

GLEN FOREST FUNDING COMPANY LIMITED

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT**

FOR THE YEAR ENDED 30 JUNE 2023

GLEN FOREST FUNDING COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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GLEN FOREST FUNDING COMPANY LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 30 JUNE 2023

Company registration number

WC-381389

The board of directors

Siddharth Sanghi

Amit Jain

Administrator

Walkers Corporate Limited

Registered Office

c/o Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

Investment manager

GII Investment Management Limited
c/o Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

Auditors

Russel Bedford (Cayman)
P.O. Box 1748
George Town
Grand Cayman KY1-1109
Cayman Islands

GLEN FOREST FUNDING COMPANY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The Directors have pleasure in presenting their report and financial statements for the year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The Company was incorporated to invest in Glen Forest Investor Corp. established in Delaware, United States of America on 20 September 2021 through Sharia structure towards the acquisition of the commercial property 'Glen Forest' a eleven-building suburban office portfolio in Richmond, Virginia. The Company has invested in 95% non voting equity shares of Glen Forest Investor Corp. The Company has also provided interest bearing promissory note to the Glen Forest Investor Corp.

RESULTS

The results for the period and the Company's financial position at the end of the year are shown in the attached financial statements.

During the financial year ended on 30 June 2023, by way of duly signed board resolutions, the Board of Directors ("BOD") had declared and paid dividend amounting to USD 2,751,000.

DIRECTORS


The Directors of the Company who served during the period were as follows:

	Date of appointment
Siddharth Sanghi	20-Sep-21
Amit Jain	20-Sep-21


INDEPENDENT AUDITORS

Russell Bedford (Cayman) were appointed as auditors and have indicated their willingness to remain in office and a resolution to re-appoint them as auditors will be proposed in the next Board Meeting.

Approved by the board on .31 January 2024.. and signed by:



Siddharth Sanghi
Director

DocuSigned by:

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Amit Jain
Director

Russell Bedford (Cayman)

P.O. Box 1748
George Town
Grand Cayman KY1-1109
Cayman Islands

T: +345 769 6001

31 January 2024

The Shareholders
Glen Forest Funding Company Limited
c/o Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of GLEN FOREST FUNDING COMPANY LIMITED (the "Company"), which comprise the statement of financial position as at 30 June 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board ("IASB").

Basis for Opinion

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

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

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

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 these financial statements.

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

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

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.

Russell Bedford (Cayman)

Russell Bedford (Cayman)
Chartered Accountants
& Registered Auditors

GLEN FOREST FUNDING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current assets			
Financial asset at fair value through other comprehensive income (FVTOCI)	3	31,466,764	20,384,727
Notes receivable	4	18,915,273	18,915,273
Total non-current assets		50,382,037	39,300,000
Current assets			
Cash and cash equivalent	5	1	1
Accrued interest	6	-	157,470
Total current assets		1	157,471
TOTAL ASSETS		50,382,038	39,457,471
LIABILITIES			
Current liabilities			
Amounts due to related parties	7	1,168,099	443,916
Accruals	9	7,350	7,350
Total current liabilities		1,175,449	451,266
TOTAL LIABILITIES		1,175,449	451,266
EQUITY			
Share capital	8	1,173	1
Share premium	8	11,719,702	-
Share application money received	8	27,579,126	39,300,000
Advance to shareholders		(1,175,449)	(293,796)
Other comprehensive income		11,082,037	-
TOTAL EQUITY		49,206,589	39,006,205
TOTAL LIABILITIES AND EQUITY		50,382,038	39,457,471

The Independent Auditor's Report is set out on pages 3 and 4.

These financial statements were approved by the directors and authorised for issue on 31 January 2024 and are signed by:



Siddharth Sanghi
Director

DocuSigned by:

Amit Jain

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Amit Jain
Director

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The notes on page 9 to 17 form part of these financial statements

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GLEN FOREST FUNDING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

		For the year ended 30 June 2023	For 284 day period ended 30 June 2022
	Notes	USD	USD
Revenue			
Income from notes receivable	10	1,889,636	1,112,786
Expenses			
General and administrative expenses	11	(20,289)	(31,082)
NET PROFIT		1,869,347	1,081,704
Gain in fair value		11,082,037	-
TOTAL COMPREHENSIVE INCOME		12,951,384	1,081,704

The Independent Auditor's Report is set out on pages 3 and 4.

The notes on page 9 to 17 form part of these financial statements.

GLEN FOREST FUNDING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Share capital USD	Share application money USD	Retained earnings USD	Advance to Shareholders* USD	Other Comprehensive Income USD	Total USD
Share capital introduced during the period	1	-	-	-	-	1
Share application money received during the period	-	39,300,000	-	-	-	39,300,000
Net profit	-	-	1,081,704	-	-	1,081,704
Dividend declared and paid	-	-	(1,081,704)	(293,796)	-	(1,375,500)
At 30 June 2022	<u>1</u>	<u>39,300,000</u>	<u>-</u>	<u>(293,796)</u>	<u>-</u>	<u>39,006,205</u>
As at 01 July 2022	1	39,300,000	-	(293,796)	-	39,006,205
Share capital	1,172	(1,172)	-	-	-	-
Share premium	11,719,702	(11,719,702)	-	-	-	-
Net profit	-	-	1,869,347	-	-	1,869,347
Dividend declared and paid	-	-	(1,869,347)	(881,653)	-	(2,751,000)
Gain on revaluation of financial asset at FVTOCI	-	-	-	-	11,082,037	11,082,037
At 30 June 2023	<u>11,720,875</u>	<u>27,579,126</u>	<u>-</u>	<u>(1,175,449)</u>	<u>11,082,037</u>	<u>49,206,589</u>

*Advances paid to shareholders represents excess dividend distributed during the year. This distribution was made out of cash profit available and treated as advances for the time being until fair value of the underlying investment reaches to original value.

The Independent Auditor's Report is set out on pages 3 and 4.

The notes on page 9 to 17 form part of these financial statements.

GLEN FOREST FUNDING COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	For the year ended 30 June 2023 USD	For 284 day period ended 30 June 2022 USD
Net profit	1,869,347	1,081,704
Adjustment for:		
Interest income	(1,889,636)	(1,112,786)
Operating cash flows before changes in working capital	(20,289)	(31,082)
Changes in working capital		
Income from notes receivable	1,889,636	955,316
Changes in accrued interest	157,470	-
Changes in accruals	-	7,350
Changes in amounts due to a related party	724,183	443,916
Net cash flows generated from operating activities	2,751,000	1,375,500
Cash used in investing activities		
Investment in promissory notes	-	(18,915,273)
Investment in Glen Forest Investor Corp.	-	(20,384,727)
Net cash flows used in investing activities	-	(39,300,000)
Cash flow from financing activities		
Transfer to share capital	1,172	1
Transfer to share premium	11,719,702	-
Transfer from share application money received	(11,720,874)	39,300,000
Dividend distributed	(1,869,347)	(1,375,500)
Advance to shareholders	(881,653)	-
Net cash generated from financing activities	(2,751,000)	37,924,501
Net change in cash	-	1
At the beginning of the period	1	-
At the end of the period	1	1

The Independent Auditor's Report is set out on pages 3 and 4.

The notes on page 9 to 17 form part of these financial statements.

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. Legal status and principal activities

Glen Forest Funding Company Limited ("the Company") is a company limited by shares incorporated in the Cayman Island on 20 September 2021 under registration number WC-381389.

The Company was incorporated to provide equity and promissory note to Glen Forest Investor Corp. a company established in Delaware as on 01 December 2021 through Sharia structure and collect dividends & profits at regular intervals.

The Company does not have any full time employees as it is managed by the Investment Manager, GII Investments Management Limited.

The registered address of the Company is at c/o Walkers Corporate Limited, 190, Elgin Avenue, George Town, Grand Cayman KY1-9008 Cayman Islands.

The Company has authorized share capital of USD 50,000 divided into 4,999,900 participating shares of USD 0.01 and 100 management shares of USD 0.01 each.

2. Basis of preparation and summary of significant accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and its interpretations, general principles of Islamic Sharia and applicable requirements of the laws of the Cayman Islands Monetary Authority (CIMA).

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency. All values are rounded off to the nearest USD, unless otherwise indicated.

New and amended standards and interpretations

The following standards, interpretations, and amendments apply for the first time to the financial reporting periods commencing on or after 01 July 2022:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 12 - Deferred Tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 1 and IFRS practice statement 2
- Amendments to IAS 8 - Definition of accounting estimates

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised standards issued but not yet effective

The following new and amended standards and interpretations have been issued but were not mandatory for annual reporting period ended 30 June 2023

- | | Effective date |
|---|----------------------------|
| • IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information | On or after 1 January 2024 |
| • IFRS S2 - Climate-related Disclosures | On or after 1 January 2024 |

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Basis of preparation and summary of significant accounting policies (continued)

New and revised standards issued but not yet effective

	Effective date
• Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	On or after 01 January 2024
• Non-current Liabilities with Covenants (Amendments to IAS 1)	On or after 01 January 2024
• Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	On or after 01 January 2024
• Lack of Exchangeability (Amendments to IAS 21)	On or after 01 January 2025

These amendments are not expected to have a material impact on the Company.

Use of estimates and judgements

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

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

There were no judgements made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income "FVTOCI" or through profit or loss "FVTPL"); and
- Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

On initial recognition, a financial asset is classified as measured: at amortised cost, FVTOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTOCI or FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if any.

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL or at amortised cost:

- The debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Basis of preparation and summary of significant accounting policies (continued)

Financial assets (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All other financial assets that are not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVTOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level as this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about the future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Impairment of financial assets and measurement of Expected Credit Losses ("ECL")

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For notes receivable, receivable from promissory note financing, amounts due from related parties and cash and cash equivalents, the Company has applied the simplified approach permitted by IFRS 9 - Financial instruments. The simplified approach is applied to a portfolio of notes receivable, receivable from promissory note financing and amounts due from related parties that are homogenous in nature and carry similar credit risk. However, the simplified approach requires expected lifetime losses to be recognised from initial recognition of the notes receivable and receivable from promissory note financing.

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Basis of preparation and summary of significant accounting policies (continued)

Financial assets (continued)

Impairment of financial assets and measurement of Expected Credit Losses ("ECL") (continued)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the statement of comprehensive income.

Derecognition of financial assets

The Company 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 Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

Financial liabilities and equity instruments

Classification of debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Company classifies non-derivative financial liabilities as accruals and advances received against notes receivable. Accruals and other advances received against notes receivable are recognised initially at fair value. Subsequently, non-derivative financial liabilities are measured at amortised cost using the effective interest method. 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 through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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.

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Basis of preparation and summary of significant accounting policies (continued)

Financial liabilities and equity instruments (continued)

Offsetting

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to settle on a net basis.

Share capital

Ordinary shares are classified as equity.

Share premium

Amounts received above the nominal share value are recorded as share premium.

Share application money

Share application money is funds received from investors during a share offering, indicating their commitment to purchase shares in a company.

Notes receivable

A promissory note is a financial instrument that contains a written promise by one party (the note's issuer or maker) to pay another party (the note's payee) a definite sum of money, either on demand or at a specified future date. A promissory note typically contains all the terms pertaining to the indebtedness, such as the principal amount, profit rate, maturity date, date and place of issuance, and issuer's signature.

Revenue

Revenue is recognised over a period of time for which the notes receivable is valid based on the terms and agreements as outlined in the contracts based on the effective interest method.

Revenue from the provision of services in the normal course of business is recognised either at a point in time or over time. The Company recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes all of the benefits provided by the Company as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If the Company does not satisfy its performance obligation over time, it satisfies it at a point in time. Revenue is recognised at the time when the underlying service is provided to the customer.

Revenue from the provision of services is therefore recognised at a point in time when the performance obligation is satisfied and is based on the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration which the Company expects to be entitled in exchange for transferring promised goods or services to the customer.

The consideration expected by the Company may include fixed or variable amounts. Revenue is recognised when it transfers control over goods or services to the customer and only when it is highly probable that a significant reversal of revenue will not occur when uncertainties related to a variable consideration are resolved.

Transfer of control varies depending on the individual terms of the contract of sale. Revenue from transactions that have distinct goods or services are accounted for separately based on their stand-alone selling prices. A variable consideration is recognised to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Expenses

Expenses are recognised when incurred.

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Basis of preparation and summary of significant accounting policies (continued)

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Financial asset at FVTOCI

	2023	2022
	USD	USD
Beginning balance	20,384,727	-
Additions during the period	-	20,384,727
Gain on revaluation of financial asset at FVTOCI	11,082,037	-
At 30 June 2023	<u>31,466,764</u>	<u>20,384,727</u>

On 01 December 2021, the Company subscribed for 9,500 number of participating shares with USD 0.01 par value at USD 2,145.76 per share of Glen Forest Investor Corp.

This represents a 95% non-voting interest in the equity shares of Glen Forest Investor Corp., a Company incorporated in the State of Delaware, USA and having its office at 251 Little Falls Drive, County of New Castle, Washington, Delaware 19808. Glen Forest Funding Company Limited has not accounted for this investment as a subsidiary since it is, by virtue of its relationship, unable to exercise significant control on Glen Forest Investor Corp. as it does not have voting rights.

The management has decided to present and measure this investment at FVTOCI as the investments are not held for trading and has irrevocably elected at initial recognition to recognise in this category.

4. Notes receivable

	2023	2022
	USD	USD
Beginning balance	18,915,273	-
Additions during the year	-	18,915,273
Promissory notes of Glen Forest Investor Corp	<u>18,915,273</u>	<u>18,915,273</u>

This represents the promissory note of Glen forest Investor Corp. (the "Maker") carrying an interest rate of 9.99% per annum payable by the Maker as per the agreed terms. The Promissory note will mature on 01 December 2026 and it is payable at full amount on the maturity date along with outstanding interest amount (if any).

The expected credit loss assessment for financial assets are based on assumptions of risk of default and expected loss rates. Glen Forest Investor Corp. has not defaulted payment in the past hence no impairment has been recognised during the period.

5. Cash and cash equivalent

	2023	2022
	USD	USD
Cash on hand	<u>1</u>	<u>1</u>

GLEN FOREST FUNDING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. Accrued interest

	2023 USD	2022 USD
Glen forest Investor Corp.	-	157,470

This amount represents receivable against interest on promissory notes as per the agreement.

7. Related party transactions

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between entities, which are under common control with the reporting enterprise or between the reporting enterprise and its key management personnel, directors, or its shareholder. Transactions between related parties are accounted for at agreed terms. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company, in the normal course of its business, enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24 - Related party disclosures. These transactions have been carried out on the basis of terms agreed between the Company and the management of the related parties.

Details of the Company's related party transactions is as follows:

	For the year ended 30 June 2023 USD	For 284 day period ended 30 June 2022 USD
Income from notes receivable	1,889,636	1,118,786

The related party balances in the statement of financial position are as follow:

	2023 USD	2022 USD
<u>Amounts due to related parties</u>		
GII Investment Management Limited (Shareholder)	44,020	23,732
Glen Forest Investor Corp. (Entity under common control)	1,124,079	420,184
	1,168,099	443,916
<u>Notes receivable</u>		
Promissory notes to Glen Forest Funding Corp	18,915,273	18,915,273

Details of the Company's related party transactions are as follows:

	2023 USD	2022 USD
Expenses paid on behalf of the Company	20,289	31,081

8. Share capital and share premium

The details of share capital are shown below:

	Number of shares			
	2023	2022	2023 USD	2022 USD
Authorized share capital				
Management shares with a par value of USD 0.01	100	100	1	1
Participating shares with a par value of USD 0.01	4,999,900	4,999,900	49,999	49,999
			50,000	50,000
Issued and paidup share capital				
Management shares with a par value of USD 0.01 each	100	100	1	1
Participating shares with a par value of USD 0.01	117,209.00	-	1,172	-
Share premium				
Shares issued at premium of USD 99.99 each	117,209.00	-	11,719,702	-
Share application				
Share application money			27,579,126	39,300,000

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9. Accruals	2023	2022
	USD	USD
Audit fee payable	7,350	7,350
	7,350	7,350

10. Income from notes receivable	For the year ended 30 June 2023	For 284 day period ended 30 June 2022
	USD	USD
Income from notes receivable	1,889,636	1,112,786

The company has issued the promissory note to Glen forest Investor Corp. (the "Maker") carrying an interest rate of 9.99% per annum payable by the Maker as per the agreed terms. The Promissory note will mature on 01 December 2026 and it is payable at full amount on the maturity date along with outstanding interest amount (if any).

11. General and administrative expenses	For the year ended 30 June 2023	For 284 day period ended 30 June 2022
	USD	USD
Administrative and annual registration expenses	12,939	23,732
Audit fees	7,350	7,350
	20,289	31,082

12. Financial instruments	2023	2022
	USD	USD
<u>Financial assets at amortized cost</u>		
Financial asset at fair value through other comprehensive income	31,466,764	20,384,727
Notes receivable	18,915,273	18,915,273
Accrued interest	-	157,470
	50,382,037	39,457,470
<u>Financial liabilities at amortized cost</u>		
Accruals	7,350	7,350
	7,350	7,350

The fair value of financial assets and liabilities approximate their book values at 30 June 2023. Accounting policies for financial assets and financial liabilities are set out in Note 2.

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2023:

Financial assets at FVTOCI	Level 1 USD	Level 2 USD	Level 3 USD
30 June 2023	-	-	31,466,764
30 June 2022	-	-	20,384,727

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12. Financial instruments (continued)

Sensitivity analysis – fair value of financial assets at FVTOCI

An increase/decrease of 10% in fair value due to change in valuation assumptions of financial assets at fair value through other comprehensive income as at the reporting date would have increased/decreased the net assets attributable to the shareholders and profit/(loss) for the year by USD 3,146,676 (2022: USD 2,038,473).

The investments at fair value through other comprehensive income have been valued based on Discounted Cash Flows (DCF) method, calculated by the respective fund manager, as derived from the underlying entity's financial statements and asset's valuation report.

13. Financial risk management objectives

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company's risk management approach seeks to minimise the potential material adverse effects from these exposures.

The company manages these risks as follows:

Credit risk

The Company is potentially exposed to concentration of credit risk from its financial assets which comprises notes receivable and amounts due from a related party.

Amounts due from related parties

The credit risk on receivable from promissory note financing is subjected to credit evaluations. The Company assesses the credit quality of notes receivable and promissory note financing, taking into account its financial position, past experience and other factors. Outstanding receivable balances are regularly monitored. The underlying entity, Glen Forest Investor Corp., has not defaulted on the payments of the interest income on notes receivable. Thus, management assessed the residual ECL to be immaterial and no ECL has been computed or recognised.

Liquidity risk

The management continuously monitors its cash flows to determine its cash requirements and makes comparisons with its funded facilities with banks and with its suppliers in order to manage exposure to liquidity risk.

14. Capital risk management

The capital structure of the Company consists of share capital, share premium and retained earnings. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

15. Comparative figures

Prior year's figures have been reclassified, where necessary, to confirm to the current year's presentation.

16. Events occurring after the reporting date

In accordance with the Board resolutions signed on 15 September 2023, and 15 December 2023, dividends amounting to USD 687,750 were disbursed in September 2023 and December 2023, respectively.

A total of 275,791 shares were issued to investors in the months of August 2023 and December 2023.

No other adjusting or significant non-adjusting events occurred between the reporting date and the date of authorization of the financial statements.