



PKF PCC Cell 2
(Registration number 196036)
Financial Statements
for the year ended 31 December 2022

PKF PCC Cell 2

(Registration number: 196036)

Financial Statements for the year ended 31 December 2022

General Information

| | |
|--|---|
| Country of incorporation and domicile | Seychelles |
| Nature of business and principal activities | To issue bonds and similar securities |
| Directors | CC Turner DS Carter NJ Ackermann |
| Registered office | 105, First Floor Waterside Property Eden Island Seychelles |
| Business address | 105, First Floor Waterside Property Eden Island Seychelles |
| Postal address | 105, First Floor Waterside Property Eden Island Seychelles |
| Holding company | PKF Capital Markets (Seychelles) Limited incorporated in Seychelles |
| Ultimate holding company | Turquoise Holdings Limited incorporated in Seychelles |
| Auditors | Baker Tilly Chartered Accountants Registered Auditors |
| Company registration number | 196036 |
| Level of assurance | These financial statements have been audited in compliance with the applicable requirements of the International Business Companies Act 2016. |
| Preparer | These annual financial statements were internally compiled by: CC Turner Chartered Accountant (SA) |

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The reports and statements set out below comprise the financial statements presented to the shareholder:

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Directors' Responsibilities and Approval

The directors are required by the International Business Companies Act 2016, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the cell as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the cell and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the cell and all employees are required to maintain the highest ethical standards in ensuring the cell's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the cell is on identifying, assessing, managing and monitoring all known forms of risk across the cell. While operating risk cannot be fully eliminated, the cell endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the cell's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, they are satisfied that the cell has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the cell's financial statements. The financial statements have been examined by the cell's external auditors and their report is presented on page 4.

The financial statements set out on pages 10 to 15, which have been prepared on the going concern basis, were approved by the directors on 28 April 2023 and were signed on its behalf by:

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Carmen Turner
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CC Turner

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DS Carter
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DS Carter

DocuSigned by:
Nicolaas Ackermann
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NJ Ackermann

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PKF PCC CELL 2

This report is made solely to the shareholders of PKF PCC Cell 2 (the "Company"), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PKF PCC Cell 2 set out on pages 10 to 15 which comprise the statement of financial position at December 31, 2022, the related statements of profit or loss and other comprehensive income and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") for Small and Medium-sized Entities and comply with the International Business Companies Act, 2016.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), together with the other ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PKF PCC CELL 2 *Continued***

Other Information

The Directors are responsible for the other information.

The other information comprises the Directors' Report, which we obtained prior to the date of this Auditor's Report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards ('IFRS') for Small and Medium-sized Entities and in compliance with the International Business Companies Act, 2016 and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PKF PCC CELL 2 *Continued*

Auditor's Responsibilities for the Audit of the Financial Statements *Continued*

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PKF PCC CELL 2 *Continued***

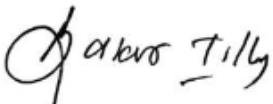
Report on Other Legal Regulatory Requirements

International Business Companies Act, 2016

We have no relationship with, or interests, in the Company other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records and comply with the provisions of the International Business Companies Act,



BAKER TILLY
Chartered Accountants



Dated: April 28, 2023
Mahé, Seychelles

PKF PCC Cell 2

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Financial Statements for the year ended 31 December 2022

Directors' Report

The directors have pleasure in submitting their report on the financial statements of PKF PCC Cell 2 for the year ended 31 December 2022.

1. Nature of business

PKF PCC was incorporated in Seychelles on 10 August 2017 as an international business company ("IBC") and a protected cell company ("PCC") in terms of the International Business Companies Act, 2016. The objects of the company are to issue bonds and similar securities.

PKF PCC Cell 2 issues bonds listed on MERJ Exchange with stock code "PKFPCC2".

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the International Business Companies Act 2016. The accounting policies have been applied consistently compared to the prior year.

These financial statements are prepared for PKF PCC Cell 2 only and do not include the financial position, results of operations and cash flows of the core or other cells that form part of the PCC.

Full details of the financial position, results of operations and cash flows of the cell are set out in these financial statements.

3. Share capital

The share capital of PKF PCC is issued by the PCC core. The cell does not have share capital.

4. Directors

The directors in office at the date of this report are as follows:

| Directors | Nationality |
|--------------|-------------------------|
| CC Turner | South African |
| DS Carter | British |
| NJ Ackermann | South African / British |

There have been no changes to the directorate for the period under review.

5. Holding company

The company's holding company is PKF Capital Markets (Seychelles) Limited which holds 100% (2021: 100%) of the company's equity. PKF Capital Markets (Seychelles) Limited is incorporated in Seychelles.

6. Ultimate holding company

The company's ultimate holding company is Turquoise Holdings Limited which is incorporated in Seychelles.

7. Events after the reporting period

The directors are not aware of any material event or circumstance arising since the reporting date, not otherwise dealt with in this report or the financial statements, which significantly affects the financial position of the cell to the date of this report.

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Directors' Report

8. Going concern

The directors believe that the cell has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the cell is in a sound financial position to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the cell. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the cell's ability to continue as a going concern.

9. Terms of appointment of the auditors

Baker Tilly, Chartered Accountants, Seychelles continued in office as the cell's auditors for the year ended 31 December 2022. Baker Tilly, Chartered Accountants, Seychelles retire at the forthcoming AGM and, being eligible, offer themselves for reappointment.

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Financial Statements for the year ended 31 December 2022

Statement of Financial Position as at 31 December 2022

| Figures in Euro | Notes | 2022 | 2021 |
|-------------------------------------|--------------|------------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Trade and other receivables | 2 | 107 604 | 40 521 |
| Other financial assets | 3 | 2 233 200 | 849 800 |
| | | 2 340 804 | 890 321 |
| Total Assets | | 2 340 804 | 890 321 |
| Equity and Liabilities | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 4 | 107 604 | 40 521 |
| Other financial liabilities | 5 | 2 233 200 | 849 800 |
| | | 2 340 804 | 890 321 |
| Total Equity and Liabilities | | 2 340 804 | 890 321 |

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Financial Statements for the year ended 31 December 2022

Statement of Profit or Loss and Other Comprehensive Income

| Figures in Euro | Notes | 2022 | 2021 |
|------------------------------|--------------|-------------|-------------|
| Investment revenue | 6 | 339 066 | 66 919 |
| Interest paid to bondholders | 7 | (339 066) | (66 919) |
| Profit for the year | | - | - |

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Statement of Cash Flows

| Figures in Euro | Notes | 2022 | 2021 |
|---|--------------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Interest income | | 339 066 | 66 919 |
| Interest paid to bondholders | | (339 066) | (66 919) |
| Net cash from operating activities | | - | - |
| Cash flows from investing activities | | | |
| Investment in financial assets | | (1 383 400) | (849 800) |
| Net cash from investing activities | | (1 383 400) | (849 800) |
| Cash flows from financing activities | | | |
| Issue of bonds | | 1 383 400 | 849 800 |
| Net cash from financing activities | | 1 383 400 | 849 800 |
| Total cash movement for the year | | - | - |
| Cash at the beginning of the year | | - | - |
| Total cash at end of the year | | - | - |

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Financial Statements for the year ended 31 December 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the International Business Companies Act 2016. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Euro.

1.1 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include bonds, investments, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.2 Revenue

Investment revenue is recognised, in profit or loss, using the effective interest rate method.

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Notes to the Financial Statements

| Figures in Euro | 2022 | 2021 |
|---|--|---------|
| 2. Trade and other receivables | | |
| Interest receivable | 107 604 | 40 521 |
| 3. Other financial assets | | |
| At amortised cost | | |
| Assets under management | 2 233 200 | 849 800 |
| Represents the cash raised from issue of bonds, invested with the PCC core. | | |
| Current assets | | |
| At amortised cost | 2 233 200 | 849 800 |
| 4. Trade and other payables | | |
| Interest payable | 107 604 | 40 521 |
| 5. Other financial liabilities | | |
| At amortised cost | | |
| Bonds in issue | 2 233 200 | 849 800 |
| Bonds in issue, listed on MERJ Exchange with stock code PKFPCC2. | | |
| Status of the bonds: | Senior debt with limited recourse | |
| Interest: | 20% per annum simple interest accruing daily | |
| Interest payment basis: | Quarterly | |
| Issue period: | 5 years | |
| Maturity date: | 01 April 2026 | |
| Transferability: | Yes | |
| Issuer's optional redemption: | 30-day notice period | |
| Bondholder redemption: | Annually on issue date with 30-day notice period | |
| Current liabilities | | |
| At amortised cost | 2 233 200 | 849 800 |
| 6. Investment revenue | | |
| Interest revenue | | |
| Interest earned | 339 066 | 66 919 |
| 7. Finance costs | | |
| Interest paid to bondholders | 339 066 | 66 919 |

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Notes to the Financial Statements

| Figures in Euro | 2022 | 2021 |
|------------------------|-------------|-------------|
|------------------------|-------------|-------------|

8. Taxation

No provision has been made for 2022 tax as the cell has no taxable income.

9. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

10. Statement of changes in equity

The statement of changes in equity has not been prepared as these financial statements have been prepared for PKF PCC Cell 2 and the equity of the PCC is issued by the core.