GOLDVEST COMPANY LIMITED

ANNUAL REPORT
For the year ended 31 December 2024

Company Registration No.: C 18266

GOLDVEST COMPANY LIMITED

Company Information

Directors :	Dr Malcolm Cassar Dr Sarah Cassar Mr Edward Vella Ms Josephine Vella
Secretary :	Dr Malcolm Cassar
Company number :	C 18266
Registered office :	Hotel Imperial Triq Rodolfu Sliema SLM 1279 Malta
Auditors :	CLA Malta The Core Valley Road Msida, MSD 9021 Malta
Business address :	Hotel Imperial Triq Rodolfu Sliema SLM 1279 Malta
Banker :	Bank of Valletta p.l.c. Triq il-Rand Attard Malta

GOLDVEST COMPANY LIMITED

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GOLDVEST COMPANY LIMITED

Report of the Directors
For the year ended 31 December 2024

The directors present their report and the audited financial statements for the year ended 31 December 2024.

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 € 3,531,091 (2023: € 7,348,258). The company's turnover consists of rental income receivable from its subsidiary. Turnover for the year amounted to € 932,000 (2023: € 720,000). The company net assets amount to € 29,020,208 (2023: € 26,380,083).

Dividends

The directors recommend the payment of a dividend of € 890,966.

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.

Report of the Directors (continued)
For the year ended 31 December 2024

Future developments

The Board's main objective is focused to achieve the occupancy targeted levels and recover sufficient revenue to cover the operating expenses and to build up cash reserves to settle the Group's commitment as they fall due.

Events Subsequent to the Statement of Financial Position Date

The Directors evaluated subsequent events from 1 January 2025 through 22 April 2025, the date these financial statements were approved. Through such assessment, the directors have determined that no events subsequent to statement of financial position date occurred.

Directors

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

Dr Malcolm Cassar
Dr Sarah Cassar
Mr Edward Vella
Ms Josephine 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 2024.

Auditors

CLA 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

21 April 2025

Directors' Responsibilities
For the year ended 31 December 2024

Company law requires the directors to prepare financial statements for each year 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 year. 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

Opinion

We have audited the accompanying financial statements of Goldvest Company Limited (the Company) set out on pages 9 to 42, which comprise the statement of financial position as at 31 December 2024, and the statement of 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.

In our opinion, the Company's financial statements give a true and fair view of the Company's financial position as at 31 December 2024, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been prepared in accordance with the requirements of the Maltese 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (continued)

Key Audit Matters (continued)

Investment property

The Company's investment property, which is fair valued in accordance with the Group's accounting policy has a carrying amount of €55,485,144 as at 31 December 2024. We focused on this area because the value of the investment property makes up more than 83% of the total carrying amount of non-current assets on the statement of financial position.

The Company selects valuation techniques based on the nature of the asset and the availability of relevant inputs. The valuations are determined using a combination of the income capitalisation approach and the market approach, as applicable. The Company engages a professionally qualified and independent external valuer to perform the revaluation of the investment property portfolio in line with international valuation standards and professional practice.

The valuation of the Company's property is inherently subjective due to the judgmental nature of the techniques and assumptions used, including capitalisation rates, rental income, and comparable market data. Given the level of estimation involved and the materiality of the carrying amount, this area was a focus of our audit.

Relevant references in the financial statements:

- Accounting policy: Note 4.9;
- Note on fair value of investment property: Note 9.4

As part of our audit we performed the following procedures:

- Evaluating the design and implementation of key controls over the Company's investment property valuation process by inquiring the valuation process owners;
- Performing tests relating to the valuation of the Company's investment property, focusing on management reviews over the property valuations by inspecting management workings and analysis;
- Obtaining an understanding of the scope of work of the professional valuers by reviewing the latest available valuation reports and considered the independence and expertise thereof;
- Performing procedures over the accuracy and completeness of the inputs used in the valuations in light of our understanding of the business and industry developments, historical data and other available information.

Independent Auditors' Report (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Statement of 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.

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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:

- 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.

Independent Auditors' Report (continued)

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

- 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.

We also provide the directors 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception under the Companies Act

Our Responsibilities

We have responsibilities under the Companies Act, (Cap. 386) 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.
- 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.

Our Opinion

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

In addition, we confirm that:

- To the best of our knowledge and belief, we have not provided non-audit services to the Company in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

Other Matter - Use of this Report

Our report, including the opinions, has been prepared for and only for the Company's shareholders as a body 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.

Bernard Charles Gauci (Partner) for and on behalf of

CLA Malta
Certified Public Accountants
Msida
Malta

21 April 2025

GOLDVEST COMPANY LIMITED

Statement of Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 €	2023 €
Revenue	5	932,000	720,000
Administration expenses	6	(966,156)	(866,487)
Fair value movement of investment property		4,420,353	-
Other gains and losses		990,000	8,832,228
Operating profit		5,376,197	8,685,741
Finance cost	6	(1,310,413)	(1,337,483)
Net finance cost		(1,310,413)	(1,337,483)
Profit before tax		4,065,784	7,348,258
Income tax expense	7	(534,693)	(40,079)
Profit for the year		3,531,091	7,308,179
Other comprehensive income for the year			
Other comprehensive income for the year net of income tax		-	-
Total comprehensive income for the year		3,531,091	7,308,179
Earnings per share	8	0.56	1.15

GOLDVEST COMPANY LIMITED

Statement of Financial Position
As at 31 December 2024

	Notes	2024 €	2023 €
Assets			
Property, plant and equipment	9	10,763,183	11,023,965
Investment property	9	55,485,144	51,064,791
Investment in subsidiary	12	1,200	1,200
Deferred tax asset	9	-	-
Total non-current assets		66,249,527	62,089,956
Trade and other receivables	10	4,119,512	3,001,754
Cash and cash equivalents	10	9,319	-
Total current assets		4,128,831	3,001,754
Total assets		70,378,358	65,091,710
Liabilities			
Borrowings	10	32,499,092	32,031,745
Deferred tax liabilities	9	5,571,221	5,072,017
Total non-current liabilities		38,070,313	37,103,762
Borrowings	10	2,753,685	1,004,844
Trade and other payables	10	498,663	600,621
Current tax liabilities		35,489	2,400
Total current liabilities		3,287,837	1,607,865
Total liabilities		41,358,150	38,711,627
Net assets		29,020,208	26,380,083
Equity			
Issued share capital	11	19,900,853	19,900,853
Retained earnings	11	9,119,355	6,479,230
Total equity		29,020,208	26,380,083

The financial statements on pages 9 to 42 were approved and authorised for issue by the Board of Directors on 21 April 2025:

Edward Vella
Director

Sarah Cassar
Director

Statement of Changes in Equity
For the year ended 31 December 2024

	Issued capital €	Retained earnings €	Total €
Changes in equity for 2023			
Balance at 1 January 2023	19,900,853	62,017	19,962,870
Profit for the year	-	7,308,179	7,308,179
Dividends paid	-	(890,966)	(890,966)
Balance at 31 December 2023	19,900,853	6,479,230	26,380,083
Changes in equity for 2024			
Balance at 1 January 2024	19,900,853	6,479,230	26,380,083
Profit for the year		3,531,091	3,531,091
Dividends paid	-	(890,966)	(890,966)
Balance at 31 December 2024	19,900,853	9,119,355	29,020,208

Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 €	2023 €
Cash flows from operating activities			
Profit before tax		4,065,784	7,348,258
Adjustments for:			
Depreciation		761,927	677,779
Finance lease modification		-	(7,842,228)
Bank interest expense		435,914	526,365
Expected credit losses		38,934	-
Fair value movement of investment property		(4,420,352)	-
Operating profit before working capital changes		882,207	710,174
Movement in trade and other receivables		23,969	(35,407)
Movement in trade and other payables		(101,959)	(701,355)
Net cash inflow/(outflow) from operating activities		804,217	(26,588)
Bank Interest paid		(435,914)	(526,365)
Tax paid		(2,400)	-
Net cash inflow/(outflow) from operating activities		365,903	(552,953)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(501,145)	(342,297)
Lease income received		-	172,500
Net cash outflow from investing activities		(501,145)	(169,797)
Cash flows from financing activities			
Proceeds from bank loans		3,338,733	-
Payments of bank loans		(327,873)	-
Payments to related companies		(1,713,388)	(234,617)
(Payments to)/Proceeds from subsidiary		(1,141,637)	577,197
Net cash inflow generated from financing activities		155,835	342,580
Net movement in cash and cash equivalents		20,593	(380,170)
Cash and cash equivalents at beginning of year		(11,209)	368,961
Movement in expected credit losses		(65)	-
Cash and cash equivalents at end of year	10	9,319	(11,209)

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.

1.1 BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with IFRSs. They were authorised for issue by the Company's Board of Directors on 22 April 2025.

Details of the Company's accounting policies are included in Note 4.

1.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Euro, which is the Company's functional currency.

2 NEW OR REVISED STANDARDS OR INTERPRETATIONS

2.1 New Standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

Other Standards and amendments that are effective for the first time in 2024 (for an entity with a 31 December 2024 year-end) and could be applicable to the Company are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments do not have a significant impact on these Financial Statements and therefore the disclosures have not been made. However, whilst they do not affect these Financial Statements they will impact some entities. An entity should assess the impact of these new Standards on their financial statements based on their own facts and circumstances and make appropriate disclosures.

2.2 Standard, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

2 NEW OR REVISED STANDARDS OR INTERPRETATIONS (continued)

2.2 Standard, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company (continued)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. However, whilst they do not affect these Financial Statements, they will impact some entities. An entity should assess the anticipated impact of these new Standards and amendments on their financial statements based on their own facts and circumstances and make appropriate disclosures.

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 9.1;
Recognition of deferred tax assets – note 9.2;

4 MATERIAL 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 controlled 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 MATERIAL ACCOUNTING POLICIES (continued)

4.1 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING (continued)

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.

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 MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

4 MATERIAL 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.

4 MATERIAL 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 9.1.1.

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

4 MATERIAL 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.

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.

4 MATERIAL ACCOUNTING POLICIES (continued)

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

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 INVESTMENT PROPERTY

Investment property is property (land and building) held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the Company and the cost can be measured reliably. Investment property is initially measured at cost, comprising its purchase price and any directly attributable costs.

After initial recognition, investment property held by the Company is carried under the fair value model, that is at fair value at the revaluation date less any accumulated depreciation, with changes in fair value above the historical cost of the investment property being recognised in a separate component of equity under the heading of fair value reserve.

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).

4 MATERIAL 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.

5 REVENUE

The company derives revenue as follows:

	2024 €	2023 €
Rental income	932,000	720,000

6 OTHER INCOME AND EXPENSE ITEMS

6.1 BREAKDOWN OF EXPENSES BY NATURE

	2024 €	2023 €
Directors' remuneration	-	4,665
Depreciation	761,927	677,779
Audit fees	3,500	3,300
Other expenses	200,729	180,743
	966,156	866,487

Note:

The average number of persons employed by the Company during the current year was Nil (2023: Nil).

6.2 FINANCE COSTS

	2024 €	2023 €
Bank charges	4,192	6,915
Bank loan interest	435,914	526,365
Other interest	576,240	510,136
Bond loan interest recharge	294,067	294,067
	1,310,413	1,337,483

7 INCOME TAX

7.1 INCOME TAX

	2024 €	2023 €
Current tax:		
Current tax on taxable income for the year	35,489	-
Deferred tax:		
Temporary differences arising on items of property, plant and equipment	499,204	40,079
	534,693	40,079

7.2 RECONCILIATION OF INCOME TAX

	2024 €	2023 €
Profit before tax	4,065,784	7,348,258
Theoretical taxation expense at 35%	1,423,024	2,571,890
Disallowable expenses	1,695	380
Other differences	13,628	25,767
Allowance on rental income	(65,240)	(50,400)
Depreciation of property, plant and equipment	266,674	237,222
Income with different rate of tax	(1,105,088)	(2,744,780)
	534,693	40,079

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 year.

	2024 €	2023 €
Profit for the year	3,531,091	7,308,179
Weighted number of ordinary shares	6,348,900	6,348,900
Basic earnings per share	0.56	1.15

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

9 NON-FINANCIAL ASSETS AND LIABILITIES

9.1 Property, plant and equipment

	Improvements to land buildings €	Furniture & fittings €	Motor vehicles €	Electrical & Plumbing €	Kitchen crockery €	Office equipment €	Medical equipment €	Other machinery €	Total €
Cost									
At 1 January 2023	-	-	4,099	-	-	-	-	-	4,099
Reclassified from finance lease	-	2,513,130	-	3,320,116	488,147	49,594	148,500	4,836,954	11,356,441
Additions	44,959	155,192	-	9,767	48,807	14,890	45,245	23,436	342,296
At 31 December 2023	44,959	2,668,322	4,099	3,329,883	536,954	64,484	193,745	4,860,390	11,702,836
At 1 January 2024	44,959	2,668,322	4,099	3,329,883	536,954	64,484	193,745	4,860,390	11,702,836
Additions	34,937	222,698	-	2,660	34,933	4,452	37,568	163,897	501,145
At 31 December 2024	79,896	2,891,020	4,099	3,332,543	571,887	68,936	231,313	5,024,287	12,203,981
Depreciation									
At 1 January 2023	-	-	1,092	-	-	-	-	-	1,092
Charge for the year	899	163,314	547	167,155	35,797	16,121	16,953	276,993	677,779
At 31 December 2023	899	163,314	1,639	167,155	35,797	16,121	16,953	276,993	678,871
At 1 January 2024	899	163,314	1,639	167,155	35,797	16,121	16,953	276,993	678,871
Charge for the year	1,598	192,874	547	166,627	38,126	17,234	23,131	321,790	761,927
At 31 December 2024	2,497	356,188	2,186	333,782	73,923	33,355	40,084	598,783	1,440,798
Carrying amounts									
At 31 December 2024	77,399	2,534,832	1,913	2,998,761	497,964	35,581	191,229	4,425,504	10,763,183
At 31 December 2023	44,060	2,505,008	2,460	3,162,728	501,157	48,363	176,792	4,583,397	11,023,965

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)

9.1 PROPERTY, PLANT AND EQUIPMENT (continued)

9.1.1 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:

	%
Plant, machinery and other equipment	5 - 25
Furniture & fittings	5 - 10

9.2 DEFERRED TAX ASSETS

	2024 €	2023 €
Opening balance		
Other temporary difference	-	74,541
For the year:		
Other temporary difference	-	(74,541)
Closing balance:		
Other temporary difference	-	-

9.3 DEFERRED TAX LIABILITIES

	2024 €	2023 €
Opening balance:		
Temporary differences on investment property	5,072,017	5,106,479
For the year:		
Temporary differences on investment property	499,204	(34,462)
Closing balance:		
Temporary differences on investment property	5,571,221	5,072,017

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)

9.4 INVESTMENT PROPERTY

	2024 €	2023 €
Fair value		
At 1 January	51,064,791	51,064,791
Fair value movement	4,420,353	-
At 31 December	55,485,144	51,064,791

The Company's investment property are stated at their fair value, being the fair value at the date of revaluation, less any subsequent impairment losses. The entity classifies its fair value measurements using a three-level hierarchy based on the inputs used in the valuation techniques to measure fair value. The levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An open market value represents an opinion of the best price for which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the date of the valuation. An open market valuation assumes:

The amount of total gains or losses for the period included in statement of profit or loss, that is attributable to the change in unrealised gains or losses relating to assets held at the end of the reporting period is €4,420,352 (2023: €Nil).

The Company selects valuation techniques based on the nature of the asset and the availability of relevant inputs. For the valuation of land and buildings, the Company:

- uses a mix of the market comparable approach and the discounted cash flow approach;
- engages independent, qualified external valuers with relevant experience.

The Company's investment property was valued independently by Architect and Civil Engineer Charles Buhagiar as at 31 December 2024. These were found to be consistent with the Company's fair value measurement.

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)

9.4 INVESTMENT PROPERTY (continued)

The Group's methodology for property valuation is based on the following:

1. **Land value:** This considers the physical area, location, and permitted development according to relevant Planning Authority Local Plans. It also includes the present-day capitalisation of revenue derived from income streams over a ten-year period, based on financial forecasts related to the type of development the property is used for.
2. **Capital investment:** This encompasses the value of investments made in the property including the construction of the building on the property and the building services and finishes.
3. **Operational contents:** This involves the necessary contents required to carry out the operations for which the building is utilised.
4. **Discount rate:** Applied to future cash flows when using the discounted cash flow method to estimate fair value. The discount rate reflects market-based borrowing rates, the specific risk profile of the property, and expected future economic conditions.

Details of the Company's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

2024	Level 3	Fair value as at 31 Dec
Casa Antonia Limited		
Casa Antonia, Pope Alexander Junction, Balzan	20,580,202	20,580,202
Imperial Hotel		
1, Triq Rodolfu Sliema	34,904,942	34,904,942
2023		
Casa Antonia Limited		
Casa Antonia, Pope Alexander Junction, Balzan	20,389,158	20,389,158
Imperial Hotel		
1, Triq Rodolfu Sliema	30,675,633	30,675,633

9 NON-FINANCIAL ASSETS AND LIABILITIES (continued)

9.4 INVESTMENT PROPERTY (continued)

The table below includes further information about the Group's Level 3 fair value measurements:

	Significant unobservable input	Narrative sensitivity
Casa Antonia Limited		
Casa Antonia, Pope Alexander Junction, Balzan	Income capitalisation approach: total projected stabilised EBITDA €1.3m using an average growth of 2% and discount rate of future income of 7.5%	The higher the capitalisation rate the lower the fair value. The higher the rental income and growth rate the higher the fair value
Imperial Hotel		
1, Triq Rodolfu Sliema	Income capitalisation approach: total projected stabilised EBITDA €3.06m using an average growth of 2% and discount rate of future income of 8%.	The higher the capitalisation rate the lower the fair value. The higher the rental income and growth rate the higher the fair value

Note:

(i) The Company has pledged all of its investment property to secure general banking facilities granted to the Company.

(ii) The property rental income earned by the Company from its investment property, all of which is leased out under operating leases, amounted to €932,000 (2023: €720,000).

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company holds the following financial instruments:

	Note	Financial assets at amortised cost €	Total €
Financial assets			
2024			
Trade and other receivables	10.1	4,119,512	4,119,512
Cash and cash equivalents	10.2	9,319	9,319
		4,128,831	4,128,831
2023			
Trade and other receivables	10.1	3,001,754	3,001,754
Cash and cash equivalents	10.2	-	-
		3,001,754	3,001,754

	Note	Financial liabilities at amortised cost €	Total €
Financial liabilities			
2024			
Trade and other payables	10.3	498,663	498,663
Borrowings	10.4	35,252,777	35,252,777
		35,751,440	35,751,440
2023			
Trade and other payables	10.3	600,621	600,621
Borrowings	10.4	33,036,589	33,036,589
		33,637,210	33,637,210

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

10.1 TRADE AND OTHER RECEIVABLES

	Current €	Total €
2024		
Other receivables	61,181	61,181
Amounts due from related company	4,058,331	4,058,331
	4,119,512	4,119,512
2023		
Other receivables	85,060	85,060
Amounts due from related company	2,916,694	2,916,694
	3,001,754	3,001,754

10.2 CASH AND CASH EQUIVALENTS

	2024 €	2023 €
Current assets		
Cash at bank and in hand	9,319	-

10.2.1 Reconciliation to cash flow statements

	2024 €	2023 €
Balance as per above	9,319	-
Bank overdraft	-	(11,209)
Balance as per cash flows	9,319	(11,209)

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

10.3 TRADE AND OTHER PAYABLES

	Current €	Total €
2024		
Trade payables	214,600	214,600
Other payables	278,253	278,253
Accruals	5,810	5,810
	498,663	498,663
2023		
Trade payables	263,234	263,234
Other payables	270,858	270,858
Accruals	66,529	66,529
	600,621	600,621

Note:

Trade payables are unsecured and are usually paid within 30 days of recognition.

10 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

10.4 BORROWINGS

	Non-current €	Current €	Total €
2024			
Unsecured			
Amounts due to ultimate owner	-	82,755	82,755
Amounts due to ultimate company	6,944,382	422,191	7,366,573
Amounts due to subsidiary company	-	1,830,140	1,830,140
4.7% Redeemable Preference shares	15,150,000	-	15,150,000
	22,094,382	2,335,086	24,429,468
Secured			
Bank loan (note a)	10,404,710	418,599	10,823,309
Bank overdraft	-	-	-
	10,404,710	418,599	10,823,309
2023			
Unsecured			
Amounts due to ultimate owner	-	82,755	82,755
Amounts due to ultimate company	9,323,826	-	9,323,826
Amounts due to subsidiary company	-	656,349	656,349
4.7% Redeemable Preference shares	15,150,000	-	15,150,000
	24,473,826	739,104	25,212,930
Secured			
Bank loan (note a)	7,557,919	254,531	7,812,450
Bank overdraft	-	11,209	11,209
	7,557,919	265,740	7,823,659

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 4.5%.

11 EQUITY

11.1 SHARE CAPITAL

	2023 €
Authorised	
8,586,002 Ordinary shares of €2.329373	20,000,001
2,844,497 Preference 3.5% Cumulative A of €2.329373 each	6,625,895
20,000,000 Redeemable Preference shares 4.7% gross cumulative B of €1 each	20,000,000
	46,625,896
Called-up, issued and fully paid	
6,348,900 Ordinary shares of €2.329373	14,788,958
2,194,537 Preference 3.5% Cumulative A shares of €2.329373	5,111,895
	19,900,853

	2024 €
Authorised	
8,586,002 Ordinary shares of €2.329373	20,000,001
2,844,497 Preference 3.5% Cumulative A of €2.329373 each	6,625,895
20,000,000 Redeemable Preference shares 4.7% gross cumulative B of €1 each	20,000,000
	46,625,896
Called-up, issued and fully paid	
6,348,900 Ordinary shares of €2.329373	14,788,958
2,194,537 Preference 3.5% Cumulative A shares of €2.329373	5,111,895
	19,900,853

11 EQUITY (continued)

11.1 SHARE CAPITAL (continued)

The 15,150,000 Redeemable Preference 4.7% Gross Cumulative B shares in issue at 31 December 2024 are being shown as borrowings.

11.2 RETAINED EARNINGS

	€
At 1 January 2023	62,017
Profit for the year	7,308,179
Dividends paid	(890,966)
At 31 December 2023	6,479,230
At 1 January 2024	6,479,230
Profit for the year	3,531,091
Dividends paid	(890,966)
At 31 December 2024	9,119,355

12 INVESTMENT IN SUBSIDIARIES

	€
2024	
At 1 January 2024/At 31 December 2024	1,200
2023	
At 1 January 2023/At 31 December 2023	1,200

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2024	2023
St. George's Care Ltd	Old Senior Home	Casa Antonia, Pope Alexander VII Junction, Balzan BZN 1530, Malta	100%	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.

At 31 December 2024 and 2023, the Company was not exposed to price risk in relation to financial assets subsequently measured at FVTPL or at FVTOCI because they did not hold any of these financial assets.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which these risks are managed and measured are disclosed below.

Where possible, the Company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

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 their financial position, financial performance and cash flows. As at the reporting date, the Company had cash at bank, as disclosed in Note 10.2 and the Company also have variable interest-bearing liabilities as disclosed in Note 10.4 and fixed interest-bearing liabilities as disclosed in Note 10.4.

The Company is exposed to cash flow interest rate risk on financial instruments carrying a floating interest rate. The Group and the Company are not exposed to fair value interest rate risk since none of their financial instruments carrying a fixed rate are measured at fair value.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by adjusting its selling prices or by restructuring its financing structure.

13 FINANCIAL RISK MANAGEMENT (continued)

For financial instruments held or issued, the Company have used a sensitivity analysis technique that measures the change in the cash flows of the company's financial instruments at the end of the reporting period for hypothetical changes in the relevant market risk variables. The sensitivity due to changes in the relevant risk variables is set out below. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets. The sensitivity analysis is for illustrative purposes only, as in practice market rates rarely change in isolation and are likely to be interdependent.

The estimated change in fair values and cash flows for changes in market interest rates are based on an instantaneous increase or decrease of 100 basis points at the end of the reporting period, with all other variables remaining constant.

The sensitivity of the relevant risk variables, on an after-tax basis is as follows:

	Profit or Loss Sensitivity	
	2024	2023
	€	€
Market interest rates – cash flow	+/- 205k	+/- 217k

13.3 CREDIT RISK

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Financial assets which potentially expose the Company to credit risk include trade receivables and amounts held with financial institutions (notes 10.1 and 10.2). The maximum credit exposure to credit risk at the reporting date in respect of the financial assets was as follows:

	2024	2023
	€	€
Trade and other receivables	61,181	85,060
Cash at bank	9,319	-
	70,500	85,060

Receivables and cash at bank are presented net of an allowance for doubtful debts using an ECL model.

13 FINANCIAL RISK MANAGEMENT (continued)

13.3 CREDIT RISK (continued)

The tables below detail, by credit risk rating grades, the gross carrying amount of financial assets.

	12m ECL	Lifetime ECL (Not credited – impaired)	Lifetime ECL (credited – impaired but not POCI)	Total ECL (credited – POCI)
	€	€	€	€
Bank balances				
External rating grades	**BBB**			
Gross carrying amount at 31 December 2024	9,384	-	-	-
Loss allowance at 31 December 2024	(65)	-	-	-
Net carrying amount at 31 December 2024	9,319	-	-	-
Gross carrying amount at 31 December 2023	-	-	-	-
Loss allowance at 31 December 2023	-	-	-	-
Net carrying amount at 31 December 2023	-	-	-	-

13 FINANCIAL RISK MANAGEMENT (continued)

13.3 CREDIT RISK (continued)

	12m ECL	Lifetime ECL (Not credited – impaired)	Lifetime ECL (credited – impaired but not POCI)	Total ECL (credited – POCI)
	€	€	€	€
Loan to related company/Other receivables				
Internal rating grades	**A**	**BB**		
Gross carrying amount at 31 December 2024	-	4,196,826	-	-
Loss allowance at 31 December 2024	-	(138,495)	-	-
Net carrying amount at 31 December 2024	-	4,058,331	-	-
Internal rating grades		**A - BBB**		
Gross carrying amount at 31 December 2023	85,150	3,016,230	-	-
Loss allowance at 31 December 2023	(90)	(99,536)	-	-
Net carrying amount at 31 December 2023	85,060	2,916,694	-	-

13.4 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 2024

13 FINANCIAL RISK MANAGEMENT (continued)

13.4 LIQUIDITY RISK (continued)

	Carrying amounts €	Contractual cash flows €	Within one year €	Between two and five years €	After five years €
At 31 December 2024					
Trade and other payables	498,663	498,663	498,663	-	-
Bank loan	10,823,310	17,173,118	667,980	2,671,920	13,833,218
Amounts due to ultimate owner	82,755	82,755	82,755	-	-
Amounts due to subsidiary company	1,830,140	1,830,140	1,830,140	-	-
Amounts due to ultimate parent company	7,366,573	11,217,159	599,640	2,398,560	8,218,959
4.7% Preference Gross Cumulative	15,150,000	20,846,400	712,050	2,848,200	17,286,150
	35,751,441	51,648,235	4,391,228	7,918,680	39,338,327

	Carrying amounts €	Contractual cash flows €	Within one year €	Between two and five years €	After five years €
At 31 December 2023					
Trade and other payables	600,621	600,621	600,621	-	-
Bank loan	7,812,450	11,373,757	596,400	2,385,600	8,391,757
Bank overdraft	11,209	11,209	11,209	-	-
Amounts due to ultimate owner	82,755	82,755	82,755	-	-
Amounts due to subsidiary company	656,349	656,349	656,349	-	-
Amounts due to ultimate parent company	9,323,826	11,816,799	599,640	2,398,560	8,818,599
4.7% Preference Gross Cumulative	15,150,000	21,558,450	712,050	2,848,200	17,998,200
	33,637,210	46,099,940	3,259,024	7,632,360	35,208,556

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.

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.

14 CAPITAL MANAGEMENT (continued)

The capital structure of the Company consists of net debts (borrowings as detailed in note 10.4 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:

	2024 €	2023 €
Debt	35,252,777	33,036,589
Cash and bank balances	(9,319)	-
Net debt	35,243,458	33,036,589
Equity	29,020,208	26,380,083
Net debt to equity ratio	121%	125%

Notes:

(i) Debt is defined as long-and short-term borrowings.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

15 RELATED PARTIES TRANSACTIONS

15.1 Parent company

The company is a wholly-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.

15 RELATED PARTIES TRANSACTIONS (continued)

15.3 Loans to/(from) related companies

	2024 €	2023 €
Loan due to ultimate parent company		
Loan due to Casa Antonia Limited (note 2)	9,323,826	9,323,826
Loan to group companies		
Loan from St. George's Care Limited (note 1)	2,228,034	2,275,757
Loan from Casa Antonia Limited (note 1)	1,968,792	740,473
Loan (to)/from St. Anthony Co p.l.c. (note 1)	(1,830,140)	(656,349)
	2,366,686	2,359,881
Loan to ultimate beneficial owner		
Loan to Edward Vella (note 1)	82,755	82,755

Note -

1) Amounts due from group companies and to ultimate beneficial owners are unsecured, interest free and have no fixed date of repayment.

2) Amounts repayable to ultimate parent company of the Group (€2,602,551) carry interest of 2.5% per annum charged on the outstanding balance and repayable by €19,762 monthly instalments. Amounts repayable to ultimate parent company of the Group (€1,000,000) are unsecured, interest free and repayable on demand. Amounts repayable to ultimate parent company of the Group (€3,996,941) carry interest of 2.5% per annum charged on the outstanding balance, and repayable by €10,000 monthly instalments. Amounts repayable to ultimate parent company of the Group (€1,997,773) carry interest of 2.5% per annum on the outstanding balance, and repayable by €5,000 monthly instalments.

16 COMPARATIVE FIGURES

Comparative figures were adjusted to reflect the current year presentation.

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

Statement of Profit or Loss and Other Comprehensive Income – Trading Account Schedule
For the year ended 31 December 2024

	2024 €	2023 €
Revenue	932,000	720,000
Other Income		
Finance lease modification	-	7,842,228
Rent receivable – fixtures	990,000	990,000
Fair value movement in investment property value	4,420,353	-
	6,342,353	9,552,228
Administrative and other expenses		
Directors' remuneration	-	(4,665)
Audit fees	(3,500)	(3,300)
Administration fee	(17,500)	(17,500)
Depreciation	(761,927)	(677,779)
Professional fees	(89,635)	(38,988)
Ground rent	(850)	(850)
Corporate fees	(1,200)	(1,495)
Insurance	(52,610)	(47,201)
Expected credit losses	(38,934)	(73,621)
Fines and penalties	-	(1,088)
	(966,156)	(866,487)
Finance costs		
Bank charges	(4,192)	(6,915)
Bank loan interest	(435,914)	(526,365)
Other interest	(576,240)	(510,136)
Bond interest recharged	(294,067)	(294,067)
	(1,310,413)	(1,337,483)
Profit before tax	4,065,784	7,348,258