NATIONAL ASSETS MANAGEMENT COMPANY LIMITED

Financial Statements
December 31 2018
(Expressed in Eastern Caribbean Dollars)

NATIONAL ASSETS MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2018

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INDEPENDENT AUDITOR'S REPORT

To the Chairman
National Assets Management Company Limited,

Opinion

We have audited the Financial Statements of the **National Assets Management Company Limited (NAMCo),** which comprise the financial position as at 31st December 2018, the Statement of Comprehensive Income, Statement of Change in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory notes.

In my opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at 31st December 2018, and its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. My staff and I are independent of the company 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. I believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Financial Statements

Our responsibility is to express an opinion on these Financial Statements based on the audit. We conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that we comply with ethical requirements and plan and perform the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, 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 my 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 Secretariat'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 Secretariat'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 my opinion. The conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Secretariat to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required.

Alan Evanson

Director of Audit of Antigua and Barbuda
9th May 2022
St John's, Antigua and Barbuda

NATIONAL ASSETS MANAGEMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31 2018
(Expressed in Eastern Caribbean Dollars)

	Note	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	14,128,870	11,021,390
Accounts Receivable	4	44,000	20,000
TOTAL CURRENT ASSETS		14,172,870	11,041,390
NON-CURRENT ASSETS			
Bonds Receivable	5	25,995,595	-
Bond Interest Receivable	6	1,154,518	-
Other Investments	7	16,286,655	16,286,430
TOTAL NON-CURRENT ASSETS		43,436,768	16,286,430
TOTAL ASSETS		**$57,609,638**	**$27,327,820**
LIABILITIES AND SHAREHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accrued Liabilities	8	44,000	10,000
TOTAL CURRENT LIABILITIES		44,000	10,000
NON-CURRENT LIABILITIES			
Due to Shareholder	9	9,674,020	-
TOTAL NON-CURRENT LIABILITIES		9,674,020	-
TOTAL LIABILITIES		9,718,020	10,000
SHAREHOLDER'S EQUITY			
Share Capital	10	10,000	10,000
Additional Paid-In-Capital	11	47,153,935	27,501,893
Retained Deficit ***(Page 6)***		727,683	(194,073)
TOTAL SHAREHOLDER'S EQUITY		47,891,618	27,317,820
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**$57,609,638**	**$27,327,820**

Approved on behalf of the Company on May 10th, 2022

..........B. Pearson P.......: **Director**

..........[signature]......: **Director**

NATIONAL ASSETS MANAGEMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31 2018
(Expressed in Eastern Caribbean Dollars)

	2018	2017
REVENUE		
Investment Income	1,154,518	-
Rental Income	24,000	20,000
	1,178,518	20,000
EXPENSES		
Directors Fees	189,000	179,500
Legal and Professional Fees	53,600	40,000
Advertising and Promotion	8,334	-
Board Expenses	4,588	-
Bank Charges and Interest	1,923	772
Office Supplies	195	-
TOTAL EXPENSES	257,640	220,272
PROFIT/(LOSS) BEFORE AFOREMENTIONED	**920,878**	**(200,272)**
Interest Income	878	6,199
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (*Page 6*)	**$921,756**	**($194,073)**

NATIONAL ASSETS MANAGEMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31 2018
(Expressed in Eastern Caribbean Dollars)

	No of Shares	Share Capital	Additional Paid-in Capital	Retained Deficit	Total
Balance at December 31 2017	10,000	10,000	27,501,893	(194,073)	27,317,820
Change For The Year *(Page 5)*	-	-	19,652,042	921,756	20,573,798
Balance at December 31 2018	**10,000**	**$10,000**	**$47,153,935**	**$727,683**	**$47,891,618**

The accompanying notes on pages 8 -17 form part of these financial statements.

NATIONAL ASSETS MANAGEMENT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31 2018
(Expressed in Eastern Caribbean Dollars)

	2018	2017
Net Profits from Operations	**$921,756**	**($194,073)**
Net Cash Flow From Operations	**921,756**	**(194,073)**
Cash Flow from Investing Activities:		
Increase in Accounts Receivable	(24,000)	(20,000)
Increase in Bonds Receivable	(25,995,595)	-
Increase in Bond Interest Receivable	(1,154,518)	-
Increase in Investments	(225)	(16,286,430)
Increase in Accrued Expenses	34,000	10,000
Net Cash Flow from Investing Activities	**(27,140,338)**	**(16,296,430)**
Cash Flow from Financing Activities:		
Proceeds from issuance of shares	-	10,000
Increase in Due To Shareholder	9,674,020	-
Paid-in Capital	19,652,042	27,501,893
Net Cash Flow from Financing Activities	**29,326,062**	**27,511,893**
Net Increase (Decrease) in Cash	**3,107,480**	**11,021,390**
Cash and Cash Equivalents at Beginning of Year	**11,021,390**	-
Cash and Cash Equivalents at End of Year	**$14,128,870**	**$11,021,390**

Represented by:		
Cash and Cash Equivalents	$14,128,870	$11,021,390

1. INCORPORATION AND PRINCIPAL ACTIVITIES

National Assets Management Company Limited was incorporated under the Companies Act, 1995 of Antigua and Barbuda. The principal activities of the business are to acquire, purchase, lease, exchange or otherwise, lands and property of any tenure or any interest of the same in Antigua and Barbuda or elsewhere. The Government of Antigua and Barbuda is the sole Shareholder of the Company.
The registered office of the Company is located at Parliament Drive, St. John's, Antigua.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

(a) These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS') and comply with the provisions of the Companies Act.

(b) These financial statements have been prepared on the historical cost basis.

(c) These financial statements are presented in Eastern Caribbean Dollars, which is the Company's presentation currency. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates, the 'functional currency'. The Company's functional currency is Eastern Caribbean Dollars.

(d) The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed. The following presents the summary of these judgments which are estimates and which have the most significant effect on the amounts recognised in the financial statements:

(e) *Use of Estimates and Judgments*

Estimating Useful Lives of Property, Plant and Equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of internal technical evaluation and experience with similar assets. It is possible, however that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The Company purchased no property, plant and equipment during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

(f) *Impairment of Assets*

In accordance with the Company's policy on impairment of assets, the Company performs an impairment test when certain impairment indicators are present. In determining the present value of future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements.

(g) *Revenue Recognition:*

Revenue is comprised of the fair value of the consideration received or receivable for services rendered in the ordinary course of the Company activities. Revenue is recognised in the accounting period in which the services are rendered and is shown net of sales taxes and discounts.

(h) *Property, Plant and Equipment:*

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets is recognised in the statement of loss as incurred.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in the statement of loss.
When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of the property and equipment are recognised in the statement of profit and loss.

The Company has no property, plant and equipment as at the year-end date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

(i) *Foreign Currency Transactions:*

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and monetary liabilities denominated in foreign currencies at the balance sheet date are translated to Eastern Caribbean Dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Eastern Caribbean Dollars at the rates the values were determined.

(j) *Cash and Cash Equivalents:*

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

(k) *Other Current Assets:*

Other assets are stated at cost.

(l) *Accounts Payable and Accruals:*

Accounts payable and accruals are stated at their cost.

(m) *Provisions:*

A provision is recognised in the balance sheet when the Company has a legal or constructive 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.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

(n) *Impairment:*

The carrying amounts of the Company's tangible fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

(n) Impairment, cont'd:

The recoverable amount of tangible fixed 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 pre-tax discount rate that reflects current market assessments 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.

(o) Borrowing Costs:

Borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

(p) Operating Lease Payments:

Leases where the lessor retain substantially all the risks and benefits or ownership of the assets are classified as operating leases. Payments made under operating leases are recognised in the statement of loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

(q) Related Parties:

A party is related to the Company, if:

(i) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company; or has joint control over the Company;
(ii) the party is an associate of the Company;
(iii) the party is a joint venture in which the Company is a venturer;
(iv) the party is a member of the key management personnel of the Company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is the entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any Company that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

(q) Related Parties, cont'd:

(viii) *Government Grants & Disclosure of Government Assistance*

Grants - Government subventions are recognized in the statement of comprehensive income in the period in which the related expenses are recognized. Grants for non-current assets are recognized as deferred income and are recorded in the statement of comprehensive income over the period and in proportions in which depreciation expense on these assets are recognized.

(r) Investments

Investment held to maturity

Investments with fixed maturity profiles where management has both the intent and ability are hold to maturity, are classified as hold to maturity. Investments hold to maturity are initially recognized at cost and are subsequently remeasured at amortized cost less provision for impairment issues. Interest income earned while holding investment is reported as interest income.

Investment available for sale:

Investment intended to be held for an indefinite period which may be sold in response to the needs of liquidity, or changes in interest rates, exchange rates, or equity prices are classified as available for sale. Available for sale investments are initially recognized at cost and are subsequently remeasured at fair value based on quoted bid prices.

Un-quoted Investments:

Unquoted investments for which fair value cannot be reliably measured are recognized at cost less impairment. When the investments are disposed of or impaired, the related accumulated fair value adjustments are included in the Statement of Comprehension Income as gains in losses from investments.

(s) Taxation

The Company is not subject to taxation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, cont'd

(f) Financial Instruments:

(i) *Financial assets*

The Company classifies its financial assets as "loans and receivables" and "available-for-sale", depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(ii) *Financial Liabilities*

The Company's financial liabilities are initially measured at fair value, net of transaction cost, and are subsequently measured at amortised cost using the effective interest method.

3 CASH AND CASH EQUIVALENTS

	2018	2017
Caribbean Union Bank -Current a/c	14,080,743	10,986,601
Global Bank of Commerce - USD a/c	35,667	34,789
Caribbean Union Bank -USD a/c	12,461	-
	$14,128,870	**$11,021,390**

4 ACCOUNTS RECEIVABLE

	2018	2017
Cable & Wireless (C&W)	**$44,000**	**$20,000**

Amount due from Cable & Wireless for the rental of space on the Sunshine car park roof for C&W equipment at $2k per month.

5 BONDS RECEIVABLE

	2018	2017
National Housing and Development Bond	1,000,000	-
Antigua Pier Group Bonds	24,995,595	-
	$25,995,595	-

The Company loaned National Housing Development Company $1m for the purposes of street lighting for their Paynters development.

The Company loaned Antigua Pier Group US$9.275m in 2 tranches. Bond #1 of US$5.2m. Interest is due annually at a rate of 6% p.a. from February 15th 2019 with the principal due on February 15th 2023. Bond #2 of US$4m was issued on July 28th 2018 with an interest rate of 6% p.a. Interest is to be paid annually commencing on July 28th 2019 and the principle is due on July 28th 2023.

6 BOND INTEREST RECEIVABLE

	2018	2017
National Housing and Development Bond	51,452	-
Antigua Pier Group Bonds	1,103,066	-
	$1,154,518	-

Interest is due and receivable on the bonds as per note # 4 above.

7 OTHER INVESTMENTS

	2018	2017
Investment in Sunshine Hub car park	16,286,655	16,286,430
	$16,286,655	**$16,286,430**

The Sunshine Hub car park was purchased by the Company through the Government of Antigua and Barbuda (GOAB) for US$6.031m.

8 ACCRUED LIABILITIES

	2018	2017
Directors' Fees	29,000	-
Audit Fees	15,000	10,000
	$44,000	**$10,000**

9 DUE TO SHAREHOLDER

	2018	2017
Balance at December 31	**$9,674,020**	-

Amount due to the Estate of Ernest Henry for the purchase of lands at Valley Church. This amount was initially paid by NAMCO directly to the Estate for the Valley Church project. However this project is no longer being undertaken by the Company and therefore the amounts will be due to GOAB.

10 SHARE CAPITAL

	2018	2017
Authorised and Issued:		
10,000 ordinary shares of $1/each	**$10,000**	$10,000

The Government of Antigua and Barbuda is the sole shareholder of the Company.

11 ADDITIONAL PAID-IN CAPITAL

	2018	2017
Balance at December 31	**$47,153,935**	$27,501,893

Additional paid-in capital refers to monies injected by the Shareholder over and above the initial capital stock. An additional $19m was injected into the Company during the year under review.

During the previous year, additional paid-in capital was reduced by $803,127 due to payments to Valley Beach Resort on behalf of the Government of Antigua and Barbuda.

12 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, receivables and deposits. Financial liabilities include accounts payable and accruals and due to related parties.

Financial risk factors

The Company's activities expose it to a variety of financial risk, including the effects of changes in the debt market prices, and interest rates. Management seeks to minimize potential adverse effects on the financial performance of the Company by applying procedures to identify, evaluate and manage these risks, based on guidelines set by the Board of Directors.

(i) *Credit risk:*

Credit risk is the risk that one part to a financial instrument will fail to discharge an obligation and cause other party to incur a financial loss. The carrying amount of financial assets represents the maximum credit exposure.

(ii) *Liquidity risk:*

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

12 FINANCIAL INSTRUMENTS, cont'd

Financial risk factors, cont'd

(iii) Fair values:

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. Market price is used to determine fair value where an active market exists as it is the best evidence of fair value of a financial instrument. However market prices are not available for a significant number of financial assets and liabilities held and issued by the Company.
Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other values derived from applying these techniques which are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and discount rates.
All the Company's assets and liabilities are financial instruments, with the exception of prepayments and property and equipment.
The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

-Cash and Cash Equivalents
The carrying amounts of cash and cash equivalents approximate fair value.

-Investments
The fair values are generally based upon market price.

(iv) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company's foreign currency denominated assets and liabilities as of December 31 2018, other than the United States Dollar balances, are insignificant.

13 FINANCIAL CAPITAL RISK MANAGEMENT

The Company has exposure to following risk from its use of financial instruments:

-Credit Risk
-Liquidity Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.
The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures. The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

13 FINANCIAL CAPITAL RISK MANAGEMENT, cont'd

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit Risk

The Board of Directors manages the credit risk of the Company and actively monitors the receivables due.

(b) Liquidity Risk:

The Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when the fall due.
The Company's objectives when managing capital is to maintain a capital structure that provides a balance between the risk associated with higher level of borrowings and the advantages and security of a sound capital position.

The BOD has overall responsibility in monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's external environment and the risks underlying the Company's business operations and industry.

The Company monitors capital on the basis of the debt-equity ratio which is calculated as total debt divided by total equity. The debt is equivalent to accounts payable and accruals and due to related parties Total equity comprises all components of equity including share capital and accumulated deficit.
There were no changes in the Company's approach to capital management during the period.
The Company is not subject to any externally-imposed capital requirements.

The debt-to-equity ratio as of December 31 2018 are as follows:

	2018	2017
Debt	9,718,020	10,000
Equity	47,891,618	27,317,820
Debt to equity ratio (*1:x*)	0.20292	0.00037

14 CONTINGENT LIABILITIES

There are no contingent liabilities that the Company is likely to bear at December 31 2018.