

YACHT LIFT MALTA OPERATIONS LIMITED

ANNUAL REPORT

For the year ended 30 September 2022

Company Registration No: C 92887

YACHT LIFT MALTA OPERATIONS LIMITED

**Company Information**

**Directors :** Mr Giuseppe Farrugia  
Capt Daniel Gatt

**Company number :** C 92887

**Registered office :** 129-130  
Ta' Xbiex Seafront  
Ta' Xbiex, XBX 1028  
Malta

**Auditors :** KSi Malta  
The Core  
Valley Road  
Msida, MSD 9021  
Malta (EU)

**Banker :** WAMO  
Technique Building  
132-140 Goswell Road  
Unit 3, London  
United Kingdom, EC1V 7DY

# YACHT LIFT MALTA OPERATIONS LIMITED

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## YACHT LIFT MALTA OPERATIONS LIMITED

### **Report of the Directors**

For the year ended 30 September 2022

The directors present their report and the audited financial statements of Yacht Lift Malta Operations Limited (the Company) for the year ended 30 September 2022.

### ***Principal Activity***

The main object of the company is to provide services to the yachting industry.

### ***Review of Business***

The loss for the year amounted to € 400,194 (2021: € 600,588). The Parent Company Yacht Lift Malta PLC issued € 2,000,000 5.5% secured callable Bonds having a nominal value of €100 each. These funds were used to finance the purchase and installation of a floating dry dock platform known as 'Yacht Lift' situated at Marina Di Valletta Pieta.

### ***Dividends and Reserves***

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: liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize 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.

YACHT LIFT MALTA OPERATIONS LIMITED

**Report of the Directors (continued)**

For the year ended 30 September 2022

**Post Balance Sheet Events**

The Directors evaluated subsequent events from 1 October 2022 through ----, the date the financial statements are approved. Through such assessment, it was determined that third party investors will be investing in the Group.

**Directors**

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

Mr Giuseppe Farrugia  
Capt Daniel Gatt

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

**Directors' Interest**

The directors' beneficial interest in the shares of the Company on 30 September 2022 is 12 ordinary shares having a nominal value of €1 each and 20% paid up held equally by Capt Daniel Gatt and Mr Giuseppe Farrugia. The Directors are also the Ultimate Beneficial Owners of Yacht Lift Malta P.L.C. being the Parent company.

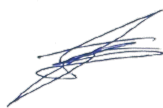
**Financial Reporting Framework**

The directors have resolved to prepare the Company's financial statements for the year ended 30 September 2022 in accordance with International Financial Reporting Standards as adopted by the EU.

**Auditors**

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

BY ORDER OF THE BOARD



Mr Giuseppe Farrugia  
Director



Capt Daniel Gatt  
Director

14 August 2023

**Directors' Responsibilities**

For the year ended 30 September 2022

The Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. 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 from one accounting period to another;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on accruals basis; and
- value separately the components of asset and liability items on a prudent basis.

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 Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234). They are also responsible for safeguarding the assets of the Company and holding company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible to ensure that the Company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

## YACHT LIFT MALTA OPERATIONS LIMITED

### Independent Auditors' Report

To the shareholders of Yacht Lift Malta Operations Limited

#### Qualified Opinion

We have audited the financial statements of Yacht Lift Malta Operations Limited (the Company), set out on pages 9 to 35, which comprise the statement of financial position as at 30 September 2022, 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.

In our opinion, except for the effects of the matter described in the Basis For Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2022, 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 and have been prepared in accordance with the requirements of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234).

#### Basis for Qualified Opinion

The Company's trade and other payables are carried in the statement of financial position at EUR 850,850. Management has not carried out the necessary reconciliations within the accounting system, and payments are sometimes made directly from other sources. By consequence, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of trade and other payables as at 30 September 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 qualified opinion.

## YACHT LIFT MALTA OPERATIONS LIMITED

**Independent Auditors' Report (continued)****Material Uncertainty related to Going Concern**

We draw attention to Note 15 in the financial statements, which indicates that the Company incurred a net loss of EUR 400,194 during the year ended 30 September 2022 and, as of that date, the Company's total liabilities exceeded its total assets by EUR 1,292,716. As stated in Note 15, these events or conditions, along with other matters as set forth in Note 15, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**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.

With respect to the Report of the Directors, we also considered whether the Report of the Directors includes the disclosures required by Article 177 of the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234). Based on the work we have performed, in our opinion:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234).

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 directors' report. We have nothing to report in this regard.



YACHT LIFT MALTA OPERATIONS LIMITED  
**Independent Auditors' Report (continued)**

**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 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:

- 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.

YACHT LIFT MALTA OPERATIONS LIMITED

**Independent Auditors' Report (continued)**

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234) 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.

YACHT LIFT MALTA OPERATIONS LIMITED

**Independent Auditors' Report (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

- 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

Msida  
Malta (EU)

14 August 2023

YACHT LIFT MALTA OPERATIONS LIMITED

**Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 30 September 2022

	Notes	2022 €	2021 €
<b>Revenue</b>		163,629	61,565
Direct costs		(33,279)	(28,427)
<b>Gross profit</b>		<u>130,350</u>	<u>33,138</u>
Administrative expenses	6	(564,467)	(788,635)
<b>Operating loss</b>		<u>(434,117)</u>	<u>(755,497)</u>
Finance costs	6	(113,366)	(112,730)
<b>Loss before tax</b>		<u>(547,483)</u>	<u>(868,227)</u>
Income tax	7	147,289	267,639
<b>Loss for the year</b>		<u>(400,194)</u>	<u>(600,588)</u>
<b>Other comprehensive income for the year</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<u>(400,194)</u>	<u>(600,588)</u>

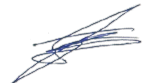
YACHT LIFT MALTA OPERATIONS LIMITED

**Statement of Financial Position**

As at 30 September 2022

	Notes	2022 €	2021 €
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	1,256,533	1,418,047
Deferred tax assets	8	414,928	267,639
<b>Total non-current assets</b>		<u>1,671,461</u>	<u>1,685,686</u>
<b>Current assets</b>			
Trade and other receivables	9	18,797	55,374
Cash and cash equivalents	9	51,924	916
<b>Total current assets</b>		<u>70,724</u>	<u>56,290</u>
<b>Total assets</b>		<u>1,742,185</u>	<u>1,741,976</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	9	60,611	71,902
<b>Total non-current liabilities</b>		<u>60,611</u>	<u>71,902</u>
<b>Current liabilities</b>			
Borrowings	9	2,123,440	2,009,473
Trade and other payables	9	850,850	553,123
<b>Total current liabilities</b>		<u>2,974,290</u>	<u>2,562,596</u>
<b>Total liabilities</b>		<u>3,034,901</u>	<u>2,634,498</u>
<b>Net liabilities</b>		<u>(1,292,716)</u>	<u>(892,522)</u>
<b>Equity</b>			
Issued capital	10	240	240
Accumulated losses	10	(1,292,956)	(892,762)
<b>Total deficiency</b>		<u>(1,292,716)</u>	<u>(892,522)</u>

The financial statements on pages 9 to 35 were approved and authorised for issue by the Board on 14 August 2023 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Mr Giuseppe Farrugia  
 Director

  
 \_\_\_\_\_  
 Capt Daniel Gatt  
 Director

YACHT LIFT MALTA OPERATIONS LIMITED

**Statement of Changes in Equity**

For the year ended 30 September 2022

	Issued capital €	Accumulated losses €	Total €
<b>Changes in equity for 2021</b>			
Balance at 1 October 2020	240	(292,174)	(291,934)
Loss for the year	-	(600,588)	(600,588)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	240	(892,762)	(892,522)
	<hr/>	<hr/>	<hr/>
<b>Changes in equity for 2022</b>			
Balance at 1 October 2021	240	(892,762)	(892,522)
Loss for the year	-	(400,194)	(400,194)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2022</b>	<b>240</b>	<b>(1,292,956)</b>	<b>(1,292,716)</b>
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YACHT LIFT MALTA OPERATIONS LIMITED

**Statement of Cash Flows**

For the year ended 30 September 2022

	Note	2022 €	2021 €
<b>Cash flows from operating activities</b>			
Loss before tax		(547,483)	(868,227)
Adjustments for:			
Depreciation		178,679	175,637
Finance charge		4,518	4,103
Interest expense		108,848	108,627
Operating loss before working capital changes:		(255,438)	(579,860)
Movement in receivables		23,444	24,210
Movement in payables		(5,782)	415,915
Cash used in operations		(237,776)	(139,735)
Tax paid		-	-
Net cash used in operating activities		(237,776)	(139,735)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(17,165)	(234,898)
Net cash used in investing activities		(17,165)	(234,898)
<b>Cash flows from financing activities</b>			
Advances from related company		3,706	301,716
Advances to related parties		302,256	73,833
Net cash generated from financing activities		305,952	375,549
Net movement in cash and cash equivalents		51,011	916
Cash and cash equivalents at beginning of year		916	-
<b>Cash and cash equivalents at end of year</b>	9.3	<b>51,927</b>	<b>916</b>

**Notes to the Financial Statements**

For the year ended 30 September 2022

**1 REPORTING ENTITY**

Yacht Lift Malta Operations Limited is a limited liability company domiciled and incorporated in Malta. Its ultimate controlling parties are Mr. Giuseppi Farrugia and Capt Daniel Gatt. The company's registered office and principal activity of the Company are disclosed in the introduction to the annual report.

**2 BASIS OF ACCOUNTING**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 and the Merchant Shipping Act (Cap. 234). The financial statements have been prepared under the historical cost convention. They were authorised for issue by the Company's board of directors ---2023.

Details of the Company's accounting policies are included in Note 14.

**3 FUNCTIONAL AND PRESENTATION CURRENCY**

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



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**4 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 2022 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.

<b>Standard</b>	<b>Subject of amendment</b>	<b>Effective date</b>
<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 9 Financial Instruments</i>	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>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

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**4 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.

<b>Standard</b>	<b>Subject of amendment</b>	<b>Effective date</b>
<i>IFRS 4 Insurance Contracts</i>	Amendments regarding the expiry date of the deferral approach	1 January 2023
<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 2024
	Amendment to defer the effective date of the January 2020 amendments	1 January 2024
	Amendment regarding the disclosure of accounting policies	1 January 2023
	amendments regarding the classification of debt with covenants	1 January 2024
<i>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i>	Amendments regarding the definition of accounting estimates	1 January 2023
<i>IAS 12 Income Taxes</i>	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
<i>IFRS 16 Leases</i>	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024

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

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**5 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.

**5.1 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 8;
- Leases: whether an arrangement contains a lease – note 9;
- Leases classification – note 9.

**6 OTHER INCOME AND EXPENSE ITEMS****6.1 Breakdown of expenses by nature**

	2022	2021
	€	€
Directors' remuneration	79,300	96,000
Wages and salaries (note 6.2)	78,833	106,842
Depreciation	137,896	136,367
Depreciation – right of use	40,784	39,270
Audit fees	3,200	3,200
Other expenses	224,454	406,956
	<hr/>	<hr/>
	564,467	788,635
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**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**6 OTHER INCOME AND EXPENSE ITEMS (continued)****6.2 Wages and salaries**

	2022 €	2021 €
Gross wages and social security	78,833	106,842
	<hr/>	<hr/>
Average number of employees	6	6
	<hr/>	<hr/>

**6.3 Finance costs**

	2022 €	2021 €
Finance charges on finance lease	108,848	108,627
Interest on loan to related company	4,518	4,103
	<hr/>	<hr/>
	113,366	112,730
	<hr/>	<hr/>

**7 INCOME TAX EXPENSE****7.1 Income Tax Expense**

	2022 €	2021 €
<b>Current tax</b>		
Current tax on taxable income for the year	-	-
	<hr/>	<hr/>
Total current tax expense	-	-
	<hr/>	<hr/>
<b>Deferred tax:</b>		
Deferred tax income for the year	(147,289)	(267,639)
	<hr/>	<hr/>
Total deferred tax asset	(147,289)	(267,639)
	<hr/>	<hr/>
Total income tax expense recognised in the current year	(147,289)	(267,639)
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**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**7 INCOME TAX EXPENSE (continued)****7.2 Reconciliation of income tax expense**

	2022 €	2021 €
Loss before tax	(547,483)	(868,227)
	<hr/>	<hr/>
Theoretical tax at 35%	(191,619)	(303,879)
Tax effect of expenses not subject to tax:		
Disallowable expenses	4,758	-
Fines and penalties	-	228
Loss transferred to parent company	28,756	49,230
IFRS16 permanent difference	10,816	(13,218)
	<hr/>	<hr/>
Income tax income recognised in profit or loss	(147,289)	(267,639)
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YACHT LIFT MALTA OPERATIONS LIMITED

Notes to the Financial Statements (continued)

For the year ended 30 September 2022

8 NON-FINANCIAL ASSETS AND LIABILITIES

8.1 Property, plant and equipment

	Plant and Machinery	Computer Equipment	Tools	Office equipment	Electrical, plumbing & sanitary	Furniture and Fittings	Motor boats	Right of use assets	Total
	€	€	€	€	€	€	€	€	€
<u>Cost</u>									
At 1 October 2020	1,115,387	-	-	1,627	-	-	9,368	269,669	1,396,051
Additions	204,930	598	18,445	216	3,281	3,022	4,407	39,772	274,671
At 30 September 2021	1,320,317	598	18,445	1,843	3,281	3,022	13,775	309,441	1,670,722
At 1 October 2021	1,320,317	598	18,445	1,843	3,281	3,022	13,775	309,441	1,670,722
Additions	7,976	-	714	-	-	8,475	-	-	17,165
At 30 September 2022	1,328,293	598	19,159	1,843	3,281	11,497	13,775	309,441	1,687,887
<u>Depreciation</u>									
At 1 October 2020	-	-	-	407	-	-	937	75,694	77,038
Charge for the year	132,032	150	1,844	458	209	296	1,378	39,270	175,637
At 30 September 2021	132,032	150	1,844	865	209	296	2,315	114,964	252,675
At 1 October 2021	132,032	150	1,844	865	209	296	2,315	114,964	252,675
Charge for the year	132,830	149	1,910	460	230	939	1,377	40,784	178,679
At 30 September 2022	264,862	299	3,754	1,325	439	1,235	3,692	155,748	431,354
<u>Carrying amounts</u>									
At 30 September 2022	1,063,431	299	15,405	518	2,842	10,262	10,083	153,693	1,256,533
At 30 September 2021	1,188,285	448	16,601	978	3,072	2,726	11,460	194,477	1,418,047

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**8 NON-FINANCIAL ASSETS AND LIABILITIES (continued)****8.1.1 Leased assets**

Property includes the following amounts where the Company is a lessee under a finance lease (refer to note 9.5 for further details):

	2022 €	2021 €
<b>Leased property</b>		
Cost	309,441	309,441
Accumulated depreciation	(155,748)	(114,964)
	<hr/>	<hr/>
Net book amount	153,693	194,477
	<hr/>	<hr/>

**8.1.2 Depreciation method and useful lives**

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 and machinery	10
Motor boats	10
Office equipment	25
Computer equipment	25
Electrical, plumbing and sanitary	7
Tools	10
Furniture and fittings	10

**8.2 Deferred tax assets**

	2022	2021
The balances comprises temporary differences attributable to:		
Tax losses	€ 414,928	€ 267,639
	<hr/>	<hr/>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**8 NON-FINANCIAL ASSETS AND LIABILITIES (continued)****8.2 Deferred tax assets (continued)**

	Tax losses €	Total €
At 1 October 2021	267,639	267,639
Credited:		
- to profit or loss	147,289	147,289
	<hr/>	<hr/>
At 30 September 2022	414,928	414,928
	<hr/>	<hr/>

**9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The company holds the following financial instruments:

	Notes	2022 €	2021 €
<b>Financial assets</b>			
Other financial assets	9.2	-	13,135
Trade and other receivables	9.1	18,797	42,239
Cash and cash equivalents	9.3	51,927	916
		<hr/>	<hr/>
		70,724	56,290
		<hr/>	<hr/>
<b>Financial liabilities</b>			
Trade and other payables	9.4	850,850	553,123
Borrowings	9.5	2,184,051	2,081,375
		<hr/>	<hr/>
		3,034,901	2,634,498
		<hr/>	<hr/>



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)****9.1 Trade and other receivables**

	2022	2021
	€	€
<b>Current assets</b>		
Trade receivables	14,673	1,387
Other receivables	1,200	25,687
Prepayment	2,924	15,165
	<hr/>	<hr/>
	18,797	42,239
	<hr/>	<hr/>

**9.2 Other financial assets at amortised cost**

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows;
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments:

	2022	2021
<b>Current assets</b>		
Amounts due from related parties (note)	€ -	€ 13,135
	<hr/>	<hr/>

Note:

Further information relating to amounts due from related parties and key management personnel is set out in note 13.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)****9.3 Cash and cash equivalents**

	2022	2021
<b>Current assets</b>		
Cash at bank and in hand	€ 51,927	€ 916
	<hr/>	<hr/>

**9.3.1 Reconciliation to cash flow statement**

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2022 €	2021 €
Balances as above	51,927	916
	<hr/>	<hr/>
Balances per statement of cash flows	51,927	916
	<hr/>	<hr/>

**9.4 Trade and other payables**

	2022 €	2021 €
<b>Current liabilities</b>		
Trade payables	81,375	274,285
Other payables	1,000	3,632
Vat payable	12,336	-
FSS/NI payable	124,908	78,464
Accruals	342,110	196,742
Amounts due to shareholders (note)	95,486	-
Amounts due to related parties (note)	193,635	-
	<hr/>	<hr/>
	850,850	553,123
	<hr/>	<hr/>

Note:

Amounts due to related parties and shareholders are unsecured, interest free and repayable on demand.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**9 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)****9.5 Borrowings**

	2022 €	2021 €
<b>Secured</b>		
<b>Current liabilities</b>		
Leased liabilities (note)	10,491	9,081
	<hr/>	<hr/>
	10,491	9,081
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Leased liabilities (note)	60,611	71,902
	<hr/>	<hr/>
	60,611	71,902
	<hr/>	<hr/>
<b>Unsecured</b>		
<b>Current liabilities</b>		
Amounts due to related company (note)	2,112,949	2,000,392
	<hr/>	<hr/>
	2,112,949	2,000,392
	<hr/>	<hr/>
<b>Total borrowings</b>	<b>2,184,051</b>	<b>2,081,375</b>
	<hr/>	<hr/>

Note:

Finance lease:

The Company leases properties with a carrying amount of € 71,102 under finance leases.

Borrowings from related company

Borrowings obtained from related company are unsecured, have a 6% interest rate and repayable on demand.

Further information relating to amounts due to related company and key management personnel is set out in note 13.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**10 EQUITY****10.1 Share Capital**

	2022	2021
<u>Authorised</u>		
1,200 ordinary shares of €1 each	€ 1,200	€ 1,200
	_____	_____
<u>Called-up, issued and 20% paid up</u>		
1,200 ordinary shares of €1 each	€ 240	€ 240
	_____	_____

The holders of ordinary shares are entitled to receive dividends as declared by time to time and are entitled to one vote per share at shareholder's meetings of the company.

**10.2 Accumulated Losses**

Movement in accumulated losses were as follows:

	€
At 1 October 2020	(292,174)
Net loss for the year	(600,588)
	_____
At 30 September 2021	(892,762)
	_____
At 1 October 2021	(892,762)
Net loss for the year	(400,194)
	_____
At 30 September 2022	(1,292,956)
	_____

**11 FINANCIAL RISK MANAGEMENT**

The company's risk management is carried out by the board of directors. There are written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidities.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**11 FINANCIAL RISK MANAGEMENT (continued)****11.1 Market risk**

## (i) 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 fixed and variable interest-bearing liabilities. Fixed interest-bearing liabilities consists of finance lease liability whilst exposure to variable interest-bearing liabilities consists of bank overdrafts. As at the consolidated statement of financial position date, the Company's 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 borrowing with a fixed rate interest rate.

**11.2 Credit risk**

Credit risk arises from credit exposure to customers and amounts held with financial institutions (note 9). The maximum credit exposure to credit risk at the reporting date in respect of the financial assets was as follows:

	2022 €	2021 €
Trade and other receivables	15,873	27,074
Cash at bank	51,927	916
	<hr/>	<hr/>
	67,800	27,990
	<hr/>	<hr/>

With respect to amounts receivable, the Company assesses on an ongoing basis the credit quality of the third party tenants, taking into account financial position, past experience and other factors. The Company manages credit limits and exposures actively in a practical manner such that there are no material past due amounts receivable from third party tenants as at the reporting date.

The Company has no significant concentration of credit risk arising from third parties. As at 30 September 2022 and 2021, no trade receivables were impaired.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**11 FINANCIAL RISK MANAGEMENT (continued)****11.3 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 9). 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.

	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
<b>At 30 September 2022</b>						
Trade and other payables	219,619	219,619	219,619	219,619	-	-
Finance lease	71,102	71,702	10,491	10,491	60,611	-
	<u>290,721</u>	<u>290,721</u>	<u>230,110</u>	<u>230,110</u>	<u>60,611</u>	<u>-</u>
<b>At 30 September 2021</b>						
Trade and other payables	356,381	356,381	356,381	356,381	-	-
Finance lease	80,983	80,983	9,081	9,081	71,902	-
	<u>437,364</u>	<u>437,364</u>	<u>365,462</u>	<u>365,462</u>	<u>71,902</u>	<u>-</u>

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**12 CAPITAL MANAGEMENT****12.1 Risk Management**

The company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**13 RELATED PARTY TRANSACTIONS****13.1 Parent entity**

The company is a partially-owned subsidiary of Yacht Lift Malta P.L.C., the Company's parent company. The registered office of the parent company is situated at 129-130, Ta' Xbiex Seafront, Ta' Xbiex XBX 1028, Malta. The ultimate beneficial owners are Mr Giuseppe Farrugia and Capt Daniel Gatt.

It is the responsibility of the parent company to prepare consolidated financial statements (if no exemptions exist) of the Company. If financial statements are prepared, these should be filed and available for public inspection at the Registrar of Companies in Malta.

**13.2 Related party transactions and balances**

	Note	Transaction value		Balance outstanding	
		Year ended 30 September 2022	Year ended 30 September 2021	As at 30 September 2022	As at 30 September 2021
		€	€	€	€
<u>Financing transactions</u>					
Amounts due from/(to) shareholders	13.3	108,621	(73,832)	(95,486)	13,135
Amounts due to related parties	13.3	193,635	-	193,635	-
Amounts due to related company	13.3	112,558	410,342	2,112,949	2,000,391

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**13 RELATED PARTY TRANSACTIONS (continued)**

13.3 The amounts owed from shareholders and related parties are unsecured, interest free and repayable on demand, while the amounts due to related company Yacht Lift Malta P.L.C. are unsecured, have a 6% interest rate and repayable on demand.

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**14.1 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.



**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.1 Income Tax (continued)**

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. 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.

**14.2 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. 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.

**14.3 Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.4 Leases**

**14.4.1 The Company as a Lessee**

For any new contracts entered into on or after 1 January 2018, the Company considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either identified in the contract or implicitly specified by being identified at the time asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Company has the right to direct the use of the identified asset throughout the period of use. The company assess whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.4 Leases (continued)**

**14.4.1 The Company as a Lessee (continued)**

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

**14.4.2 The Company as a lessor**

- The Company's accounting policy under IFRS 16 has not changed from the comparative period.
- As a lessor the Company classifies its leases as either operating or finance leases.
- A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

**The Company as a lessee**

**Finance Leases**

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtains ownership of the asset at the end of the lease term.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.4 Leases (continued)**

**The Company as a lessee (continued)**

**Finance Leases (continued)**

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note 8 in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element is charged to profit or loss, as finance costs over the period of the lease.

**The Company as a lessor**

**Operating Leases**

Rental income is recognised on a straight-line basis over the term of the lease.

**14.5 Property, Plant and Equipment**

The Company's accounting policy for land and buildings is explained in note 8.1.2. 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.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.5 Property, Plant and Equipment (continued)**

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 8.1.2.

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

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.

**14.6 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**14.7 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

**Notes to the Financial Statements (continued)**

For the year ended 30 September 2022

**14 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**14.7 Borrowings (continued)**

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**14.8 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.

**15 GOING CONCERN**

The Company incurred a net loss of EUR 400,194 during the year and presents net liabilities of EUR 1,292,716. These events or conditions, in the opinion of the Board, were at first a direct result of the delay imposed on the start of the operations of the Company due to the permit issues encountered, further exacerbated by the COVID-19 pandemic. Subsequently, the Company encountered other operational difficulties that hindered the operations significantly.

The Company obtained additional financing through its shareholders and has made efforts to start operations as planned to offset the above-mentioned issues that have created uncertainty related to going concern. Furthermore, it has started talks with third party investors in order to rectify the financial position in the short term. In view of these measures and the projected future operations of the Company, the Directors remain convinced that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.