

- **Impact on financial statement**

The impact on transition is summarised below:

	July 1, 2019
Right-of-use assets – property, plant and equipment	425,226
Lease liabilities	425,226
Retained earnings	-

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 4.93%.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance - These consolidated financial statements have been prepared in accordance with IFRS.

Basis of preparation - The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain assets and liabilities.

The following is a summary of the significant accounting policies:

a. Basis of consolidation

i. Subsidiaries - Subsidiaries are entities controlled by the Company. The consolidated financial statements incorporate the financial statements of the Company, entities (including structured entities) controlled by the Company, and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and,
- Has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

ii. Transactions eliminated on consolidation - Intra-group balances and any unrealized gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

b. Financial instruments - Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the net carrying value of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss.

(ii) Financial assets at FVTPL:

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'dividend income' line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for account receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

c. ***Cash and cash equivalents*** - Cash and cash equivalents comprise cash on hand, demand accounts, short term deposits, overnight placements and investments in money market funds with original maturities of three months or less and subject to no significant change in value.

d. ***Assets held under repurchase agreements*** - The Group purchases securities under agreements to resell (reverse repurchase agreements). Reverse repurchase agreements are treated as short-term collateralized lending transactions. Reverse repurchase agreements are stated on the consolidated statement of financial position at amortized cost.

Assets pledged as collateral for reverse repurchase agreements are held in a fiduciary capacity. Interest income on reverse repurchase agreements is included in the consolidated statement of comprehensive income in financial income.

e. ***Precious metals***- Investments in precious metals are initially measured at cost and are subsequently remeasured at fair value based on quoted market prices.

Gains and losses arising from a change in the fair value of precious metals investments are recognized in the consolidated statement profit or loss and other comprehensive income.

f. ***Property, plant and equipment, net -*** Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is being provided by the straight-line method at the following rates:

Land	Not depreciated
Housing property	2%
Office building improvements	6.67% to 25%
Vehicles	10% to 25%
Office equipment	20% to 50%
Office furniture and fittings	10%

g. ***Intangibles –*** Software licenses are stated at cost less accumulated amortization and impairment losses. Amortization is being provided by the straight-line method at the following rates:

Software	33% to 50%

h. ***Impairment*** – Tangible and intangible assets are reviewed at each consolidated statement of financial position date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognized in the consolidated statement of profit and loss and other comprehensive income.

The recoverable amount of assets is the greater of their net selling price 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 assessment of the time value of money and the risks specific to the asset.

For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

i. ***Revenue recognition*** - Revenue is recognized in the consolidated statement of profit and loss and other comprehensive income when performance obligation is met in the form of provision of services, and right to receive the payment has been established. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due and associated costs.

j. ***Interest income and expenses*** - Interest income and expenses are recorded in the consolidated statement of profit and loss and other comprehensive income on an accrual basis, using effective interest rates.

k. ***Commissions*** - Commissions are recognized when earned, which is when performance obligation is met in the form of provision of services, and right to receive the payment has been established.

l. ***Provisions*** - A provision is recognized in the consolidated statement of financial position when the Group has a present and legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

m. ***Classification*** - Assets are classified as current when intended for sale in the normal operating cycle, or held primarily for the purpose of being traded, or expected to be realized within twelve months or when classified as cash and cash equivalents. All other assets are classified as non-current. Liabilities are classified as current when expected to be settled in the normal operating cycle, or held primarily for the purpose of being traded, or due to be settled within twelve months, or there are no unconditional rights to defer settlement for at least twelve months. All other liabilities are classified as non-current.

n. ***Assets under management*** **-** Assets under management which are held in a fiduciary capacity for clients are excluded from the consolidated financial statements, other than those assets and liabilities which related to banking, securities execution and custody services provided by the Group to their clients.

o. ***Related parties*** - Related parties include officers and directors who are related through having authority and responsibility for directing and controlling the activities of the Group and companies related through common directors and/or shareholders.

p. ***Foreign currency translation*** - The Group's functional currency is United States Dollars. In preparing the consolidated financial statements of the Group, transactions in currencies other than United States Dollars are recorded at the rates of exchange prevailing on the date of the transaction. At each consolidated statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated 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 translated at the rates prevailing on the statement of financial position date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in financial income in the consolidated statement of profit and loss and other comprehensive income. Exchange differences arising on the translation of non-monetary items carried at fair value are included in financial income in the consolidated statement of profit and loss and other comprehensive income for the period.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Company's accounting policies - There are no critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Key sources of estimation uncertainty - The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

a. *Impairment* - The Group has significant cash and cash equivalents, investments in fixed assets, trade receivables and security deposit. Trade receivables and security deposits impairment is assessed using Expected Credit Loss (ECL) method as mentioned in note 3(b). Fixed assets are assessed for impairment under IAS 36.

Estimating recoverable amounts of assets must in part be based on management evaluations, including estimates of future performance, revenue generating capacity of the assets, assumptions of the future market conditions and the success in marketing of new products and services. Changes in circumstances and in management's evaluations and assumptions may give rise to impairment losses in the relevant periods.

b. *Depreciation* - Depreciation is based on management estimates of the future useful life of fixed assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation charges. The Group reviews the future useful life of fixed assets periodically, taking into consideration the factors mentioned above and all other important factors.

Estimated useful life for similar types of assets may vary between different entities in the Group due to local factors such as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate, etc. In the case of significant changes in the estimated useful lives, depreciation charges are adjusted prospectively.

c. *Legal proceedings, claims and regulatory discussions* - The Group is subject to various legal proceedings, claims and regulatory discussions, the outcomes of which are subject to significant uncertainty. The Group evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require the Group to increase or decrease the amount the Group has accrued for any matter or accrue for a matter that has not been previously accrued because it was not considered probable or a reasonable estimate could not be made.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	2020		2019	
	Balance	Average Rate	Balance	Average Rate
Cash on hand	$ 17,185	0.00%	$ 34,728	0.00%
Demand accounts	17,516,501	0.00%	17,304,863	0.00%
Short term deposits	1,312,193	1.17%	1,282,602	1.66%
Shares in money market funds:				
Western Asset Institutional Liquid Reserves Ltd.	10,716,982	0.09%	8,760,356	2.36%
HSBC US Global Liquidity Funds	8,823,354	0.13%	4,071,711	2.38%
HSBC Sterling Liquidity Funds	2,825,027	0.17%	3,206,018	0.67%
Western Assets Institutional Cash Reserves, Class 1	10,000	0.32%	1,977,695	2.36%
Western Asset Institutional U.S. Treasury Reserves Ltd. Class 1	154,590	0.08%	4,130	2.20%
Merril Lynch autocall	27,696	0.01%	27,135	0.40%
	$ 41,403,528		$ 36,669,238	

6. TRADE RECEIVABLES, NET

Trade receivables, net is comprised of the following:

	2020	2019
Trade receivables	$ 1,552,462	$ 1,615,471
Provision for doubtful accounts:		
Balance, beginning of year	(409,093)	(383,851)
Provision for the year	(231,952)	(212,021)
Write offs	104,103	186,779
Balance, end of year	(536,942)	(409,093)
Accounts receivable, net	$ 1,015,520	$ 1,206,378

The aging of trade receivables is as follows:

		2020		2019
Current	$	244,528	$	483,906
31 - 60 days		85,760		175,326
61 - 90 days		156,118		190,458
Over 90 days		1,066,056		765,781
	$	1,552,462	$	1,615,471

	Trade receivables- days past due					
6/30/2020	TOTAL	<30	31-60	61-90	91-120	>120
Expected credit loss rate		4%	10%	12%	20%	54%
Estimated total gross carrying amount at default	1,552,462	244,528	85,760	156,118	220,594	845,462
	536,942	8,808	8,576	18,890	44,119	456,549

	Trade receivables- days past due					
6/30/2019	TOTAL	<30	31-60	61-90	91-120	>120
Expected credit loss rate		3%	8%	18%	20%	51%
Estimated total gross carrying amount at default	1,615,471	483,906	175,326	190,458	142,961	622,820
	409,093	14,517	14,064	34,282	28,592	317,638

7. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets are comprised of the following:

	Notes		2020		2019
Accounts with related entities	25	$	-	$	11,735
Deferred expenses			345,435		364,337
Loans to staff			53,090		72,339
Advances to suppliers			40,244		16,320
Tax advances			154,166		80,627
Other Assets			62,847		25,664
		$	655,782	$	571,022

8. REPURCHASE AGREEMENTS

These are specific lending agreements fully guaranteed by securities' collateral held on account. It is not part of the Group's regular activity to grant such agreements, but it may do so on a case by case basis, requiring full securities' collateral in every case. As of June 30, 2020, six agreements remained outstanding (2019: three agreements):

	2020	2019	2020	2019	
	Capital		Rate		Maturity
Agreement #1	$ 186,172	$ 167,596	10.50%	10.50%	7/28/2020
Agreement #2	93,890	112,266	10.50%	10.50%	7/28/2020
Agreement #3	500,000	500,000	2.36%	2.00%	8/19/2020
Agreement #4	800,000	-	3.37%	-	3/31/2021
Agreement #5	793,072	-	3.37%	-	3/31/2021
Agreement #6	150,000	-	2.32%	-	6/10/2021
	$ 2,523,134	$ 779,862			

9. INVESTMENTS

Investments are comprised of the following:

	2020	2019
FVTPL		
Equities	$ 1,198,696	$ 1,010,615
Fixed Income Bonds	865,154	4,083,128
Floating Rate Notes	10,715,988	12,202,038
Treasury Bills	3,765,243	2,206,871
Other	774,905	766,471
Total	$ 17,319,986	$ 20,269,123

10. PRECIOUS METALS

Gold Bullion	2020	2019
Gold (cost)	$ 1,837,239	$ 1,837,239
Gold (revaluation reserve)	2,017,178	1,210,407
	$ 3,854,417	$ 3,047,646

11. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment, net are comprised of the following:

	Land	Housing Property	Office Building Improvements	Vehicles	Office Equipment	Office Furniture and Fittings	Right of Use Asset (ROU)	Total
COST:								
Balance as at June 30, 2018	$ 572,937	$ 3,043,405	$ 1,452,829	$ 604,016	$ 3,148,777	$ 1,228,190	$ -	$ 10,050,154
Additions	-	-	20,598	128,771	135,332	17,340	-	302,041
Disposals	-	-	(341,994)	(246,332)	(2,017,209)	(371,903)	-	(2,977,438)
Balance as at June 30, 2019	572,937	3,043,405	1,131,433	486,455	1,266,900	873,627	-	7,374,757
Additions	-	-	35,209	46,426	40,783	2,502	-	124,920
Additions in ROU	-	-	-	-	-	-	425,226	425,226
Disposals	-	-	(2,100)	(40,859)	(3,635)	(6,330)	-	(52,924)
Balance as at June 30, 2020	$ 572,937	$ 3,043,405	$ 1,164,542	$ 492,022	$ 1,304,048	$ 869,799	$ 425,226	$ 7,871,979
ACCUMULATED DEPRECIATION:								
Balance as at June 30, 2018	$ -	$ 569,546	$ 1,230,378	$ 428,641	$ 2,621,263	$ 945,434	$ -	$ 5,795,262
Additions	-	65,000	95,834	45,860	205,653	54,980	-	467,327
Disposals	-	-	(341,994)	(215,476)	(2,017,209)	(369,013)	-	(2,943,692)
Balance as at June 30, 2019	-	634,546	984,218	259,025	809,707	631,401	-	3,318,897
Additions	-	65,000	72,000	44,714	183,922	53,829	94,262	513,727
Disposals	-	-	(2,100)	(40,859)	(3,635)	(6,330)	-	(52,924)
Balance as at June 30, 2020	$ -	$ 699,546	$ 1,054,118	$ 262,880	$ 989,994	$ 678,900	$ 94,262	$ 3,779,700
NET BOOK VALUE:								
As at June 30, 2020	$ 572,937	$ 2,343,859	$ 110,424	$ 229,142	$ 314,054	$ 190,899	$ 330,964	$ 4,092,279
As at June 30, 2019	$ 572,937	$ 2,408,859	$ 147,215	$ 227,430	$ 457,193	$ 242,226	$ -	$ 4,055,860

12. INTANGIBLES

Intangibles assets are comprised of the following:

	Software
COST:	
Balance as at June 30, 2018	$ 1,036,360
Additions	98,145
Disposals	(730,365)
Balance as at June 30, 2019	404,140
Additions	47,540
Disposals	-
Balance as at June 30, 2020	$ 451,680
ACCUMULATED DEPRECIATION:	
Balance as at June 30, 2018	$ 872,825
Additions	115,990
Disposals	(649,709)
Balance as at June 30, 2019	339,106
Additions	54,063
Disposals	-
Balance as at June 30, 2020	$ 393,169
NET BOOK VALUE:	
As at June 30, 2020	$ 58,511
As at June 30, 2019	$ 65,034

13. LEASE

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 July 2019.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

The Group leases office facilities. The leases typically run for a period of 4 years, with an option to renew the lease after that date. Lease payments are often updated every year to reflect market rentals.

Previously, these leases were classified as operating leases under IAS 17.

The Group leases IT equipment (valued USD 13,467 at June 2020) with contract terms of three years, which will be automatically extended for another additional year unless either party gives the other party written notice of its intent not to continue the agreement. This lease is of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for this lease.

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property (see note 11).

	Note	USD
2020		
Property, plant and equipment owned	11	3,761,315
Right-of-use assets, except for investment property	11	330,964
		4,092,279

Information about leases for which the Group is a lessee is presented below.

I. Right-of-Use

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment:

	USD
2020	
Balance at 1 July	425,226
Depreciation charge for the year	(94,262)
Balance at June 30	330,964

II. Lease liability

	USD
2020	
Current	146,762
Non-Current	197,034
Balance at June 30	343,796

III. Amounts recognised in profit or loss

	USD
2020 - Leases under IFRS 16	
Interest on lease liabilities	13,744
Expenses relating to short-term leases	153,363
Expenses relating to leases of low-value- assets.	13,467
2019 - Operating leases under IAS 17	
Lease expense	366,370

14. CALL ACCOUNTS

Call accounts represent the total on-balance amounts held by clients in bank accounts with the Company. Funds in excess of $100,000 (2019: $ 100,000) are placed out on a fiduciary basis for the account and risk of the account holder(s). The balance in these consolidated financial statements represents the first $100,000 held in each account.

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	Notes	2020	2019
Provision for staff benefits (*)	25	$ 2,280,550	$ 2,101,680
Provisions - other (*)		962,046	861,529
Accounts with related entities	25	50,700	-
Accounts payable		614,386	556,592
Commissions payable		191,998	110,410
Social security		99,871	105,900
Taxes payable in advance		-	1,289
		$ 4,199,551	$ 3,737,400

(*) Provisions	Initial Balance	Additions	Reductions (Payments)	Final Balance June 2020
Provisions for staff benefits:				
Provision for bonuses and profit share	$ 1,889,922	$ 2,070,000	$ (1,889,922)	$ 2,070,000
Other staff benefits provisions (holiday leave, 13th salary)	211,758	476,794	(478,002)	210,550
	$ 2,101,680	$ 2,546,794	$ (2,367,924)	$ 2,280,550
Provisions - other:				
Legal fees	$ 454,530	$ 109,600	$ (25,449)	$ 538,681
Director fees	78,522	166,642	(184,513)	60,651
Audit fees	151,169	154,381	(153,784)	151,766
Taxes	136,365	173,347	(141,757)	167,955
Other provisions	40,943	96,689	(94,639)	42,993
	$ 861,529	$ 700,659	$ (600,142)	$ 962,046

16. ADVANCES FROM CLIENTS AND FEES RECEIVED IN ADVANCE

Advances from clients are credit balances corresponding to clients who have made advance payments on account. Fees received in advance includes the portion of annual client fees which have been collected in the year ended June 30, 2020, and relate to periods subsequent to the consolidated statement of financial position date.

17. LOANS AND INTEREST PAYABLE

At June 30, 2019, the Company had two short term loans for a total of USD 510,050: USD 250,000 at an annual interest rate of 2.57% maturing in December 10, 2019 and USD 260,050 at an annual interest rate of 5% and maturing in May 13, 2020. Additionally, a loan of Uruguayan Global Bonds 08/14/24 for a nominal amount of USD 104,000 was received in February 2019 and is valued at market price as to June 30,2019 at USD 111,488.

At June 30, 2020, the Company has two short term loans for a total of USD 510,050: USD 250,000 at an annual interest rate of 2.19% maturing in January, 2021 and USD 260,050 at an annual interest rate of 5% and maturing in May, 2021. The loan of Uruguayan Global Bonds 08/14/24 for a nominal amount of USD 104,000 is valued at market price as to June 30,2020 at USD 113,880.

Moreover, in the current year the Group has recognized Lease Liabilities for USD 343,796 (see note 13).

18. COMMISSIONS AND FEES ON FIDUCIARY TRANSACTIONS, NET

		2020		2019
Winterbotham call accounts net fees	$	4,634,455	$	3,045,562
Brokerage and currency exchange services		1,030,426		838,122
Custody services		829,609		974,704
Structured operations		787,710		577,752
Total fees on fiduciary transactions	$	7,282,200	$	5,436,140
Winterbotham call accounts net charges and commissions	$	(383,686)	$	(305,448)
Brokerage charges and commissions		(60,606)		(28,614)
Custody charges and commissions		(134,041)		(104,581)
Commissions on structured operations		(209,144)		(23,384)
Total costs related with fees on fiduciary transactions	$	(787,477)	$	(462,027)

19. SALARIES AND BENEFITS

During the year, an amount of $ 2,070,000 (2019: $1,898,000) was awarded to the staff as profit share and bonus.

20. ADMINISTRATIVE AND GENERAL EXPENSES

	2020	2019
Other expenses	$ 963,275	$ 931,971
Professional advisors	915,431	767,801
Marketing expenses	288,367	303,769
Travel	300,709	428,028
Bad debts	231,952	212,021
Rent	266,434	366,370
Directors' fees and expenses	186,468	208,077
Licenses and fees	235,843	222,359
Utilities	127,635	139,367
Maintenance	172,741	139,323
Insurance	127,652	123,128
Taxes on net worth of corporations	90,784	41,577
Tax- Sales or Value Added Tax (VAT)	126,818	172,760
	$ 4,034,109	$ 4,056,551

21. FINANCIAL INCOME - NET

	2020	2019
Net interest earned	$ 1,984,130	$ 1,637,489
Realized and unrealized gains on investments	737,657	1,135,610
Result of the change in foreign exchange rates	15,994	22,243
Interest cost on lease liabilities	(13,744)	-
	$ 2,724,037	$ 2,795,342

22. DIVIDENDS

Dividends are accounted for in the period in which they are declared by the Group’s Board of Directors.

On June 30, 2020, dividends of $2.60 per share (total dividends $6,500,000) were declared (2019: $1.80 per share totaling $4,500,000).

23. CONTRIBUTED SURPLUS

This represents capital funding received from the shareholders of The Winterbotham Trust Company Limited for purchase of 97% of The Winterbotham Trust Company (Hong Kong) Limited on May 22, 2009.

24. RESERVES

	2020	2019
Opening balances:		
Legal reserve	$ 102,259	$ 91,320
Reserve for tax exoneration	97,893	97,893
	200,152	189,213
Additions (reductions):		
Legal reserve	13,654	10,939
	13,654	10,939
Closing balances:		
Legal reserve	115,913	102,259
Reserve for tax exoneration	97,893	97,893
	$ 213,806	$ 200,152

Article 93 of the Uruguayan Company Law (Law 16.060) establishes that companies must contribute at least 5% of the annual net profits towards the creation of a legal reserve until the reserve reaches the equivalent of 20% of the relevant Company's paid in capital. This includes share capital and contributed surplus.

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include officers, directors, shareholders and other companies with common ownership. Where these related parties have the authority and responsibility for directing and controlling the authorities of other companies (established to participate in the Group's business activities), these entities are also regarded as related parties in these consolidated financial statements. Entities administered by the Group on behalf of clients where the Group also provides directors are not considered related parties.

Balances and transactions with related parties:

	2020	2019
Balances:		
Prepaid expenses and other assets:		
Accounts with related entities	$ -	$ 11,735
Loans to staff - key management personnel	$ -	$ 1,776
Provision for staff benefits	$ 1,318,857	$ 1,108,367
Accounts payable and accrued liabilities:		
Accounts with related entities	$ 50,700	$ -
Call accounts	$ 420,419	$ 209,971

		2020	2019
Transactions:			
Salaries and benefits - key management personnel		$ 2,411,184	$ 2,391,308
Employee profit participation - key management personnel		$ 1,318,857	$ 1,108,367

26. TAXATION

The Winterbotham Trust Company (Uruguay) S.A. and its wholly owned subsidiary Winterbotham Fiduciaria S.A. Administradora de Fondos de Inversión are domiciled in Uruguay and subject to Uruguayan tax laws. The tax regime in place in Uruguay includes personal and corporate income tax.

Uruguayan tax law is applied on a territorial basis as opposed to a universal taxation system which determines that where the company is doing business, receiving income and/or holding its assets (i.e. has Uruguayan source income and assets) within Uruguayan territory is subject to tax at the following rates:

a.	Income Tax ("IRAE")	25%
b.	Tax on net worth of corporations	1.5%
c.	Sales or Value Added Tax (VAT)	10% or 22%

Where a company has Uruguayan source income, it will have to pay a minimum monthly tax or IRAE at a rate of 25% of its taxable net income as an advance (please refer to point (a) above) the amount of which will depend on the level of its prior year's taxable net operating income.

Withholding tax on interest payments for loans granted by foreign lenders, which do not operate locally in Uruguay, shall be applied at the rate of 12%.

Payment of dividends: Dividend payments are subject to a 7% withholding tax.

Double taxation treaties: Uruguay has signed double-taxation agreements with the following countries: Germany, Spain, Hungary, Mexico, Switzerland, Portugal, Liechtenstein, Ecuador, Malta, India, South Korea, Argentina, Finland, Belgium, England, Luxembourg, United Arab Emirates, Romania, Vietnam, Singapore and Paraguay.

Additionally, Uruguay has signed tax information exchange agreements with: France, Denmark, Greenland, Iceland, Faroe Islands, Norway, Sweden, Australia, Canada, The Netherlands, Chile, South Africa and Guernsey.

27. INCOME TAX

Companies subject to Corporate Income Tax are The Winterbotham Trust Company (Uruguay) S.A (rate 25%), its subsidiary Winterbotham Fiduciaria S.A. Administradora de Fondos de Inversion (rate 25%), The Winterbotham Trust Company (Hong Kong) Limited (rate 16.5%) and WTC International Bank (Puerto Rico) (rate 4%).

Deferred tax assets and liabilities

The deferred tax stated corresponds to differences between book and tax values of fixed assets originated mainly by differences of valuation and depreciation criteria.

The deferred tax is the tax expected to be paid or recovered based on the differences existing between the book value of an asset or liability, and its tax value.

Assets for deferred tax, as at June 30, 2020, arise from applying the tax rate in force at that moment (25% for Uruguay and 4% for Puerto Rico) on the temporary taxable differences of US$ (12,830) (2019: US$ (24,238)), which correspond to the different valuation criteria and fixed assets depreciation criteria and to differences for unused tax losses.

Assets for deferred tax are recognized as long as the entity is likely to have fiscal earnings against which to use the deductible temporary differences. Liabilities for deferred tax are normally recognized for all the temporary taxable differences.

Assets and liabilities for deferred tax are offset when related to income taxes levied by the same tax authority and the entity seeks to liquidate its assets and liabilities current tax on a net basis.

As at June 30, 2020, income tax are attributable to the following:

	2020	2019
Profit before tax	$ 507,189	$ 233,843
Fiscal adjustment for inflation/conversion	221,504	169,044
Non-deductible expense	(255,066)	(10,612)
Taxable profit	$ 473,627	$ 392,274
Income tax using corporate tax rate (25%)	$ 118,407	$ 98,069

Deferred tax recognized for the period:

	Assets			
	2020	Charge/benefit for the year	Conversion adjustment	2019
Temporary differences arising from differences in fixed assets' valuation and depreciation criteria	$ (7,131)	$ (6,154)	$ 195	$ (1,172)
Temporary differences for unused tax losses	44,420	18,984	-	25,436
	$ 37,289	$ 12,830	$ 195	$ 24,264

Tax breakdown as at June 30, 2020:

	2020	2019
Current tax charges:		
Income tax using corporate tax rate (25%)	$ 131,237	$ 122,307
	131,237	122,307
Deferred tax benefit	(12,830)	(24,238)
Total	$ 118,407	$ 98,069

28. FIDUCIARY OPERATIONS

As at June 30, 2020, The Winterbotham Merchant Bank, a division of The Winterbotham Trust Company Limited used for banking activities, and the Winterbotham International Securities a division of the Winterbotham Trust Company Limited used for brokerage activities, had entered into fiduciary agreements for an aggregate amount of $1,233,162,090 (2019: $1,698,695,505).

The clients bear all risk and responsibility for activities carried out by the entity on their behalf under these contracts. The depositors agree to indemnify and hold harmless The Winterbotham Trust Company Limited, its directors, employees, agents and representatives against all liability, losses or damages arising out of or in connection with the fiduciary agreement.

29. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instruments are disclosed in Note 3 to the consolidated financial statements.

The following table analyzes the carrying amounts of financial assets and financial liabilities as defined by IAS 32 Financial Instruments: Presentation:

	2020		
	FVTPL	Amortized Cost	Total
FINANCIAL ASSETS			
Cash and cash equivalents	$ -	$ 41,403,528	$ 41,403,528
Trade receivables, net	$ -	$ 1,015,520	$ 1,015,520
Prepaid expenses and other assets	$ -	$ 53,090	$ 53,090
Repurchase agreements	$ -	$ 2,523,134	$ 2,523,134
Investments	$ 17,319,986	$ -	$ 17,319,986
Security deposits	$ -	$ 1,017,664	$ 1,017,664
Totals	$ 17,319,986	$ 46,012,936	$ 63,332,922

	FVTPL	Amortized Cost	Total
FINANCIAL LIABILITIES			
Call accounts	$ -	$ 41,258,217	$ 41,258,217
Accounts payable and accrued liabilities	$ -	$ 4,199,551	$ 4,199,551
Loans and interest payable	$ -	$ 681,454	$ 681,454
Dividends payable	$ -	$ 6,500,000	$ 6,500,000
Lease Liabilities	$ -	$ 343,796	$ 343,796
Totals	$ -	$ 52,983,018	$ 52,983,018

	2019		
	FVTPL	Amortized Cost	Total
FINANCIAL ASSETS			
Cash and cash equivalents	$ -	$ 36,669,238	$ 36,669,238
Trade receivables, net	$ -	$ 1,206,378	$ 1,206,378
Prepaid expenses and other assets	$ -	$ 84,074	$ 84,074
Repurchase agreements	$ -	$ 779,862	$ 779,862
Investments	$ 20,269,123	$ -	$ 20,269,123
Security deposits	$ -	$ 1,039,873	$ 1,039,873
Totals	$ 20,269,123	$ 39,779,425	$ 60,048,548

	2019		
	FVTPL	Amortized Cost	Total
FINANCIAL LIABILITIES			
Call accounts	$ -	$ 40,661,658	$ 40,661,658
Accounts payable and accrued liabilities	$ -	$ 3,737,400	$ 3,737,400
Loans and interest payable	$ -	$ 644,686	$ 644,686
Dividends payable	$ -	$ 4,500,000	$ 4,500,000
Totals	$ -	$ 49,543,744	$ 49,543,744

30. FAIR VALUE MEASUREMENTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Quoted equities and bonds	$ 17,319,986	$ -	$ -	$ 17,319,986
Total	$ 17,319,986	$ -	$ -	$ 17,319,986

	2019			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Quoted equities	$ 20,269,123	$ -	$ -	$ 20,269,123
Total	$ 20,269,123	$ -	$ -	$ 20,269,123

There were no transfers between any of the levels in the current period.

31. RISK MANAGEMENT

The Group engages in transactions that expose it to various risks in the normal course of business. These risks include capital risk, market risk, including interest rate risk and foreign exchange risk, credit risk, liquidity risk and fiduciary risk management. The Group's financial performance is dependent on its ability to understand and effectively manage these risks.

a. ***Capital risk*** - The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (call accounts offset by cash and cash equivalents) and equity attributable to equity holders of the Group, comprising issued capital, contributed surplus, legal reserves, revaluation reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Group's overall strategy remains unchanged since 2019 and meets the regulatory capital adequacy requirements.

b. ***Market risk*** - Market risk is the risk that the fair value of an instrument or the cash flows from an instrument will fluctuate as a result of changes in market prices. The main market risks are interest rate risk and foreign exchange risk. The Group enters into a variety of financial instruments to manage its exposure to this risk.

i. ***Interest rate risk*** - The Group is exposed to cash flow and fair value interest rate risk on cash and cash equivalents and reverse repurchase agreements. The Group manages this risk by consistent monitoring of interest rate fluctuations.

	June 30, 2020 US$	June 30, 2019 US$
ASSETS:		
Cash and cash equivalents	0.51%	2.07%
Repurchase agreements	2.32% - 10.5%	2%- 10.5%

Sensitivity analysis
The sensitivity analysis is determined based on the Group´s exposure to interest bearing assets and liabilities at the date of the statement of assets and liabilities. As at June 30, 2020 the Group had 19 interest bearing assets (2019: 19).

If the interest rates at June 30, 2020 had increased/decreased 50 bps with all other variables held constant, this would have decreased/increased net assets and the profit for the year ended at June 30th by $105,167, resulting from a decrease/increase in the fair value of the interest bearing assets.

ii. ***Foreign exchange risk*** - This is the risk of loss resulting from foreign currency translation. Currency risk is managed by matching liabilities with assets within the same currency whenever possible. The following table shows the USD equivalent of all currencies held:

2020

	GBP	CAD	EURO	CHF	USD	HKD	Other	Totals
Assets	$ 3,377,383	$ 628,380	$ 3,606,569	$ 1,827,628	$ 55,060,167	$ 351,708	$ 1,799,076	$ 66,650,911
Liabilities	3,226,059	571,274	3,370,837	586,811	44,993,041	192,511	1,431,137	54,371,670
Coverage	$ 151,324	$ 57,106	$ 235,732	$ 1,240,817	$ 10,067,126	$ 159,197	$ 367,938	$ 12,279,241

2019

	GBP	CAD	EURO	CHF	USD	HKD	Other	Totals
Assets	$ 3,457,866	$ 498,442	$ 3,518,197	$ 1,443,692	$ 51,632,938	$ 381,169	$ 1,620,263	$ 62,552,567
Liabilities	3,307,533	493,609	3,403,941	526,869	42,141,150	69,775	1,090,714	51,033,591
Coverage	$ 150,333	$ 4,833	$ 114,255	$ 916,823	$ 9,491,789	$ 311,394	$ 529,548	$ 11,518,976

Sensitivity analysis
The Group performed a sensitivity analysis to changes in foreign exchange rates based in the exposure detailed above and the conclusion is that no material impact to the profit for the year would have been observed if foreign exchange rates increased/decreased 0.5% respect the value of the USD with all other variables held constant.

c. ***Credit risk*** - The Group is exposed to credit risk in respect of losses that would have to be recognized if counterparties fail to perform as contracted.

The Group's exposure to credit risk is primarily in respect of cash and cash equivalents, trade receivables, repurchase agreements and investments. As at the consolidated statement of financial position date, the Group's maximum exposure to credit risk is equal to the carrying amount of the above assets disclosed in the consolidated statement of financial position. The repurchase agreements are adequately collateralized by pledges of assets managed by the Group on behalf of the borrowers.

	2020	2019
CASH AND CASH EQUIVALENTS:		
Neither past due or impaired	$ 41,403,528	$ 36,669,238
TRADE RECEIVABLES:		
Neither past due or impaired	$ 244,528	$ 483,906
Past due not impaired	$ 770,992	$ 722,472
Impaired	$ 536,942	$ 409,093

Certain receivable balances include fees invoiced in advance but not accrued as to June 30, 2020. This portion of trade receivables are not considered when creating the provision for bad debts. Similarly, some of the receivable balances include the request for the corresponding Company Annual Government Fee. This amount does not represent a receivable risk for the Company as it will only be paid to the Registrar of Companies if duly settled by the client. Therefore, these amounts are not considered when creating the provision for bad debts.

	2020	2019
REPURCHASE AGREEMENTS:		
Neither past due or impaired	$ 2,523,134	$ 779,862

d. ***Liquidity risk*** - Liquidity risk arises when the Group has to meet its obligations on borrowed funds and deposits. The Group manages its liquidity risk by matching as far as possible liabilities with assets of similar maturity periods.

Assets and liabilities are due to mature based on the period remaining to maturity from the consolidated statement of financial position date, as follows:

	June 30, 2020			
	No set maturity/ Up to 3 months	3 - 6 months	Over 6 months	Total
ASSETS:				
Cash and cash equivalents	$ 41,403,528	$ -	$ -	$ 41,403,528
Trade receivables, net	486,406	-	529,114	1,015,520
Prepaid expenses and other assets	-	-	53,090	53,090
Reverse repurchase agreements	2,523,134	-	-	2,523,134
Investments	17,319,986	-	-	17,319,986
Security deposits	-	-	1,017,664	1,017,664
	$ 61,733,054	$ -	$ 1,599,868	$ 63,332,922
LIABILITIES:				
Call accounts	$ 41,258,217	$ -	$ -	$ 41,258,217
Accounts payable and accrued liabilities	4,199,551	-	-	4,199,551
Loans and interest payable	421,404	-	260,050	681,454
Dividends payable	6,500,000			6,500,000
Lease liabilities	34,782	35,601	273,413	343,796
	$ 52,413,954	$ 35,601	$ 533,463	$ 52,983,018

	June 30, 2019			
	No set maturity/ Up to 3 months	3 - 6 months	Over 6 months	Total
ASSETS:				
Cash and cash equivalents	$ 36,669,238	$ -	$ -	$ 36,669,238
Trade receivables, net	849,690	-	356,688	1,206,378
Prepaid expenses and other assets	-	-	84,074	84,074
Reverse repurchase agreements	779,862			779,862
Investments	20,269,123	-	-	20,269,123
Security deposits	-	-	1,039,873	1,039,873
	$ 58,567,913	$ -	$ 1,480,635	$ 60,048,548
LIABILITIES:				
Call accounts	$ 40,661,658	$ -	$ -	$ 40,661,658
Accounts payable and accrued liabilities	3,737,400	-	-	3,737,400
Loans and interest payable	384,636	-	260,050	644,686
Dividends payable	4,500,000	-	-	4,500,000
	$ 49,283,694	$ -	$ 260,050	$ 49,543,744

e. ***Fiduciary risk management*** - The Group is engaged in significant custodial and fiduciary activities that give rise to the risk that it will be accused of mal-administration or non-compliance with the wishes of its clients. To manage this exposure, the Group generally takes a conservative approach in its undertakings.

f. ***Fair value of financial assets and liabilities*** - The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate, reduce the scale of its operations or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets and financial liabilities at the consolidated statement of financial position date were not materially different from their carrying value due to their short term nature.

32. OPERATIONAL CONTEXT - UNCERTAINTIES

On March 11, 2020 the World Health Organization declared the COVID-19 disease caused the novel coronavirus, which originated in China, a pandemic. Many Governments around the world responded by introducing emergency orders whereby businesses, other than those deemed to be essential services, were shut down and the general population made to stay at home. The impact brought the economy in the respective countries to a virtual standstill. After some months, restrictions are being slowly eased but where social distancing and the wearing of masks are becoming the new normal against the backdrop of the threat of a second wave of the virus and fears of an economic downturn. These conditions create significant uncertainty as to the continuing impact on the industry within which the Group operates and by extension the impact on the Group. The financial impact and its duration cannot be reasonably estimated at this time.

As of October 21, 2020, management was not aware of any significant adverse effects on the financial statements for the year ended June 30, 2020 as a result of COVID-19. Management will continue to monitor the situation and the impact on the Group, its financial condition, liquidity, operations, suppliers, industry and workforce.

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