

Momentum Mutual Fund ICC Limited

**Annual Report and Audited Financial Statements
For the year ended 30 June 2020**

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2020

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Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

General Information

Address and Registered Office

PO Box 255
Trafalgar Court, Les Banques
St Peter Port, Guernsey
Channel Islands, GY1 3QL

Legal Advisors

Carey Olsen
Carey House
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 4BZ

Manager

Momentum Wealth International Limited
La Plaiderie House
La Plaiderie
St Peter Port, Guernsey
Channel Islands
GY1 1WF

Custodian

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3DA

Incorporated Cells (the "Incorporated Cells" or "Cells") of the Company

Brenthurst Global Balanced Fund IC Limited
Brenthurst Global Equity Fund IC Limited
Caleo Global Flexible Fund IC Limited
Engelberg Global Fund IC Limited
FGAM Global Cautious Fund IC Limited
FGAM Global Growth Fund IC Limited
Fintax International Balanced Fund IC Limited
Fintax International Growth Fund IC Limited
GF Worldwide Fund IC Limited
Momentum Global Balanced Fund IC Limited
Momentum Global Cautious Fund IC Limited

Directors

Robert Alastair Rhodes
Roxanne Power
Marie Curutchet
Ferdinand van Heerden (effective from 1 September 2019)

Administrator, Registrar & Secretary

Northern Trust International Fund Administration
Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port, Guernsey
Channel Islands
GY1 3QL

Independent Auditor

Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port, Guernsey
Channel Islands
GY1 4AF

Investment Manager of the Incorporated Cells

Momentum Global Investment Management Limited
The Rex Building
62 Queen Street
London
EC4R 1EB
United Kingdom

Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

Directors' Report

The Directors present their annual report together with the audited financial statements of Momentum Mutual Fund ICC Limited (the "Company"), for the year ended 30 June 2020.

Principal activities

The Company is an Incorporated Limited Liability Cell Company, incorporated and registered in Guernsey, with the Company number 44370. The Company has been authorised as an open ended Class B Collective Investment Scheme by the Guernsey Financial Services Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Company has established a number of Incorporated Cells whose activities and objectives are disclosed in the separate financial statements.

The following Incorporated Cells have been established by the Company and are presenting their first financial statements:

- Engelberg Global Fund IC Limited – Incorporated on 19 March 2019 and launched on 31 July 2019.
- PMK Wealth Global Cautious Fund IC Limited – Incorporated on 29 January 2019 and launched on 21 January 2020.
- PMK Wealth Global Growth Fund IC Limited – Incorporated on 29 January 2019 and launched on 21 January 2020.

The first accounting period of these newly Incorporated Cells ends on 30 June 2020.

COVID-19 assessment

The Directors have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the Company. Refer to note 2 for the detailed disclosure.

Directors

The Directors of the Company during the year and at the date of this report are set out on page 3.

Directors' interests

None of the Directors who held office during the year and at the date of this report had any disclosable interests in the shares of the Company.

Directors' responsibilities

The Directors are responsible for preparing the financial statements for each financial year, which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company as at the end of the financial year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 1987. They are also responsible for safeguarding the assets of the Company, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps they ought to have as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Board of Directors confirms that, throughout the period covered by the financial statements, the Company complied with the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to the extent it was applicable based upon its legal and operating structure and its nature, scale and complexity.

The annual report together with the audited financial statements of the Company and its Incorporated Cells are published on the Manager's website. The Manager is responsible for the maintenance and integrity of the website; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may occur to the financial statements after they are initially presented on the website. The Directors appreciate there is uncertainty regarding legal requirements of information published on the internet as it is accessible in many countries and legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors

In June 2017, the Independent Regulatory Board of Auditors published a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation ("MAFR"), whereby audit firms shall not serve as the appointed auditor of a public interest entity for more than 10 consecutive years, with effect from 1 April 2023.

The Board of Momentum Metropolitan Holdings Limited ("MMH"), together with its Audit Committee, has resolved to early adopt MAFR. As a consequence, PricewaterhouseCoopers Inc. rotated off the audit on conclusion of its external audit responsibilities for the year ended 30 June 2019, at the conclusion of MMH's annual general meeting held on 9 December 2019.

On 9 December 2019, Ernst & Young LLP, was appointed as Auditor to the Company in accordance with Article 31.1 of the Company's Articles of Incorporation and section 258 of the Companies (Guernsey) Law, 2008.



Marie Curutchet
Director

18 December 2020



Robert Rhodes
Director

Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOMENTUM MUTUAL FUND ICC LIMITED

Opinion

We have audited the financial statements of Momentum Fund ICC Limited (the "Company") for the year ended 30 June 2020 which comprise the Statement of Financial Position and the related notes 1 to 6, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

- ▶ give a true and fair view of the state of the Company's affairs as at 30 June 2020;
- ▶ have been properly prepared in accordance with International Financial Reporting Standards; and
- ▶ have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements issued by the International Ethics Standards Board for Accountants that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs require us to report to you where:

- ▶ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- ▶ proper accounting records have not been kept by the Company; or
- ▶ the financial statements are not in agreement with the Company's accounting records and returns; or
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 controls 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 the directors.

Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOMENTUM MUTUAL FUND ICC LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors 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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP
Guernsey, Channel Islands
21 December 2020

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2020

Statement of Financial Position

		30.06.20	30.06.19
	Notes	USD	USD
ASSETS			
CURRENT ASSETS			
Receivables	3	100	100
Total assets		<u>100</u>	<u>100</u>
EQUITY AND LIABILITIES			
Share capital	3	100	100
Total equity and liabilities		<u>100</u>	<u>100</u>
Net asset value per management share		<u>1.00</u>	<u>1.00</u>

The notes on pages 8 to 11 form part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 18 December 2020 and signed on its behalf by:



Marie Curutchet
Director



Robert Rhodes
Director

Momentum Mutual Fund ICC Limited

Annual Report and Audited Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements

1. General information

Momentum Mutual Fund ICC Limited (the "Company") is an Incorporated Limited Liability Cell Company, incorporated and registered in Guernsey, with Company number 44370. The Company has been authorised as an open ended Class B Collective Investment Scheme by the Guernsey Financial Services Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987.

The Company retains the right to create new Incorporated Cells with different investment objectives and terms in the future.

On 2 January 2020, amendments were made to the Prospectus of the Company of the Incorporated Cells. The amendments were made to the prospectus of the Company (which applies to all Incorporated Cells) (the "Core Prospectus") are not material and are summarised as follows:

- Ferdi van Heerden was added as a Director of the Company and the Cells;
- There has been a change of Auditors from PricewaterhouseCoopers LLP to Ernst & Young LLP;
- MMI Group and MMI Holdings names have changed to Momentum Metropolitan Life and Momentum Metropolitan Holdings Limited respectively;
- Robert Rhodes' details were updated;
- The Manager section has been updated, in respect of recent appointments of Directors within the Manager; and
- Engelberg Global Fund IC Limited has been added to the list of funds which have a derogation to rule 2.08(9) of the Rules.

2. Summary of significant accounting policies

The principal accounting policies detailed below have been consistently applied in the preparation of the financial statements of the Company and of the Incorporated Cells.

2.1 Basis of preparation

The financial statements for the Company have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

The financial statements have been prepared at an individual Incorporated Cell level. The non cellular assets and liabilities are in respect of the management shares issued by the Company, are disclosed on page 12.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, which are disclosed in note 3 of each Incorporated Cell's financial statements. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's and the Incorporated Cells' accounting policies.

The Directors have adopted a policy of applying new standards and interpretations when they become effective.

The COVID-19 pandemic and the resultant uncertain economic environment and financial market volatility caused by it has created uncertainty in the operating environment of the Company. All service providers have continued to operate effectively throughout the relevant COVID-19 local government restrictions. No concerns regarding liquidity, valuations or COVID-19 service provider issues have been identified that cause the Board to have any concern regarding the ongoing operation of the Company or that require any changes to the Financial Statements of the Company.

Notwithstanding the challenges arising from the impact of the COVID-19 virus, the Cell continues to operate, administer and price the Funds in accordance with regulatory requirements and in accordance with relevant accounting standards. The Company will continue to monitor fund liquidity and market volatility to ensure Funds are managed in the best interests of shareholders.

At the time of approving the financial statements, the Board has assessed redemption levels and there have been no significant redemptions.

After careful consideration the Board is satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements and they have a reasonable expectation that the Company will continue in existence as a going concern.

2.2 Adoption of new and revised standards

Standards, amendments and interpretations effective during the year

The following accounting standards, amendments and interpretations became effective for the first time this year:

- IFRS 16 Leases
- Amendments to References to the Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

(a) IFRS 16 Leases

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

IFRS 16 contains expanded disclosure requirements for lessees.

The adoption of IFRS 16 had no material impact on the net assets attributable to holders of ordinary redeemable shares of the Company as the Company is not party to any lease arrangements.

Notes to the Financial Statements (continued)

2.2 Adoption of new and revised standards (continued)

Standards, amendments and interpretations effective during the year (continued)

(b) (Amendments to IAS 1 and IAS 8) Definition of Material

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The adoption of above amendments to IAS1 and IAS8 had no material impact on the net assets attributable to holders of ordinary redeemable shares of the Company.

(c) (Amendments to IFRS 9) Prepayment Features with Negative Compensation

The IASB published Prepayment Features with Negative Compensation (Amendments to IFRS 9) to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets.

The amendments address changes regarding symmetric prepayment options and clarification regarding the modification of financial liabilities.

Changes regarding symmetric prepayment options

Management assessed the above and concluded the amendments have no effect on the Company's Financial Statements as the Company does not have any prepayable financial assets or interest-bearing financial liabilities that may require measurement modification.

(d) (Amendments to IFRS 9, IAS 39 and IFRS 7) Interest Rate Benchmark Reform - effective 1 January 2020

The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.

- In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The Board anticipates that the adoption of this standard, which will be adopted for the year ending 30 June 2021, will not have a material impact on the financial statements of the Company.

Standards, amendments and interpretations that are not yet effective

The following new standards, amendments and interpretations are not yet effective but will be applied, where relevant. Where EU effective date differs from the IASB effective date, these are explained below:

IFRS 17 – Insurance Contracts (effective date – 1 January 2023)

The Board anticipates that the adoption of this standard, which will be adopted for the year ending 30 June 2022, will not have a material impact on the financial statements of the Cell, on the basis that the Cell has not entered into any insurance contracts.

2.3 Foreign currency translation

(a) Functional and presentation currency

The currency in which the financial information is shown in the financial statements of the Company is deemed to be its functional and presentational currency. In arriving at the functional currency, the Directors have considered the primary economic environment of the Company, and in doing, so have considered the currency in which the original capital was raised, any distributions are to be made, performance is evaluated and ultimately, the currency in which capital would be returned on break up basis. They have also considered the currency to which the majority of the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that the currencies selected best represent the functional currencies.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

2.4 Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Incorporated Cells classify their investments in Collective Investment Schemes, equities, bonds and related derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified by the Board of Directors at fair value through profit or loss at inception. The Incorporated Cells do not classify any derivatives as hedges in a hedging relationship. Financial assets and financial liabilities are designated at fair value through profit or loss at inception, are managed, and their performance evaluated on a fair value basis in accordance with the Incorporated Cells documented investment strategy. Incorporated Cells policies are for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date of the underlying security, so long as the underlying transaction has been confirmed by the relevant counterparty as at the Statement of Financial Position date. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Incorporated Cells have transferred substantially all risks and rewards of ownership.

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income of each Incorporated Cell. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company and its Incorporated Cells adopted to utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value. As a practical expedient to establish fair value within the bid-ask spread, management will use mid-market pricing. The market price used for assets which are not traded in active markets are those as supplied by their Fund administrators.

2.5 Offsetting financial instruments

Financial assets and liabilities are 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 there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Forward currency contracts

Forward foreign currency contracts are treated as derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently remeasured at their fair value. Fair value is determined by rates in active currency markets. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is recognised immediately through profit or loss in the Statement of Comprehensive Income within other losses and gains in the period in which they arise.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.8 Other financial instruments

For other financial instruments, including amounts due to and from brokers and all receivables and payables, the carrying amounts as shown in the Statement of Financial Position approximate to fair value due to the short-term nature of these financial instruments.

2.9 Share capital

The Company has an authorised share capital of 100 Management shares of USD1.00 each.

2.10 Increase/(decrease) in net assets attributable to holders of participating redeemable shares from operations

Income not distributed is included in Net Assets Attributable to Holders of Participating Redeemable Shares of each Incorporated Cell financial statements.

2.11 Capital risk management

The fair value of the Company's financial assets and financial liabilities approximate to their carrying amounts at the reporting date. For the purposes of this disclosure, shares are considered to be capital.

The Company and its Incorporated Cells' objectives when managing capital are to safeguard their ability to continue as a going concern in order to provide returns for shareholders. There are no externally imposed capital requirements on the Company and its Incorporated Cells. The Incorporated Cells have no intention to borrow, other than to Fund short-term liquidity requirements. The Incorporated Cells may arrange an overdraft facility for such purposes. The Company may pledge or otherwise grant security over its assets in connection with such borrowings. Other than borrowing to meet short-term liquidity requirements, no borrowing is permitted at the Company level.

2.12 Interest and dividend income

Dividend income is recognised when the right to receive payment is established. All deposit interest and other income is accounted for on an accruals

2.13 Expenses

Expenses are accounted for on an accruals basis and all amounts have been allocated to the Statement of Comprehensive Income of each Incorporated Cell.

Momentum Mutual Fund ICC Limited
Annual Report and Audited Financial Statements for the year ended 30 June 2020

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.14 Custodian bank charges

Custodian bank charges include additional fees on top of the asking price of the security. The bid-asking spread is not disclosed as part of a custodian bank charge. This spread is included in the Statement of Comprehensive Income within the fair value net gain or loss.

2.15 Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (30 June 2019: £1,200).

The Incorporated Cells incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the Statement of Comprehensive Income.

3. Share capital

	30.06.20	30.06.19
	USD	USD
<i>Authorised</i>		
100 Management shares of USD1.00 each	100	100
	<u>30.06.20</u>	<u>30.06.19</u>
<i>Issued, called up and fully paid</i>		
100 Management shares of USD1.00 each	100	100

4. Related party transactions

Momentum Global Investment Management, the Investment Manager, and Momentum Wealth International, the Principal Manager, have agreements in place with certain Fund managers whereby the underlying assets are entitled to a rebate for management fees on Momentum holdings. To facilitate this, an accrual is maintained and these fees are receivable from the underlying assets and reflected in 'other income' in the Statement of Comprehensive Income of the applicable Incorporated Cells.

5. Ultimate controlling party

The ultimate controlling party of the Company is Momentum Wealth International Limited, which is registered in Guernsey, Channel Islands.

6. Subsequent events

These financial statements were approved for issuance by the Board on 18 December 2020. Subsequent events have been evaluated until this date.

No significant subsequent events have occurred in respect of the Company that are considered material to the understanding of these audited financial statements.