

GOLDVEST COMPANY LIMITED

ANNUAL REPORT

For the year ended 31 December 2020

GOLDVEST COMPANY LIMITED

Company Information

Directors : Mr Malcolm Cassar
Ms Sarah Cassar
Mr Carmel Pullicino
Mr Edward Vella

Secretary : Mr Malcolm Cassar

Company number : C 18266

Registered office : Hotel Imperial
Triq Rodolfu
Sliema

Auditors : KSi Malta
6, Villa Gauci
Mdina Road
Balzan, BZN 9031

Business address : Hotel Imperial
Triq Rodolfu
Sliema

Banker : Bank of Valletta plc.
Triq il-Rand
Attard

GOLDVEST COMPANY LIMITED

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GOLDVEST COMPANY LIMITED

Report of the Directors

For the year ended 31 December 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to act as a holding company and to own property to be used by other group companies.

Review of the business

The profit for the year before tax amounted to €207,736. The company's turnover consist of rental income receivable from its subsidiary. Turnover for the year amounted to €255,000. The company net assets amount to € 4,772,203 (2019: € 2,731,567).

Dividends

The directors do not recommend the payment of a dividend.

Financial risk management

The company's activities potentially expose it to a variety of financial risks: credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(b) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that services are made to customers with an appropriate credit history.

GOLDVEST COMPANY LIMITED

Report of the Directors (continued)

For the year ended 31 December 2020

Future developments

The Board main objective to continue to expand the Company's business model. The company during 2021 finished the development of the new senior citizen home in Sliema and welcomed first residents.

Directors

The following have served as directors of the company during the year under review:

Mr Malcolm Cassar
Ms Sarah Cassar
Mr Carmel Pullicino
Mr Edward Vella

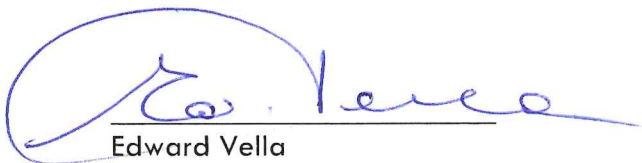
In accordance with the company's Articles of Association the present directors remain in office.

Directors' interest

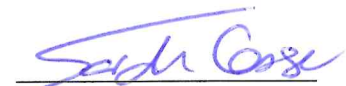
The directors' have no beneficial interest in the shares of the company as at 31 December 2020.

Auditors

KSi Malta has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming annual general meeting.



Edward Vella
Director



Sarah Cassar
Director

14 September 2021

Directors' Responsibilities

For the year ended 31 December 2020

Company law requires the directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Account for income and charges relating to the accounting period on the accrual basis;
- Value separately the components of assets and liabilities items; and
- Report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintain 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. The directors 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.

GOLDVEST COMPANY LIMITED

Independent Auditors' Report

To the shareholders of Goldvest Company Limited

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Goldvest Company Limited (the Company), set out on pages 8 to 38, which comprise the balance sheet as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements fairly present the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 financial statements for the year ended 31 December 2019 were carried out by another auditor who exercised an unmodified opinion on 18 April 2020.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Directors' Responsibilities. Our opinion on the financial statements does not cover this information. 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.

GOLDVEST COMPANY LIMITED

Independent Auditors' Report (continued)

Other Information (continued)

With respect to the Report of the Directors and the Directors' Responsibilities, we also considered whether the Report of Directors and Directors' Responsibilities 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 Report of the Directors and the Directors' Responsibilities for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors and the Directors' Responsibilities has been prepared in accordance with the Maltese Companies Act (Cap.386).

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

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the director 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 has no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement and maintain professional scepticism throughout the audit. We also:

GOLDVEST COMPANY LIMITED

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 auditors' 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 auditors' 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 the 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.

Report on Other Legal and Regulatory Requirements

We have responsibilities under the Companies Act, 1995 enacted in Malta to report to you if, in our opinion:

- The information given in the Report of the Directors is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.


GOLDVEST COMPANY LIMITED

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

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



Joseph Gauci (Partner) for and on behalf of

KSi Malta
Certified Public Accountants
Balzan
Malta

14 September 2021

GOLDVEST COMPANY LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 €	2019 €
Revenue	5	255,000	52,272
Administration expenses	6	(42,737)	(57,975)
Operating profit/(loss)		212,263	(5,703)
Finance cost	6	(4,527)	(41)
Net finance cost		(4,527)	(41)
Profit/(Loss) before tax		207,736	(5,744)
Income tax expense	7	(767,099)	-
Loss for the year		(559,363)	(5,744)
Other comprehensive income for the year			
Other comprehensive income for the year net of income tax		-	-
Total comprehensive expense for the year		(559,363)	(5,744)
Earnings per share	8	-	-

GOLDVEST COMPANY LIMITED

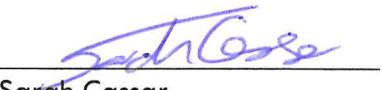
Balance Sheet

As at 31 December 2020

	Notes	2020 €	2019 €
Assets			
Property, plant and equipment	9	26,961,736	16,489,545
Investment property	9	17,000,000	-
Investment in subsidiary	12	1,200	-
Deferred tax asset	9	74,541	-
Total non-current assets		44,037,477	16,489,545
Trade and other receivables	10	1,456,935	687,593
Cash and cash equivalents	10	4,551	3,040
Total current assets		1,461,486	690,633
Total assets		45,498,963	17,180,178
Liabilities			
Borrowings	10	15,641,708	7,291,953
Deferred tax liabilities	9	1,700,000	858,360
Total non-current liabilities		17,341,708	8,150,313
Borrowings	10	22,780,152	4,744,372
Trade and other payables	10	604,900	1,533,926
Current tax liabilities		-	-
Total current liabilities		23,385,052	6,298,298
Total liabilities		40,726,760	14,448,611
Net assets		4,772,203	2,731,567
Equity			
Issued share capital	11	5,111,895	6,625,896
Retained earnings	11	(339,692)	(3,894,329)
Total equity		4,772,203	2,731,567

The financial statements on pages 8 to 38 were approved and authorised for issue by the board of directors on 14 September 2021


Edward Vella
Director


Sarah Cassar
Director

GOLDVEST COMPANY LIMITED

Statement of Changes in Equity

For the year ended 31 December 2020

	Issued capital €	Capital Revaluation Reserve €	Retained earnings €	Total €
Changes in equity for 2019				
Balance at 1 January 2019	6,625,896	-	(3,888,585)	2,737,311
Loss for the year	-	-	(5,744)	(5,744)
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Balance at 31 December 2019	6,625,896	-	(3,894,329)	2,731,567
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Changes in equity for 2020				
Balance at 1 January 2020	6,625,896	-	(3,894,329)	2,731,567
Issue of share capital	2,599,999	(2,599,999)	-	-
Revaluation of property	-	2,599,999	-	2,599,999
Reduction in share capital	(4,114,000)	-	4,114,000	-
Loss for the year	-	-	(559,363)	(559,363)
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Balance at 31 December 2020	5,111,895	-	(339,692)	4,772,203
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GOLDVEST COMPANY LIMITED

Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 €	2019 €
Cash flows from operating activities			
Profit/(loss) before tax		207,736	(5,744)
Adjustments for:			
Depreciation		-	2,210
Operating profit/(loss) before working capital changes		207,736	(3,534)
Movement in trade and other receivables		(468,442)	(652,990)
Movement in trade and other payables		(949,028)	865,790
Net cash (outflow)/inflow from operating activities		(1,209,734)	209,266
Cash flows from investing activities			
Disposal of investment in subsidiary		(1,200)	-
Disposal of property, plant and equipment		(7,872,190)	-
Acquisition of property, plant and equipment		-	(4,538,992)
Net cash outflow from investing activities		(7,873,390)	(4,538,992)
Cash flows from financing activities			
Proceeds of bank loans		8,349,755	4,271,249
Proceeds from related company loan		1,062,942	-
Payments to subsidiary company		(300,900)	-
Net cash inflow from financing activities		9,111,797	4,271,249
Net movement in cash and cash equivalents		28,673	(58,477)
Cash and cash equivalents at beginning of year		(63,243)	(4,766)
Cash and cash equivalents at end of year	10	(34,570)	(63,243)

Notes to the Financial Statements

For the year ended 31 December 2020

1 REPORTING ENTITY

Goldvest Company Limited is a limited liability company incorporated in Malta. Its ultimate controlling party is Mr Edward Vella. The registered office of the Company is disclosed in the introduction to the annual report. The principal activities of the Company are described in the report of the Directors.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**Standards and interpretations applied during the current year**

Amendments and interpretations applicable for the first time in 2020 shown here under have been implemented. The application of the below standards and interpretations do not have an impact on the financial statements of the Company.

Standard	Subject of amendment	Effective date
<i>IFRS 3 Business Combinations</i>	Amendments to clarify the definition of a business	1 January 2020
<i>IFRS 7 Financial Instruments- Disclosures</i>	Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2020
<i>IFRS 9 Financial Instruments</i>	Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2020
<i>IFRS 16 Leases</i>	Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 June 2020
<i>IAS 1 Presentation of Financial statements</i>	Amendments regarding the definition of material	1 January 2020
<i>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i>	Amendments regarding the definition of material	1 January 2020
<i>IAS 39 Financial Instruments: Recognition and Measurement</i>	Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2020
<i>IAS 41 Agriculture</i>	Amendments resulting from <i>Annual Improvements to IFRS Standards 2019–2020</i> (taxation in fair value measurements)	1 January 2020

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	Subject of amendment	Effective date
<i>IFRS 1 First-time Adoption of International Financial Reporting Standards</i>	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018–2020</i> (subsidiary as a first-time adopter)	1 January 2022
<i>IFRS 3 Business Combinations</i>	Amendments updating a reference to the <i>Conceptual Framework</i>	1 January 2022
<i>IFRS 4 Insurance Contracts</i>	Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
	Amendments regarding the expiry date of the deferral approach	1 January 2023
<i>IFRS 7 Financial Instruments: Disclosures</i>	Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2021
<i>IFRS 9 Financial Instruments</i>	Amendments regarding pre-replacement issues in the context of the IBOR reform	1 January 2021
	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018–2020</i> (fees in the '10 per cent' test for derecognition of financial liabilities)	1 January 2022
<i>IFRS 16 Leases</i>	Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021
<i>IFRS 17 Insurance Contracts</i>	Original issue	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023)	1 January 2023
<i>IAS 1 Presentation of Financial statements</i>	Amendments regarding the classification of liabilities	1 January 2023
	Amendment to defer the effective date of the January 2020 amendments	1 January 2023

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**Standards issued but not yet effective (continued)**

<i>IAS 16 Property, Plant and Equipment</i>	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
<i>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</i>	Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022
<i>IAS 39 Financial Instruments: Recognition and Measurement</i>	Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021

The directors are of the opinion that the adoption of these Standards (where applicable) will not have a material impact on the financial statements.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3.1 JUDGEMENTS

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Estimation of current tax payable and current tax expense – note 7;
 Estimated useful life of property, plant and equipment – note 9;
 Recognition of deferred tax assets – note 9;

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

4 ACCOUNTING POLICIES

4.1 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

4.1.1 Subsidiaries

Subsidiaries are all entities over which the parent company has control. The parent company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group's companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the parent company.

4.1.2 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the parent's share of the post-acquisition profits or losses of the investee in profit or loss, and the parent's share of movement in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.1 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING (continued)

4.1.2 Equity method (continued)

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the parent does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

4.2 GOODWILL

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Company's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is amortised and is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

4.3 REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.3 REVENUE (continued)

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises revenue from the following major sources as detailed here under:

4.3.1 Revenue Recognition

Revenue is generated from rental income.

4.4 FOREIGN CURRENCY AMOUNTS

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

4.5 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.5 BORROWING COSTS (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.6 INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.6 INCOME TAX (continued)

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax 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 directly in equity, respectively.

4.7 PROPERTY, PLANT AND EQUIPMENT

The Company accounting policy for land and buildings is explained in note 9.1. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

The depreciation methods and periods used by the Company are disclosed in note 9.1.2.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.7 PROPERTY, PLANT AND EQUIPMENT (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the Company's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

4.8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL (continued)

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on average cost basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.10 INVESTMENT AND OTHER FINANCIAL ASSETS

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

- those to be measured subsequently at fair value (either through OCI or through profit or loss) and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4 ACCOUNTING POLICIES (continued)

4.10 INVESTMENT AND OTHER FINANCIAL ASSETS (continued)

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4.11 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.12 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends are recognised as liability in the period in which they are declared.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

5 REVENUE

The company derives revenue as follows:

	2020 €	2019 €
Rental income	255,000	-

6 OTHER INCOME AND EXPENSE ITEMS**6.1 BREAKDOWN OF EXPENSES BY NATURE**

	2020 €	2019 €
Directors' remuneration	18,498	16,790
Staff salaries (note)	-	19,646
Depreciation	-	2,210
Audit fees	3,000	1,000
Other expenses	21,239	18,329
	<u>42,737</u>	<u>57,975</u>

Note:

The average number of persons employed by the Company during the current year was Nil (2019: 1).

6.2 FINANCE COSTS

	2020 €	2019 €
Bank charges	905	41
Bank loan interest	3,622	-
	<u>4,527</u>	<u>41</u>

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7 INCOME TAX**7.1 INCOME TAX**

	2020 €	2019 €
Current tax:		
Current tax on taxable income for the year	-	-
Deferred tax:		
Temporary differences arising on items of property, plant and equipment	767,099	-
	<u>767,099</u>	<u>-</u>

7.2 RECONCILIATION OF INCOME TAX

	2020 €	2019 €
Profit/(loss) before tax	207,736	(5,744)
Theoretical taxation expense at 35%	72,708	(2,010)
Disallowable expenses	16,542	2,010
Other differences	(145,941)	-
Allowance on rental income	(17,850)	-
Investment property	841,640	-
	<u>767,099</u>	<u>-</u>

8 EARNING PER SHARE

Earnings per share is calculated by dividing the results attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	2020 €	2019 €
Loss for the year	(559,363)	(5,744)
Weighted number of ordinary shares	<u>2,194,537</u>	<u>610,000</u>
Basic earnings per share	<u>-</u>	<u>-</u>

GOLDVEST COMPANY LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

9 NON-FINANCIAL ASSETS AND LIABILITIES

9.1 Property, plant and equipment

<u>Cost</u>	Land and buildings €	Improvements to land buildings €	Furniture & fittings €	Office equipment €	Airconditioning system €	Medical equipment €	Other machinery €	Total €
At 1 January 2020	7,851,269	10,502,459	6,125	3,587	-	-	-	18,363,440
Reclassified	-	(838,078)	335,394	-	-	-	502,684	-
Additions	-	3,432,267	1,653,358	15,549	1,599,613	88,709	1,082,694	7,872,190
Revaluation	2,599,999	-	-	-	-	-	-	2,599,999
At 31 December 2020	10,451,268	13,096,648	1,994,877	19,136	1,599,613	88,709	1,585,378	28,835,629
<u>Depreciation</u>								
At 1 January 2020	1,315,332	553,888	1,841	2,832	-	-	-	1,873,893
Charge for the year	-	-	-	-	-	-	-	-
At 31 December 2020	1,315,332	553,888	1,841	2,832	-	-	-	1,873,893
<u>Carrying amounts</u>								
At 31 December 2020	9,135,936	12,542,760	1,993,036	16,304	1,599,613	88,709	1,585,378	26,961,736
At 31 December 2019	6,535,937	9,948,571	4,284	755	-	-	-	16,489,545

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)**9.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****9.1.1 Fair value measurement of the Company's land and buildings**

The Company's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. During the year under review, the Directors of the Company decide to revalue downwards the Company's land and buildings. The fair value of the land and building was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

Company	Fair value €
<u>2020</u>	
<u>Old People's Home</u>	
Imperial Hotel, Triq Ridolfu, Sliema	9,135,936
	<hr/>
<u>2019</u>	
<u>Old People's Home</u>	
Imperial Hotel, Triq Ridolfu, Sliema	6,535,937
	<hr/>

9.1.2 Depreciation

Items of property, plant and equipment are recognised at historical costs less depreciation. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of the residual values, over the estimated useful lives or, in the case of leasehold property the shorter lease term as follows:

	%
Improvement to land and building	5
Other machinery	20
Furniture, fittings and soft furnishings	10
Office equipment	25
Airconditioning system	17
Medical equipment	17

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)**9.2 DEFERRED TAX ASSETS**

	2020 €	2019 €
For the year:		
Other temporary difference	74,541	-
Closing balance:		
Other temporary difference	74,541	-

9.3 DEFERRED TAX ASSETS/LIABILITIES

	2020 €	2019 €
Opening balance:		
Temporary differences on investment property	858,360	858,360
For the year:		
Temporary differences on investment property	841,640	-
Closing balance:		
Temporary differences on investment property	1,700,000	858,360

9.4 INVESTMENT PROPERTY

	2020 €	2019 €
Investment Property (note)	17,000,000	-

The investment property was transferred from a related company, Casa Antonia Limited. The investment property is situated at Casa Antonia, Pope Alexander VII Junction, Balzan.

Investment properties are held to be used in the trading activity of the company in the same way that it was used in Casa Antonia Limited. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company holds the following financial instruments:

	Notes	Financial assets at amortised cost €	Total €
Financial assets			
2019			
Trade and other receivables	10.1	687,593	687,593
Cash and cash equivalents	10.2	3,040	3,040
		<hr/>	<hr/>
		690,633	690,633
2020			
Trade and other receivables	10.1	1,456,935	1,456,935
Cash and cash equivalents	10.2	4,551	4,551
		<hr/>	<hr/>
		1,461,486	1,461,486
Financial liabilities			
2019			
Trade and other payables	10.3	1,553,926	1,553,926
Borrowings	10.4	12,036,325	12,036,325
		<hr/>	<hr/>
		13,590,251	13,590,251
2020			
Trade and other payables	10.3	604,900	604,900
Borrowings	10.4	38,421,860	38,421,860
		<hr/>	<hr/>
		39,026,760	39,026,760

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

10.1 TRADE AND OTHER RECEIVABLES

	Current €	Total €
2019		
Trade receivables (note)	179	179
Prepayments	687,414	687,414
	<hr/>	<hr/>
	687,593	687,593
	<hr/>	<hr/>
2020		
Amounts due from related company	300,900	300,900
Prepayments	1,156,035	1,156,035
	<hr/>	<hr/>
	1,456,935	1,456,935
	<hr/>	<hr/>

Note:

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are generally due for settlement within 60 days and therefore are all classified as current.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**10.2 CASH AND CASH EQUIVALENTS**

	2020 €	2019 €
Current assets		
Cash at bank and in hand	4,551	3,040

10.2.1 Reconciliation to cash flow statements

	2020 €	2019 €
Balance as per above	4,551	3,040
Bank balance overdrawn	(39,121)	(66,283)
Balance as per cash flows	(34,570)	(63,243)

10.3 TRADE AND OTHER PAYABLES

	Current €	Total €
2019		
Trade payables	1,493,320	1,493,320
Other payables	1,438	1,438
Accruals	59,168	59,168
	1,553,926	1,553,926
2020		
Trade payables	596,457	596,457
Other payables	5,407	5,407
Accruals	3,036	3,036
	604,900	604,900

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**10.4 BORROWINGS**

	Non-current €	Current €	Total €
2019			
Unsecured			
Amounts due to ultimate owner	-	82,755	82,755
Amounts due to ultimate company	-	4,595,334	4,595,334
	-	4,678,089	4,678,089
Secured			
Bank loan (note a)	7,291,953	-	7,291,953
Bank overdraft (note b)	-	66,283	66,283
Balance as per cash flows	7,291,953	66,283	7,358,236

10.5 BORROWINGS (CONTINUED)

	Non-current €	Current €	Total €
2020			
Unsecured			
Amounts due to ultimate owner	-	82,755	82,755
Amounts due to ultimate company	-	22,658,276	22,658,276
	-	22,741,031	22,741,031
Secured			
Bank loan (note a)	15,641,708	-	15,641,708
Bank overdraft (note b)	-	39,121	39,121
Balance as per cash flows	15,641,708	39,121	15,680,829

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**10.5 BORROWINGS (CONTINUED)**

Note:

a) Bank loans

The Company enjoys bank loan facilities with its bankers. These facilities are secured by general hypothecs over the Company's assets, by special hypothecs over properties of the Company, by pledges taken over various insurance policies and by personal guarantees of the directors and shareholders. The annual interest rate on bank loan is 2.5%.

b) Bank overdraft

The Company enjoys bank overdraft facilities with its bankers. These facilities are secured by general hypothecs over the Company's assets, by special hypothecs over properties of the Company, by pledges taken over various insurance policies and by personal guarantees of the directors and shareholders.

11 EQUITY**11.1 SHARE CAPITAL**

	2020 €	2019 €
<u>Authorised</u>		
610,000 ordinary A shares of € 2.329373 each	1,420,918	1,420,918
2,234,497 ordinary B shares of € 2.329373 each	5,204,977	-
8,586,002 ordinary C shares of € 2.329373 each	20,000,001	-
2,234,497 – 5% non cumulative, non voting redeemable preference shares € 2.329373 each	-	5,204,978
	<hr/>	<hr/>
	26,625,896	6,625,896
<u>Called-up, issued and fully paid</u>		
610,000 ordinary A shares of € 2.329373 each	1,420,918	1,420,918
1,584,537 ordinary B shares of € 2.329373 each	3,690,977	-
2,234,497 – 5% non-cumulative, non- voting redeemable preference shares of € 2.329373 each	-	5,204,978
	<hr/>	<hr/>
	5,111,895	6,625,896

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

11 EQUITY**11.2 RETAINED EARNINGS**

	€
2019	
At 1 January 2019	(3,888,585)
Loss for the year	(5,744)
	<hr/>
At 31 December 2019	(3,894,329)
	<hr/>
	€
2020	
At 1 January 2020	(3,894,329)
Reduction in share capital	4,114,000
Loss for the year	(559,363)
	<hr/>
At 31 December 2020	(339,692)
	<hr/>

11.3 REVALUATION RESERVE

	€
2019	
At 1 January 2019/31 December 2019	-
	<hr/>
2020	
At 1 January 2020	-
Issue of share capital	(2,599,999)
Revaluation loss on property	2,599,999
	<hr/>
At 31 December 2020	-
	<hr/>

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

12 INVESTMENT IN SUBSIDIARIES

			€	
2019				
At 1 January 2019/At 31 December 2019			-	
2020				
At 1 January 2020			-	
Addition			1,200	
At 31 December 2020			1,200	
Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2020	2019
St. George's Care Ltd	Old Senior Home	Hotel Imperial, Triq Rodolfu, Sliema	100%	-

13 FINANCIAL RISK MANAGEMENT**13.1 FINANCIAL RISK MANAGEMENT OBJECTIVES**

The Company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

13 FINANCIAL RISK MANAGEMENT (continued)

13.2 MARKET RISK

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. The Company has no significant currency risk since substantially all assets and liabilities are denominated in Euro.

(ii) Cash flow and fair value interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financial position and cash flows. As at the reporting date, the Company has variable interest-bearing liabilities.

As at the consolidated balance sheet date, the Company exposure to changes in interest rates on bank overdrafts held with financial institutions was limited as the level of borrowings with variable interest-bearing liabilities is immaterial with the level of borrowings.

13.3 LIQUIDITY RISK

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings and trade and other payables (note 10.4 and 10.5). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Company's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

13 FINANCIAL RISK MANAGEMENT (continued)**13.3 LIQUIDITY RISK (continued)**

	Carrying amounts €	Contractual cash flows €	Within one year €	Between two and five years €	After five years €
At 31 December 2019					
Trade and other payables	1,494,758	1,494,758	1,494,758	-	-
Bank overdraft	66,283	66,283	66,283	-	-
Amounts due to ultimate owner	82,755	82,755	-	82,755	-
Amounts due to parent company	4,595,334	4,595,334	-	4,595,334	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,239,130	6,239,130	1,561,041	4,678,089	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020					
Trade and other payables	601,864	601,864	601,864	-	-
Bank balance overdrawn	39,121	39,121	39,121	-	-
Amounts due to ultimate owner	82,755	82,755	-	82,755	-
Amounts due to related party	22,658,276	22,658,276	-	22,658,276	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	23,382,016	23,382,016	640,985	22,741,031	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Company continues to assess its funding requirements to ensure that adequate funds are in place to meet its financial liabilities when they fall due.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

14 CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debts (borrowings as detailed in note 10 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings as detailed in note 11).

14.1 GEARING RATIO

The Company's gearing ratio at the end of the reporting period was as follows:

	2020 €	2019 €
Debt	38,421,860	12,036,325
Cash and bank balances	(34,570)	(63,243)
	<hr/>	<hr/>
Net debt	38,387,290	11,973,082
	<hr/>	<hr/>
Equity	4,772,204	2,731,567
	<hr/>	<hr/>
Net debt to equity ratio	88.9%	81.5%
	<hr/>	<hr/>

15 RELATED PARTIES TRANSACTIONS**15.1 Parent company**

The company is a partially-owned subsidiary of St. Anthony Co. P.L.C., the Company's parent company. The registered office of the parent company is situated at Casa Antonia, Pope Alexander VII Junction, Balzan, Malta.

15.2 Key management personnel and director transactions

Key management personnel have control over the financial and operating policies of the company.

Balances with related parties are set out in note 10 to these financial statements. Other transactions with related parties are included in the statement of cash flows.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

15 RELATED PARTIES TRANSACTIONS (continued)

15.3 Loans to/(from) related companies

	2020 €	2019 €
Loan due to parent company		
Loan due to Casa Antonia Limited (note)	22,658,276	4,595,334
Loan to group companies		
Loan from St. George's Care Limited (note)	300,900	-
Loan to ultimate beneficial owner		
Loan to Edward Vella (note)	82,755	82,755

Note -

Amounts due to parent company, from group companies and to ultimate beneficial owners are unsecured, interest free and has no fixed date of repayment.

**The Schedules and Appendices on the pages that follow do not form part of
the financial statements**

GOLDVEST COMPANY LIMITED

Statement of Profit or Loss and Other Comprehensive Income – Trading Account Schedule
For the year ended 31 December 2020

	2020 €	2019 €
Revenue	255,000	52,272
Administrative and other expenses		
Wages	-	(19,646)
Directors' remuneration	(18,498)	(16,790)
Consumables	(3,381)	(9,484)
Audit fees	(3,000)	(1,000)
Stationery and printing	(796)	(555)
Repairs and maintenance	-	(92)
Telecommunications	(614)	(1,791)
License and permits	-	(1,400)
General expenses	(12,044)	(1,055)
Depreciation	-	(2,210)
Professional fees	(426)	(2,991)
Ground rent	(850)	(961)
Maternity fund	(56)	-
IT expenses	(1,649)	-
Motor vehicle expenses	(1,423)	-
	<hr/>	<hr/>
	(42,737)	(57,975)
	<hr/>	<hr/>
Finance costs		
Bank charges	(905)	(41)
Bank loan interest	(3,622)	-
	<hr/>	<hr/>
	(4,527)	(41)
	<hr/>	<hr/>
Profit/(Loss) before tax	207,736	(5,744)
	<hr/>	<hr/>