Company Registration Number: C91408

AGORA ESTATES P.L.C.

Annual Report and Consolidated Financial Statements

31 December 2021

Contents

Directors' Report

The directors present their annual report and the audited consolidated financial statements of the Group and the Company for the year ended 31 December 2021.

Principal activities

The parent company's principal activity is to hold shares in subsidiary companies registered in Malta. The subsidiary companies hold investment properties for capital appreciation and for rental income. The Group also holds properties held-for-resale.

Review of the business

The Group continued its trading operations during the year and has reported positive results. The level of business and the Group's financial position remain satisfactory, and the directors expect that the present level of activity will be improved in the foreseeable future. During the year ended 31 December 2021, the investment properties were revalued to an amount of €34,613,000 with a fair value movement recognised in the profit or loss of €6,383,975 (2020: fair value loss of €9,354).

The Company did not receive income from its subsidiaries during the year ended 31 December 2021. The Company's financial position remain satisfactory, and the directors expect that the present level of activity will be improved in the foreseeable future.

Results and dividends

The consolidated and separate statement of profit or loss and other comprehensive income is set out on page 4. The directors do not recommend the payment of a dividend.

Post balance sheet events

There were no adjusting or other significant non-adjusting events between the end of the reporting year and the date of authorisation by the Board of Directors.

Directors' Report – continued

Directors

The directors of the Company who held office during the year ended 31 December 2021 and as at the date of this report are:

Mr. Silvio Mifsud
Ms. Audrey-Anne Hughes
Mr. Joseph Schembri
Mr. James Zammit

In accordance with the Group's Articles of Association, the present directors shall remain in office.

Statement of directors' responsibilities

The Board of Directors are required by the Companies Act, 1995 to prepare consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of the profit or loss for that year.

In preparing the consolidated and separate financial statements, the Board of Directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgments and estimates;

- the consolidated and separate financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;

- the consolidated and separate financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business as a going concern.

The Board of Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the consolidated and separate financial statements comply with the Companies Act, 1995. This responsibility includes designing, implementing, and maintaining such internal controls, as the Board of Directors determines the necessary procedures to enable the preparation of the consolidation and separate financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Group and the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial reporting framework

The Board of Directors have resolved to prepare the Group's consolidated financial statements and the Company's separate financial statements for the year ended 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the European Union.

Directors' Report – continued

Effects of the Covid-19 pandemic

Following the outbreak of the Covid-19 pandemic, the Board of Directors have continued to actively monitor all developments currently taking place in Malta to take any immediate action to safeguard the interest of the Group and the Company as changes in the business environment become more evident. Such events might have an impact on the performance and financial position of the Group and the Company in the future due to any effects that this pandemic is having on the economy and the industry in which the Group and the Company operates.

The results for the current year show that the Group and the Company has achieved satisfactory results. Whilst the situation remains extremely fluid and future events may have an adverse effect on the Group's and the Company's profitability in the medium to longer term, as well as its liquidity and financial position, the outlook remains cautiously optimistic.

Despite the Group and the Company challenges faced during the peak of Covid-19 pandemic in 2021, the management of the Group and the Company have well-handled these challenges and the Group and the Company has continued its operations normally during the pandemic months.

Auditor

The auditor, Equis Assurance Limited, has intimated its willingness to continue in office and a resolution to reappoint them as auditor of the Group and the Company will be proposed at the forthcoming Annual General Meeting.

Registered address:

The registered office of the Group and the Company is Aries House, Mdina Road, Zebbug ZBG 9016 Malta.

By Order of the Board

Joseph Schembri
Director

James Zammit
Director

14 April 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	**The Group 2021**	The Group 2020 Restated	**The Company 2021**	The Company 2020
		€	€	**€**	€
Revenue	2	**1,448,769**	2,398,154	-	-
Cost of Sales	3	**(593,263)**	(1,173,738)	-	-
Gross profit		**855,506**	1,224,416	-	-
Administrative expenses	3	**(473,793)**	(291,938)	**(39,220)**	(206,582)
Waiver of balance due from subsidiary		-	-	**164,760**	-
Operating profit/(loss)		**381,713**	932,478	**125,540**	(206,462)
Investment income	5	**63**	101	-	1,031,547
Finance costs	7	**(82,982)**	(39,521)	-	-
Other income	6	**40,200**	81,168	-	120
Fair value gain/(loss) on investment properties		**6,383,975**	(9,354)	-	-
Profit before income tax		**6,722,969**	964,872	**125,540**	825,085
Income tax	8	**(2,015,645)**	(332,412)	-	(282,347)
Total comprehensive income for the financial year		**4,707,324**	632,460	**125,540**	542,738

The accounting policies and explanatory notes on pages 11 to 47 form an integral part of the consolidated and separate financial statements.

Consolidated Statement of Financial Position

	Notes	The Group 2021 €	The Group 2020 Restated €	The Company 2021 €	The Company 2020 €
		As at 31 December			
ASSETS					
Non-current assets					
Goodwill	11	**3,241,988**	3,241,988	**-**	-
Intangible assets	9	**4,147**	2,819	**4,147**	2,819
Investment properties	12	**34,613,000**	26,817,289	**-**	-
Tangible assets					
Property, plant and equipment	10	**64,905**	33,887	**-**	-
Trade and other receivables	15	**-**	-	**7,230,306**	7,230,306
Financial assets					
Investments in subsidiaries	13	**-**	-	**1,001,550**	1,001,550
		37,924,040	30,095,983	**8,236,003**	8,234,675
Current assets					
Inventories	14	**3,814,485**	4,330,738	**-**	-
Trade and other receivables	15	**2,288,469**	2,206,303	**110,651**	48,226
Contract assets	16	**112,983**	-	**-**	-
Cash and cash equivalents	25	**476,763**	602,999	**-**	62,500
		6,692,700	7,140,040	**110,651**	110,726
Total assets		**44,616,740**	37,236,023	**8,346,654**	8,345,401
EQUITY					
Capital and reserves					
Share capital	17	**942,501**	62,501	**942,501**	62,501
Retained earnings	18	**15,960,948**	11,253,624	**602,080**	476,540
Shareholder's contribution	19	**6,730,306**	6,730,306	**6,730,306**	6,730,306
Equity attributable to equity holders of the parent		**23,633,755**	18,046,431	**8,274,887**	7,269,347
Non-controlling interests		**1,317**	1,317	**-**	-
Total equity		**23,635,072**	18,047,748	**8,274,887**	7,269,347

Consolidated Statement of Financial Position – continued

		As at 31 December			
	Notes	**The Group 2021**	The Group 2020 Restated	**The Company 2021**	The Company 2020
		€	€	**€**	€
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	20	**5,374,209**	5,989,115	**-**	-
Deferred taxation	22	**2,915,040**	1,016,923	**-**	-
Trade and other payables	21	**125,998**	29,792	**-**	-
		8,415,247	7,035,830	**-**	-
Current liabilities					
Interest-bearing borrowings	20	**4,277,274**	4,532,731		-
Trade and other payables	21	**7,976,308**	7,322,265	**71,767**	1,076,054
Current taxation	23	**312,839**	297,449	**-**	-
		12,566,421	12,152,445	**71,767**	1,076,054
Total liabilities		**20,981,668**	19,188,275	**71,767**	1,076,054
Total equity and liabilities		**44,616,740**	37,236,023	**8,346,654**	8,345,401

The accountancy policies and explanatory notes on pages 11 to 47 form an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements on pages 4 to 47 were approved and authorised for issue by the Board of Directors on 14 April 2022 and were signed on its behalf by:

Joseph Schembri
Director

James Zammit
Director

Consolidated Statement of Changes in Equity

The Company	Note	Share capital €	Retained earnings €	Shareholder's contribution €	Total €
Balance at 1 January 2020		62,501	(66,198)	-	(3,697)
Comprehensive income					
Total comprehensive income for the financial year		-	542,738	-	542,738
Shareholder's contribution	19	-	-	6,730,306	6,730,306
Balance at 31 December 2020		**62,501**	**476,540**	**6,730,306**	**7,269,347**
Balance at 1 January 2021		62,501	476,540	6,730,306	7,269,347
Issue of share capital		880,000	-	-	880,000
Comprehensive income					
Total comprehensive income for the financial year		-	125,540	-	125,540
Balance at 31 December 2021		**942,501**	**602,080**	**6,730,306**	**8,274,887**

The accountancy policies and explanatory notes on pages 11 to 47 form an integral part of the consolidated and separate financial statements.

Consolidated Statement of Changes in Equity – continued

The Group

	Note	Share capital €	Retained earnings €	Shareholder's contribution €	Total €	Non-controlling interests €	Total Equity €
		Attributable to the equity holders of the parent					
Balance at 1 January 2020		62,501	10,621,165	-	**10,683,666**	1,316	**10,684,982**
Shareholder's contribution		-	-	6,730,306	**6,730,306**	-	**6,730,306**
Comprehensive income							
Total comprehensive income for the financial year		-	717,143	-	**717,143**	1	**717,144**
Prior period error		-	(84,684)	-	**(84,684)**	-	**(84,684)**
Balance at 31 December 2020 as restated		**62,501**	**11,253,624**	**6,730,306**	**18,046,431**	**1,317**	**18,047,748**
Balance at 1 January 2021 as restated		62,501	11,253,624	6,730,306	**18,046,431**	1,317	**18,047,748**
Issue of share capital	17	880,000	-	-	**880,000**	-	**880,000**
Comprehensive income							
Total comprehensive income for the financial year		-	4,707,324	-	**4,707,324**	-	**4,707,324**
Balance at 31 December 2021		**942,501**	**15,960,948**	**6,730,306**	**23,633,755**	**1,317**	**23,635,072**

Included in the Group's retained earnings are fair value gains net of deferred tax on investment property amounting to €16,096,411 (2020: €10,303,803) which are not distributable to the company's shareholders.

The accountancy policies and explanatory notes on pages 11 to 47 form an integral part of the consolidated and separate financial statements.

Consolidated Statement of Cash Flows

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Operating activities				
Cash generated from/(used in) operating activities	**1,843,419**	3,209,098	**(194,549)**	(64,202)
Interest received	**63**	101	**-**	-
Other income	**40,200**	81,168		
Interest paid	**(82,982)**	(39,521)	**-**	-
Tax paid	**(102,573)**	(118,483)	**-**	-
Tax refund	**435**	-	**-**	-
Net cash generated from/(used in) operating activities	**1,698,562**	3,132,363	**(194,549)**	(64,202)
Investing activities				
Purchase of intangible assets	**(3,383)**	(1,595)	**(3,383)**	(1,595)
Development of investment properties	**(1,265,521)**	(1,887,814)	**-**	-
Purchase of property, plant and equipment	**(54,531)**	(6,881)	**-**	-
Purchase of investment in subsidiaries	**-**	-	**-**	(880,000)
Net cash used in investing activities	**(1,323,435)**	(1,896,290)	**(3,383)**	(881,595)

Consolidated Statement of Cash Flows – continued

	Notes	**The Group 2021 €**	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Financing activities					
Issue of share capital		**880,000**	-	**880,000**	-
Increase in loan to subsidiary		-	-	-	(2,843,191)
Movement in loan from shareholder		-	(3,580,306)	-	(3,580,306)
Movement in non-controlling interest		-	1	-	-
Movement in related party balances		**(511,000)**	(3,236,400)	**(744,568)**	-
Increase in shareholder's contribution		-	6,730,306	-	6,730,306
Movement in long/short-term borrowings		**(823,319)**	(741,378)		-
Net cash (used in)/ generated from financing activities		**(454,319)**	(827,777)	**135,432**	945,797
Movement in cash and cash equivalents		**(79,192)**	408,296	**(62,500)**	-
Cash and cash equivalents at beginning of year		**542,801**	134,505	**62,500**	62,500
Cash and cash equivalents at end of year		**463,609**	542,801	-	62,500

The accountancy policies and explanatory notes on pages 11 to 47 form an integral part of the consolidated and separate financial statements.

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and comply with the Companies Act (Cap.386). The consolidated and separate financial statements have also been prepared in accordance with IFRS Standards adopted by the European Union and therefore the Group consolidated financial statements comply with Article 4 of the EU IAS Consolidated Regulation.

The consolidated and separate financial statements are prepared under the historical cost convention, except for the revaluation of investment properties that are measured at revalued amounts, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

i. Use of estimates and judgements

In preparing the consolidated and separate financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known. Except for the below, in the opinion of the Board of Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below.

Fair value of investment properties

The Group uses the services of professional valuers to revalue the investment properties. The professional valuers take into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

1. **Accounting policies** – continued

a. **Basis of preparation** – continued

i. **Use of estimates and judgements** – continued

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).

- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).

- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. As described in Note 12, the Group uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of investment properties.

Note 12 provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

However, in the opinion of the Board of Directors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

ii. **New and amended IFRS Standards that are effective for the current year**

In 2021, the Group and the Company adopted amendments to existing standards that are mandatory for the Group and the Company's accounting year beginning on 1 January 2021. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group and the Company's accounting policies impacting the financial performance and position. Furthermore, the Group and the Company did not adopt amendments to IFRS 16 issued in March 2021 in relation to COVID-19 related rent concessions.

1. **Accounting policies** – continued

a. **Basis of preparation** – continued

iii. **New and revised IFRS Standards in issue but not yet effective**

At the date of authorisation of these consolidated and separate financial statements, the Group and the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective had not yet been adopted by the EU:

IFRS 17 (including the June 2020 amendments to IFRS 17)	*Insurance Contracts*
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 1	*Classification of Liabilities as Current and Non-current*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Board of Directors do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group and the Company in future years.

1. Accounting policies – continued

b. Basis of consolidation

The Group's consolidated financial statements consolidate those of the parent company and all of its subsidiaries and sub-subsidiaries as of 31 December 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The subsidiaries have a reporting date of 31 December.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment losses from the Group's perspective. The amounts reported in the separate financial statement of the subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed off during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

c. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedure used to measure the amounts to be recognised at the acquisition date.

1. Accounting policies – continued

c. Business combinations and goodwill – continued

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the -purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposal operation and the portion of the cash-generating unit retained.

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided provided in the normal course of business, net of value-added tax and discounts, where applicable.

To determine whether to recognise revenue, the Group follows a 5-step process:

i. Identifying the contract with a customer
ii. Identifying the performance obligations
iii. Determining the transaction price
iv. Allocating the transaction price to the performance obligations
v. Recognising revenue when/as performance obligations are satisfied.

The Group recognises revenue from the following major sources:

i. Sales of inventory properties – completed property and property under development

ii. Construction works of residential and commercial properties – the Group provides construction related works to its customers. Revenue from construction works is recognised over time, based on the proportion of works performed to date. The Board of Directors considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

iii. Consideration upon assignment of promise of sale agreements.

1. Accounting policies – continued

e. Customer contract assets

The timing of revenue recognition may differ from customer invoicing. Contract assets presented in the consolidated statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred. By contrast, contract assets mainly refers to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. Contract assets are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

f. Foreign currencies

(i) Functional and presentation currency

Items included in the Group's consolidated, and the Company's separate financial statements are measured using the currency of the primary economic environment in which the entity operates. The Euro is the Group's and the Company's functional and presentation currency.

g. Intangible assets

Intangible assets comprise website development.

Website development is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 years. Costs associated with maintaining the website are recognised as an expense as incurred.

Where an indication of impairment exists, in that the carrying amount of an intangible asset is greater than its estimated recoverable amount, a charge is made to write down the value of the asset to its estimated recoverable amount (Accounting policy l).

h. Leases

The *Group as lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

1. Accounting policies – continued

i. Property, plant and equipment

Property, plant and equipment, comprising motor vehicles, fixture and fittings, computer and electronic equipment, are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

• Computer and electronic equipment	25%
• Furniture and fittings	10%
• Motor Vehicle	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Accounting policy (l)).

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are recognized as an asset when it is probable that the future economic benefits that are associated with the investment properties will flow to the entity and the cost can be measured reliably.

Investment properties are initially measured at cost, including transaction costs, less impairment losses. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in fair values of investment properties are included in profit and loss in the period in which they arise, including the corresponding tax effect. Fair values are determined by a professionally qualified architect on the basis of market values.

1. **Accounting policies** – continued

j. **Investment properties** – continued

Investment properties are derecognized either when they have been disposed of (i.e. at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit and loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment properties is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to or from investment properties only when there is a change in use. For transfers from inventory to investment properties at fair value, any difference between the fair value at the date of the transfer and its previous carrying amount should be recognised in profit or loss. For transfers from investment property carried at fair value to inventory the fair value at the change of use is the 'cost' of the property under its new classification.

k. **Investments in subsidiaries**

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting. The dividend income from such investments is included in the statement of profit or loss and other comprehensive income.in the accounting year in which the Company's rights to receive payment of any dividend is established. The Company gathers objective evidence that an investment is impaired. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

l. **Impairment of non-financial assets**

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

m. **Inventories**

Property held for development and resale

When the main object of a property project is the development for resale purposes, the asset is classified in the financial statements as inventory. Any elements of a project which are identified for business operation or long-term investment purposes are transferred at their carrying amount or fair value to property, plant and equipment or investment property when such identification is made and the cost thereof can be reliably segregated.

Property held for development is carried at the lower of cost and net realisable value.

1. Accounting policies – continued

m. Inventories – continued

Cost comprises the purchase cost of acquiring the property together with other costs incurred during its subsequent development, including:

(i) the costs incurred on development works, including demolition, site clearance, excavation, construction and other activities together with the costs of ancillary activities such as site security;
(ii) the cost of various design and other studies conducted in connection with the project together with all other expenses incurred in connection therewith;
(iii) any borrowing costs attributable to the development phases of the project.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Gains and losses on disposal of property inventories are determined by reference to their carrying amount and are taken into account in determining gross profit.

n. Fair value measurement

The Group measures non-financial assets such as investment properties at fair value at each statement of financial position date.

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

1. **Accounting policies** – continued

n. **Fair value measurement** – continued

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o. **Financial assets**

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition either at amortised cost, fair value through other comprehensive income ("OCI") or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, or for which the Group and the Company has applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value.

Trade and other receivables and contract assets that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1. **Accounting policies** – continued

o. **Financial assets** – continued

(a) *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost;
b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
d) Financial assets at fair value through profit or loss

The Group and the Company does not hold any financial assets at fair value through OCI, financial assets designated at fair value through OCI and financial assets at fair value through profit or loss.

(b) *Financial assets at amortised cost*

The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b) 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.

(c) *Financial assets at amortised cost*

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost are trade and other receivables and contract assets which are expected to be received within 1 year from year end.

(d) *Derecognition*

A financial asset is primarily derecognised when:

a) The rights to receive cash flows from the asset have expired; or
b) The Group and the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either the Group and the Company has transferred substantially all the risks and rewards of the asset or the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1. Accounting policies – continued

o. Financial assets – continued

(e) *Impairment*

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximate of the original effective interest rate. The expected cash flows will include cash flows from the sale of a collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group and the Company considers a financial asset in default when contractual payments are ninety (90) days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

p. Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

q. Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated and separate statement of financial position at face value. For the purposes of the consolidated and separate statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

1. Accounting policies – continued

r. Current and deferred taxation

The tax expense for the year comprises current and deferred taxation.

Taxation is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity, respectively.

Current tax is based on the taxable result for the year. The taxable result for the year differs from the results as reported in profit or loss because it excludes items which hare non-assessable or disallowed and it further excludes items that are taxable or deductible in other years. Current tax also includes any tax arising from dividends. It is calculated using the tax rates that have enacted or substantively enacted by the end of the reporting year, and any adjustments in relation to the prior years.

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred taxation is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

s. Share capital and dividends

Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

t. Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting year.

u. Employee benefits

The Group contribute towards the state pension in accordance with local legislation. The only obligation is to make the required contributions. Costs are expensed in the year in which they are incurred.

1. Accounting policies – continued

v. Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended years in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the year in which they are incurred.

w. Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Related party accounts are carried at cost, net of any impairment charge.

2. Revenue

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Sale of inventory properties	**685,000**	1,850,000	-	-
Constructions works	**112,983**	-	-	-
Consideration upon assignment of promise of sale agreements	**270,000**	-	-	-
Rental income	**380,786**	548,154	-	-
	1,448,769	2,398,154	-	-

The above fall under IFRS 15 and are recognised as follows:

Timing of revenue recognition

	2021 €	2020 €
At a point in time		
Sale of inventory properties	**685,000**	1,850,000
Consideration upon assignment of promise of sale agreements	**270,000**	-
	955,000	1,850,000

nt Auditor's Report – continued

tter – use of this report

eport, including the opinions, has been prepared for and only for the Group's and the Group's members as a dy in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do ot, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

David Busuttil
Director

For and on behalf of
Equis Assurance Limited
Certified Public Accountants

Nr. 11, "L-Ufficcji"
Misrah 28 ta' Frar 1883
Birkirkara
BKR1501
Malta

14 April 2022

2. Revenue – continued

	€	€
Over time		
Construction works	**112,983**	-

3. Profit of the year

Profit for the year has been arrived after charging:

	The Group 2021	The Group 2020 Restated	**The Company 2021**	The Company 2020
	€	€	**€**	€
Depreciation of property, plant and equipment (Note 10)	**23,513**	14,533	**-**	-
Amortisation of intangible assets (Note 9)	**2,055**	1,210	**2,055**	1,210
Staff costs (Note 4)	**282,310**	92,650	**-**	-
Directors' remuneration	**18,000**	93,000	**18,000**	18,000
Auditor's remuneration	**23,326**	18,168	**7,434**	3,538
Directors' fees	**8,000**	14,360	**8,000**	14,360
Cost of sales	**593,263**	1,173,738	**-**	-
Other expenses	**116,589**	58,017	**3,731**	169,474
Total cost of sales and administrative expenses	**1,067,056**	1,465,676	**39,220**	206,582

Cost of sales by category of activity:

	The Group 2021	The Group 2020 Restated	**The Company 2021**	The Company 2020
	€	€	**€**	€
Cost of sales of inventory properties	**493,263**	1,170,738	**-**	-
Commission payables	**-**	3,000	**-**	-
Construction costs	**100,000**	-	**-**	-
	593,263	1,173,738	**-**	-

3. Profit of the year – continued

Auditor's fees

Fees charged by the auditor for the services rendered during the financial years ended 31 December 2021 and 2020 relate to the following:

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Annual statutory audits	**23,326**	18,168	**7,434**	3,538

4. Staff costs

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Wages and salaries	**270,352**	89,914	**-**	-
Social security costs	**11,958**	2,736	**-**	-
	282,310	92,650	**-**	-

Average number of full-time equivalents employed by the Group and the Company during the year is 6 (2020:3).

5. Investment income

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Dividend receivables	**-**	-	**-**	1,031,547
Interest receivable on bank balances	**63**	101	**-**	-
	63	101	**-**	1,031,547

6. Other income

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Administration charges receivable	**40,125**	81,038	-	-
Purchase discounts taken	**75**	130	-	120
	40,200	81,168	-	120

7. Finance costs

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Interest payable on bank loans	**27,065**	1,071	-	-
Interest payable on third party loan	**17,184**	23,032	-	-
Other interest payable	**38,733**	15,418	-	-
	82,982	39,521	-	-

8. Income tax

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Current tax:				
At 5%	**34,250**	34,701	-	13,116
At 8%	-	84,945	-	-
At 15 %	**78,483**	15,750	-	-
At 35%	**4,544**	181,031	-	269,231
Under provision of prior year tax	**251**	16,733	-	-
Deferred tax charge/(credit) for the year (Note 22)	**1,898,117**	(748)	-	-
	2,015,645	332,412	-	282,347

The tax expense and the result of accounting profit multiplied by the statutory domestic income tax rate is reconciled as follows:

8. **Income tax** - continued

	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Profit before tax	**6,722,969**	964,872	**125,540**	825,085
Tax on accounting profit at 35% thereon	**2,353,039**	337,705	**43,939**	288,780
Tax effect of:				
Income not subject to tax	**(2,285,920)**	(42)	**(57,666)**	(42)
Income subject to reduced tax rates of tax	**(310,143)**	(548,854)	**-**	(78,695)
Non-allowable expenses	**231,555**	508,976	**13,727**	72,304
Other differences	**(5,605)**	16,733	**-**	-
Maintenance allowance on rental income	**(8,930)**	(31,020)	**-**	-
Unabsorbed trading losses	**143,532**	49,662	**-**	-
Movement in deferred tax	**1,898,117**	(748)	**-**	-
	2,015,645	332,412	**-**	282,347

9. Intangible assets

The Group / The Company

	Website Costs €	Total €
At 1 January 2020		
Cost	3,245	3,245
Accumulated amortisation	(811)	(811)
Net book amount	**2,434**	**2,434**
Movements for the year ended 31 December 2020		
Opening net book amount	2,434	2,434
Additions	1,595	1,595
Amortisation charge	(1,210)	(1,210)
Closing net book amount	**2,819**	**2,819**
At 31 December 2020		
Cost	4,840	4,840
Accumulated amortisation	(2,021)	(2,021)
Net book amount	**2,819**	**2,819**
Movements for the year ended 31 December 2021		
Opening net book amount	2,819	2,819
Additions	3,383	3,383
Amortisation charge	(2,055)	(2,055)
Closing net book amount	**4,147**	**4,147**
At 31 December 2021		
Cost	8,223	8,223
Accumulated amortisation	(4,076)	(4,076)
Net book amount	**4,147**	**4,147**

Amortisation charge of €2,055 (2020: €1,210) is included in administrative expenses.

10. Property, plant and equipment

The Group

	Furniture & fittings	Motor Vehicle	Computer & Electronic Equipment	Total
	€	€	€	€
At 1 January 2020				
Cost	69,262	34,599	-	103,861
Accumulated depreciation	(48,482)	(13,840)	-	(62,322)
Net book amount	**20,780**	**20,759**	-	**41,539**
Movements for year ended 31 December 2020				
Opening net book amount	20,780	20,759	-	41,539
Additions	6,881	-	-	6,881
Depreciation charge	(7,614)	(6,919)	-	(14,533)
Closing net book amount	**20,047**	**13,840**	-	**33,887**
At 31 December 2020				
Cost	76,143	34,599	-	110,742
Accumulated depreciation	(56,096)	(20,759)	-	(76,855)
Net book amount	**20,047**	**13,840**	-	**33,887**
Movements for year ended 31 December 2021				
Opening net book amount	20,047	13,840	-	33,887
Additions	21,011	30,043	3,477	54,531
Depreciation charge	(9,716)	(12,928)	(869)	(23,513)
Closing net book amount	**31,342**	**30,955**	**2,608**	**64,905**
At 31 December 2021				
Cost	97,154	64,642	3,477	165,273
Accumulated depreciation	(65,812)	(33,687)	(869)	(100,368)
Net book amount	**31,342**	**30,955**	**2,608**	**64,905**

11. Goodwill

The Group

	€
Movements for the year ended 31 December 2020	
Opening/closing net book amount	**3,241,988**
At 31 December 2020	
Net book amount	**3,241,988**
Movements for the year ended 31 December 2021	
Opening/closing net book amount	**3,241,988**
At 31 December 2021	
Net book amount	**3,241,988**

12. Investment properties

The Group

	2021 €	2020 €
Movements for the year ended 31 December		
Opening net book amount	**26,817,289**	24,938,829
Additions	**1,265,521**	1,887,814
Transfers from inventory	**181,215**	-
Transfers to inventory	**(35,000)**	-
Fair value gains/(loss) for the year	**6,383,975**	(9,354)
Closing net book amount	**34,613,000**	26,817,289
At 31 December		
Cost	**16,961,955**	15,530,722
Net fair value gains	**17,651,045**	11,286,567
Net book amount	**34,613,000**	26,817,289

The transfers from/(to) inventory during the current year relates to the transfer of properties resulting from a change in use, following management's assessment of whether the property meets, or ceases to meet, the definition of investment property.

12. Investment properties – continued

Fair value of investment properties

The Group's investment properties were revalued by an independent architect during the year 2021. The architect is qualified and has experience in valuation of properties. Any revaluation gain/loss net of applicable deferred income taxes is credited/charged to profit or loss for the year.

The current use of the properties equates to the highest and best use. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group's properties has been determined to fall within Level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 1. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

Details of the investment properties and information about the fair value hierarchy as at the end of year is as follows:

				Range of significant unobservable inputs	
	Fair value at 31 December		Valuation	Rental	Capitalisation
	2021	2020	technique	value	rates
Description	€	€		€	%
Commercial property	34,613,000	26,817,289	Future rental cash flows	€35 to €137 per square metre	5-6

The following amounts have been recognised in the consolidated statement of profit or loss and other comprehensive income in respect of investment properties:

	2021	2020
	€	€
Rental income	**380,786**	548,154

13. Investments in subsidiaries

The Company	2021	2020
	€	€
Movements for the year ended 31 December		
Opening net book amount	**1,001,550**	121,550
Additions	**-**	880,000
Closing net book amount	**1,001,550**	1,001,550
At 31 December		
Cost/net book amount	**1,001,550**	1,001,550

The subsidiaries, all of which are unlisted at 31 December are shown below:

Name	Registered office	Principal activities	Percentage of shares held 2021	2020
J. Zammit Developments Ltd	Aries House Mdina Road Zebbug ZBG 9016	The Company is engaged in trading of property held-for-resale.	**100%**	100%
Car-Sun Limited	Aries House Mdina Road Zebbug ZBG 9016	The Company's activity is to hold investment property for capital appreciation and rental income.	**100%**	100%
J. Zammit Estates Limited	Aries House Mdina Road Zebbug ZBG 9016	The Company's activity is to hold investment property for capital appreciation and rental income.	**100%**	100%
Zammit Business Centre Limited (Note)	Aries House Mdina Road Zebbug ZBG 9016	The Group is the holding company of De Rohan Business Centre Limited (100% holding)	**29.91%**	29.91%

Note: The Company owns 29.91% of Zammit Business Centre Limited, however, it also has 100% voting rights and thus the Company is the ultimate controlling entity of the subsidiary.

14. Inventories

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Property held-for-resale	**3,814,485**	4,330,738	-	-

15. Trade and other receivables

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Non-current				
Amount due from subsidiaries (Note iii)	-	-	**7,230,306**	7,230,306
Current				
Trade receivables (Note i)	**57,825**	128		-
Amounts due from related parties (Note ii)	**931,240**	1,274,045	**62,425**	-
Amounts due from immediate parent company (Note ii)	**14,644**	-	-	-
Amounts due from ultimate beneficial owner (Note ii)	**42,387**	-	-	-
Other receivables	**30,303**	7,075	-	-
Prepayments and accrued income	**1,212,070**	925,055	**48,226**	48,226
	2,288,469	2,206,303	**110,651**	48,226

Notes:

i. Trade receivables disclosed above are inclusive of amounts that are past due at the end of the reporting year for which the Group has not recognised an allowance and the amounts are still considered recoverable.

ii. Amounts due from related parties, immediate parent company and ultimate beneficial owner are unsecured, interest free and are repayable on demand.

iii. Amount due from subsidiaries are unsecured, interest free and it is not repayable within the next twelve months from the consolidated and separate statement of financial position date.

16. Contract assets

The Group

	2021	2020
	€	€
Construction contracts	**112,983**	-

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. This is reclassified to trade receivables at the point at which it is invoices to the customer.

Payment for €112,983 is not due from the customer until the roofing of the ground floor of the property is complete and therefore a contract asset is recognised over the period in which the developments are performed to represent the entity's right to consideration for the services transferred to date.

The directors of the Group always measures the loss allowance on amounts due from customers as outlined in Note 1 Accounting policy (e).

17. Share capital

	The Group 2021	The Group 2020	**The Company 2021**	The Company 2020
	€	€	**€**	€
Authorised				
3,770,000 (2020:250,000) Ordinary Shares of €1 each	**3,770,000**	250,000	**3,770,000**	250,000
Issued and paid up as follows:				
3,769,999 (2020:249,999) Ordinary Shares of €1 each, 25% paid up	**942,500**	62,500	**942,500**	62,500
1 Ordinary Shares of €1 each, 100% paid up	**1**	1	**1**	1
	942,501	62,501	**942,501**	62,501

By virtue of an extraordinary resolution dated 4 June 2021, it has been resolved to increase the Company's authorised share capital by €3,520,000 to €3,770,000 Ordinary Shares of €1 each. Furthermore, on the same date, the Company increased its issued share capital by a capitalisation of loan 25% paid up out of 3,520,000 Ordinary Shares of €1 each which is equal to €880,000.

18. Retained earnings

The Group and the Company's retained earnings represent accumulated profits and losses since incorporation date. Included in the Group's retained earnings are undistributable reserves amounting to €16,096,411 (2020:€10,303,803) relating to the revaluation amount net of deferred tax on investment property.

19. Shareholder's contribution

The Group/The Company

	2021	2020
	€	€
Shareholder's contribution	**6,730,306**	6,730,306

The shareholder's contribution represents contributions from the beneficiary owners to finance its operations.

This amount is unsecured, interest free and is repayable at the option of the Company.

20. Interest-bearing borrowings

	The Group 2021	The Group 2020	**The Company 2021**	The Company 2020
	€	€	**€**	€
Non-current				
Bank loans	**5,374,209**	5,989,115	-	-
Current				
Bank loans	**853,787**	925,265	-	-
Bank overdraft	**13,154**	87,191	-	-
Amounts due to related party (Note)	**3,410,333**	3,520,275	-	-
	4,277,274	4,532,731	-	-
	9,651,483	10,521,846	-	-

Note:

Other loan from related party is unsecured, bears interest at 4.3% per annum and is repayable on demand.

The bank loans are secured by special and general hypothecs over the company's assets.

Apart from the above bank borrowings, the Group has undrawn loan facilities amounting to €3,000,000 (2020: €5,800,000).

20. Interest-bearing borrowings – continued

Weighted average effective interest rates during the reporting year:

	The Group 2021 %	The Group 2020 %	**The Company 2021 %**	The Company 2020 %
Bank overdraft	**7.5**	7.5	-	-
Bank loans	**4.75-5**	4.75-5	-	-
Other loans	**4.3**	4.3	-	-

Maturity of bank and other loans falling due after more than one year:

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Between 1 and 2 years	**741,504**	1,212,946	-	-
Between 2 and 5 years	**2,334,610**	2,280,868	-	-
Over 5 years	**2,298,095**	2,495,301	-	-
	5,374,209	5,989,115	-	-

21. Trade and other payables

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Non-current				
Amounts due to related parties (Note)	**115,321**	29,792	-	-
Amounts due to ultimate beneficial owner (Note	**10,677**	-	-	-
	125.998	29,792	-	-

Note:

Amount due to related parties and ultimate beneficial owner is unsecured, interest free and is not repayable before twelve months from the date of the reporting year.

21. Trade and other payables - continued

	The Group 2021	The Group 2020 Restated	**The Company 2021**	The Company 2020
	€	€	**€**	€
Current				
Trade payables	**1,454,021**	1,590,251	**-**	590
Other payables	**413,467**	167,335	**-**	-
Amounts due to related parties (Note)	**2,380,815**	2,714,747	**33,626**	658,988
Amounts due to subsidiary (Note)	**-**	-	**23,155**	244,695
Amounts due to immediate parent company (Note)	**29,629**	-	**-**	-
Amounts due to ultimate beneficial owner (Note)	**102,376**	-	**-**	-
Advance deposits	**3,097,467**	2,564,074	**-**	-
Accruals	**498,533**	285,858	**14,986**	171,781
	7,976,308	7,322,265	**71,767**	1,076,054

Note:
Amounts due to related parties, subsidiary, immediate parent company and ultimate beneficial owner are unsecured, interest free and are repayable on demand.

22. Deferred taxation

	The Group 2021	The Group 2020	**The Company 2021**	The Company 2020
	€	€	**€**	€
At beginning of year	**1,016,923**	1,017,671	**-**	-
Charge/(Credit) to consolidated income statement (Note 8)	**1,898,117**	(748)	**-**	-
At end of year	**2,915,040**	1,016,923	**-**	-

Deferred tax is analysed as follows:

	The Group 2021	The Group 2020	**The Company 2021**	The Company 2020
	€	€	**€**	€
Net deferred tax asset at:				
Fair value movement on investment property	**2,915,040**	1,016,923	**-**	-

23. Current taxation

Income tax payable is made up as follows:

	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Balance at 1 January	**297,449**	82,771	-	-
Current tax charge for the year (Note 8)	**117,277**	316,427	-	282,347
Under provision of prior year tax (Note 8)	**251**	16,733	-	-
Tax refund	**435**	-	-	-
Withholding tax paid	**(90,751)**	(119,646)	-	(282,347)
Settlement tax paid	**(15,754)**	-		
Fines and interest	**3,932**	1,164	-	-
Balance at 31 December	**312,839**	297,449	-	-

24. Cash generated from/ (used in) operations

Reconciliation of operating profit/(loss) to cash generated from/ (used in) operations:

	The Group 2021 €	The Group 2020 €	The Company 2021 €	The Company 2020 €
Operating profit/(loss)	**381,713**	932,478	**125,540**	(206,462)
Adjustment for:				
Amortisation of intangible assets (Note 9)	**2,055**	1,210	**2,055**	1,210
Depreciation of property, plant and equipment (Note 10)	**23,513**	14,534		-
Waiver of balance due from subsidiary	-	-	**(164,760)**	-
Changes in working capital:				
Inventories	**370,038**	588,402	-	-
Trade and other receivables	**(203,180)**	255,451	-	-
Contract assets	**(112,983)**			
Trade and other payables	**1,382,263**	1,417,023	**(157,384)**	141,050
Cash generated from/ (used in) operations	**1,843,419**	3,209,098	**(194,549)**	(64,202)

The Group's principal non-cash transaction during the year ended 31 December 2021, related to the transfer of inventory to/from investment properties due to change in use amounting to €216,215.

25. Cash and cash equivalents

For the purposes of the consolidated and separate statement of cash flows, the cash and cash equivalents at the end of the year comprise the following:

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Cash at bank	**476,763**	602,999	-	62,500
Bank overdraft	**(13,154)**	(60,198)	-	-
Balance at 31 December	**463,609**	542,801	-	62,500

26. Related party transactions

Year end balances due from or to related parties, subsidiaries, immediate parent company and ultimate beneficial owner are disclosed in notes 15, 20 and 21 to these consolidated financial statements.

The Group and the Company also entered into related party transactions on an arm's length basis with its subsidiaries. Transaction between the Group have been eliminated on consolidation. Transactions with related parties are also made on an arm's length basis.

The following transactions were carried out with related parties:

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Sales of services				
Other related parties	**127,570**	523,154	-	-
Purchases of services				
Other related parties	-	179,934	-	164,760
Investment income				
Subsidiaries	-	-	-	1,031,547
Non-current receivables				
Amount due from subsidiaries				
Beginning of the year	-	-	**7,230,306**	-
Assignment of loan during the year	-	-	-	7,230,306
	-	-	**7,230,306**	7,230,306

26. Related party transactions – continued

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Current receivables				
Amount due from subsidiary				
Beginning of the year	**-**	-	**-**	3,580,306
Assignment to capital contribution	**-**	-	**-**	(3,580,306)
	-	-	**-**	-
Amount due from related parties				
Beginning of the year	**1,274,045**	548,951	**-**	-
Assignment of debt	**-**	(30,804)	**-**	-
Set off between intercompany for security deposit paid	**-**	(394,535)	**-**	-
Movements during the year	**(342,805)**	1,150,433	**62,425**	-
	931,240	1,274,045	**62,425**	-
Amount due from immediate parent company				
Payments of expenses on behalf of	**14,644**	-	**-**	-
Amount due from/(to) ultimate beneficial owner				
Beginning of the year	**(3,600)**	-	**-**	-
Transfer from amounts due to shareholder	**-**	(249,200)		
Payments of expenses on behalf of ultimate beneficial owner	**61,500**	245,600	**-**	-
Payments of expenses on behalf of the company	**(15,513)**	-	**-**	-
	42,387	(3,600)	**-**	-

26. Related party transactions – continued

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Interest bearing borrowings - current				
Amounts due to related party				
Beginning of the year	**3,520,275**	-	-	-
Movements during the year	**(109,942)**	3,520,275	-	-
	3,410,333	3,520,275	-	-
Trade and other payables – non-current				
Amount due to related parties				
Beginning of the year	**29,792**	-	-	-
Movements during the year	**85,529**	29,792	-	-
	115,321	29,792	-	-
Amount due to ultimate beneficial owner				
Payments of expense on behalf of the company	**10,677**	-	-	-
Trade and other payables – current				
Amount due to ultimate beneficial owner				
Movements during the year	**102,376**	-	-	-
Amount due to immediate parent company				
Movements during the year	**29,629**	-	-	-
Amount due to shareholder				
Beginning of the year	-	3,580,306	-	3,580,306
Repayments made during the year	-	(3,580,306)	-	(3,580,306)
Assignment from amounts due to related parties	**880,000**	-	**880,000**	-
Issue of share capital	**(880,000)**	-	**(880,000)**	-
	-	-	-	-

26. Related party transactions – continued

	The Group 2021 €	The Group 2020 €	**The Company 2021 €**	The Company 2020 €
Amount due to related parties				
Beginning of the year	**2,714,747**	8,715,922	**658,988**	20,000
Advances during the year	**546,068**	-	-	638,988
Payments during the year	-	(6,001,175)	**5,438**	-
Assignment from amounts due from shareholder	**(880,000)**	-	**(880,000)**	-
Assignment to amounts due to subsidiary	-	-	**249,200**	-
	2,380,815	2,714,747	**33,626**	658,988
Amount due to subsidiary				
Beginning of the year	-	-	**244,695**	187,086
Advances made to the Group	-	-	-	319,925
Payments made during the year	-	-	**27,660**	-
Dividends issued	-	-	-	(262,316)
Assignment of receivable			**(249,200)**	-
	-	-	**23,155**	244,695
Key management compensation				
Directors' remuneration	**18,000**	93,000	**18,000**	18,000
Directors' fees	**8,000**	14,360	**8,000**	14,360

Shareholders' contributions have been disclosed in note 19 whilst Investment in subsidiary have been disclosed in note 13.

27. Financial risk management

Overview

The Group and the Company has an exposure to the following risks arising from the use of financial instruments within its activities:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's and the Company's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Group's and the Company's management of capital. Further quantitative disclosures are included in these consolidated financial statements.

27. **Financial risk management** – continued

Overview – continued

The responsibility for the management of risk is vested in the Board of Directors. Accordingly, it is the Board of Directors who have the overall responsibility for establishing an appropriate risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and the Company's trade and other receivables and cash and cash equivalents held at banks. The carrying amounts of financial assets represent the maximum credit exposure.

The Group and the Company assesses the credit quality of its customers by taking into account their financial standing, past experience, any payments made post reporting date and other factors, such as bank references and the customers' financial position.

Management is responsible for the quality of the Group's and the Company's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

The Group's and the Company's policy is to deal only with credit worthy counterparties. The credit terms are generally 90 days. The Group and the Company regularly review the ageing analysis together with the credit limits per customer.

Impairment of Trade and other receivables and contract assets

To measure the expected credit losses, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Management considers the probability of default from such trade and other receivables and contract assets to be not material. In view of this, the amount calculated using the 12-month expected credit loss model is considered to be very insignificant. Therefore, based on the above, no loss allowance has been recognized by the Group and the Company.

Cash and cash equivalents

The cash and cash equivalents held with banks as at 31 December 2021 and 2020 are callable on demand and held with local financial institutions with high quality standing or rating. Management considers the probability of default from such banks to be insignificant. Therefore, based on the above, no loss allowance has been recognized by the Group and the Company.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Generally, the Group and the Company ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations.

27. Financial risk management – continued

Liquidity risk – continued

The table below analyses the Group and the Company's financial liabilities into relevant maturity grouping based on the remaining period at the end of the reporting period to the contractual maturity date. Trade and other payables are all repayable within one year.

The Group

As at 31 December 2021	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Interest-bearing borrowings	4,277,274	741,504	2,334,610	2,298,095	9,651,483	9,651,483
Trade and other payables	7,976,308	-	-	125,998	8,102,306	8,102,306
Current taxation	312,839	-	-	-	312,839	312,839
	12,566,421	**741,504**	**2,334,610**	**2,298,095**	**18,066,628**	**18,066,628**

As at 31 December 2020	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Interest-bearing borrowings	4,532,731	1,212,946	2,280,868	2,495,301	10,521,846	10,521,846
Trade and other payables	7,322,265	-	-	29,792	7,352,057	7,352,057
Current taxation	297,449	-	-	-	297,449	297,449
	12,152,445	**1,212,946**	**2,280,868**	**2,525,093**	**18,171,352**	**18,171,352**

The Company

As at 31 December 2021	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Trade and other payables	71,767	-	-	-	71,767	71,767

27. Financial risk management – continued

Liquidity risk – continued

As at 31 December 2020	Less than 1 year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €	Carrying amount €
Trade and other payables	1,076,054	-	-	-	1,076,054	1,076,054

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the fair value or future cash flows of a financial instrument. The objective of market risk is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The operating cash flows of the Group and the Company are influenced by changes in market interest rates. Up to the statement of financial position date, the Group and the Company did not have any hedging arrangements with respect to the exposure of floating interest rate risk. The Group and the Company is not exposed to foreign exchange risk since all operations are conducted locally in the Group and the Company's functional currency.

Capital management

It is the policy of the Board of Directors to maintain an adequate capital base in order to sustain the future development of the business and safeguard the ability of the Group and the Company to continue as a going concern. In this respect, the Board of Directors monitor the operations and results of the Group and the Company, and also monitor the level of dividends, if any, payable to the ordinary shareholders. The Group and the Company are not subject to externally imposed capital requirements. There were no changes in the Group's and the Company's approach to capital management during the year.

Fair values

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, contract assets, payables and accrued expenses and short-term borrowings reflected in the consolidated and separate financial statements are reasonable estimates of fair value. The fair values of loans are not materially different from their carrying amounts.

28. Post balance sheet events

There were no adjusting or significant non-adjusting events that have occurred between the end of the reporting year and at the date of authorisation by the Board of Directors.

29. Prior year adjustment

The Group received invoices from suppliers in 2021 that related to inventory properties sold during financial year 31 December 2020 and which were completely omitted from the books of that particular year. A prior year adjustment is being passed to correctly reflect this transaction. The effect of the restatement on those consolidated financial statements is summarized below:

	As previously stated €	As restated €	Difference €
Effect on income statement			
Direct costs	1,089,054	1,173,738	84,684
Effect on balance sheet			
Accrued expenses	2,765,247	2,849,931	(84,684)

30. Commitments

Operating lease commitments - the Group is the lessor

The operating leases relating to investment properties owned by the Group have terms between 1 and 10 years. The lessee does not have the option to purchase the properties at the expiry of the lease period. The income earned under the operating lease amounted to EUR236,550 (2020: EUR105,000).

At the end of the reporting period, the lessee had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2021 €	2020 €
Not later than 1 year	**160,000**	105,000
Later than 1 year and not later than 5 years	**377,083**	288,750
	537,083	393,750

31. Statutory information

AGORA ESTATES P.L.C. is a public limited Group and is registered in Malta.

The ultimate parent company of AGORA ESTATES P.L.C. is Zammit Holdings Limited, a private limited Group registered in Malta with its registered address at Aries House, Triq tal-Hlas, Zebbug, Malta.

The ultimate controlling party of the Group is Mr James Zammit of 81, Triq Il-Qiegha, Attard, Malta.

32. Comparative information

Certain comparative information has been reclassified to conform with the current year's disclosure for the purpose of fairer presentation.

Independent Auditor's Report

To the Members of AGORA ESTATES P.L.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Agora Estates p.l.c. (the "Company") and its subsidiaries (collectively the "Group"), set out on pages 4 to 47, which comprise the consolidated and separate statement of financial position as at 31 December 2021, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2021, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, 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.

Other Matter

The consolidated and separate financial statements of Agora Estates p.l.c. for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on these statements on 31 July 2021.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the consolidated financial statements does not cover this information, including the directors' report. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

Other Information – continued

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Board of Directors

The Board of Directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with EU IFRSs, and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and 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 Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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.

- Conclude on the appropriateness of the Board of 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.

Independent Auditor's Report – continued

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements – continued

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:
- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The consolidated financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities

...tter – use of this report

...eport, including the opinions, has been prepared for and only for the Group's and the Group's members as a ...dy in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

David Busuttil
Director

For and on behalf of
Equis Assurance Limited
Certified Public Accountants

Nr. 11, "L-Ufficcji"
Misrah 28 ta' Frar 1883
Birkirkara
BKR1501
Malta

14 April 2022