YACHT LIFT MALTA P.L.C.

Interim Report
and
Condensed Consolidated
Financial Statements

for the period
1 October 2022 to 31 March 2023

Company Registration Number: C 78281

GENRAL INFORMATION

Registration

YACHT LIFT MALTA P.L.C. was incorporated in Malta as a public liability company under the Companies Act, Cap. 386 of the Laws of Malta on the 24 November 2016.

Directors

Mr. Giuseppe Farrugia
Capt Daniel Michael Gatt
Michaela Lattughi
Dr. Valentina Lattughi

Company secretary

David Michael Gatt

Registered Office

129-130
Ta' Xbiex Seafront
Ta' Xbiex, XBX 1028
Malta.

Company number

C 78281

Auditors

Core Audit & Assurance Ltd
Certified Public Accountants

No. 102,
St. Catherine Street,
Attard, ATD 2605
Malta

Subsidiary

Yacht Lift Malta Operations Limited – C 92887 - (holds 98% of shares)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
Period ended 31 March 2023

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INTERIM DIRETORS' REPORT
Period ended 31 March 2023

Interim Directors' Report

For the period 1 October 2022 to 31 March 2023. – (8 months)

The directors present their report and the condensed interim consolidated accounts for the period 1 October 2022 to 31 March 2023.

Principal activity

Yacht Lift Malta P.L.C. (the 'Group') together with its subsidiaries, are involved in the services relating to the yachting industry. The primary objective of the Parent Company is to act as a finance and investment company while the subsidiary company primary objective is to provide services relating to the yachting industry.

Financial Risk Management

The Group's activities potentially expose it to a variety of financial risks: liquidity risk and credit risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group'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 Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Credit risk
The Group 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.

(b) Liquidity risk
The Group 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. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

Review of business

During the period under review the Group registered a loss after taxation of € 279,688.

The Company 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' situation at Marina Di Valletta Pieta.

INTERIM DIRETORS' REPORT - *continued*
Period ended 31 March 2023

Dividends and reserves

The directors do not recommend the payment of a dividend and propose to transfer the loss for the period to retained earnings.

Directors

During the period ended 31 March 2023, the directors were as listed on page 1.

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

Approved by the board of directors and signed on its behalf by:

Giuseppe Farrugia
Director

Capt Daniel Gatt
Director

Date: 31 August 2023

CONSOLIDATED INCOME STATEMENT
Period ended 31 March 2023

	The Group (Oct – Mar) 2023 EUR	The Group (Oct – Mar) 2022 EUR
REVENUE	**59,295**	42,518
Direct expenses	**(11,371)**	(16,933)
GROSS PROFIT	**47,924**	25,585
Administrative expenses	**(273,033)**	(267,204)
OPERATING LOSS	**(225,109)**	(241,619)
Interest payable	**(55,000)**	(55,000)
Other income	**421**	-
LOSS BEFORE TAXATION	**(279,688)**	(296,619)
Taxation	**-**	-
LOSS FOR THE FINANCIAL PERIOD	**(279,688)**	(296,619)

The accounting policies and explanatory notes on pages 7 to 13 form an integral part of the consolidated *financial statements*

CONSOLIDATED BALANCE SHEET
As at 31 March 2023

	The Group (unaudited) March 2023 EUR	The Group (Audited) 30 Sep 2022 EUR
ASSETS		
Non-Current assets		
Property, plant and equipment	**1,213,024**	1,306,580
Deferred tax assets	**418,326**	418,326
Total non-current assets	**1,631,350**	1,724,906
Current assets		
Trade & other receivable	**36,135**	18,796
Cash and cash equivalents	**58**	64,978
Total current assets	**36,193**	83,774
Total Assets	**1,667,543**	1,808,680
EQUITY AND LIABILITIES		
Capital and reserves		
Called up issued share capital	**100,000**	100,000
Non Controlling interest	**(31,448)**	(25,854)
Profit and loss account	**(1,531,333)**	(1,257,239)
Total equity	**(1,462,781)**	(1,183,093)
Non- Current liabilities		
Long term Borrowings	**2,188,284**	2,292,811
Current liabilities		
Short term borrowings	**39,626**	39,626
Trade and other payables	**900,743**	657,665
Corporation tax	**1,671**	1,671
Total current liabilities	**942,040**	698,962
Total Liabilities	**3,130,324**	2,991,773
TOTAL EQUITY AND LIABILITIES	**1,667,543**	1,808,680

The condensed interim consolidated financial statements were approved and autrhroised for issue by the board of directors on 31 August 2023 and were signed on its behalf by:

Giuseppe Farrugia
Director

Capt Daniel Gatt
Director

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

1. GENERAL INFORMATION

The interim financial statements include the financial statements of Yacht Lift Malta P.L.C. and its subsidiary companies drawn up to 31 March 2023

The assets and liabilities of the subsidiary companies are included in the statement of financial position at their fair value to the group. Intra-group balances and transactions have been eliminated in full.

These financial statements are presented in Euro, being the company's presentation and functional currency.

These financial statements were authorised for issue by the directors on the 31 August 2023.

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in previous years.

Basis of preparation

These group financial statements, which have been prepared on a historical cost basis except for the revaluation of investment property carried at fair value are in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are dealt with in the notes to these financial statements.

Standards, interpretations and amendments to published standards as effective in 2022

In 2022, the company adopted new standards and interpretations to existing standards that are mandatory for the company's accounting period beginning 1 January 2022. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies.

1.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, interpretations and amendments to published standards as endorsed by the EU effective in the current period

The company has adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 01 January 2022.

The adoption of these revisions to requirements of IFRSs as adopted by the EU did not result in any changes to the company's accounting policies, financial statements or performance of the company.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

1.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES - continued

Standards, interpretations and amendments to published standards as endorsed by the EU that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but which are not yet effective for the current reporting period and which the company has not early adopted, but plans to adopt upon their effective date. The company's directors are of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

1.3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

Segment reporting

Operating segments, where appropriate, are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management of the company that makes strategic decisions.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to this buyer.

Interest income
Revenue is recognised as the interest accrues, unless collectability is in doubt.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

1.3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised immediately in the consolidated statement of comprehensive income.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful life.

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

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater that it estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Impairment of assets
Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

1.3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment property, principally comprising land and buildings, are held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at cost, representing open market value determined annually by external valuers. Changes in fair values are recorded in the consolidated statement of comprehensive income and are included in other operating income and are subsequently transferred from retained earnings to fair value reserves.

Property that is being constructed or developed for future use as investment property is treated as owner occupied until construction or development is completed at which time the property becomes investment property. Such property is carried at cost which includes transaction costs.

Foreign currency translation and transactions

The financial statements are presented in Euro. The reason for adopting such presentation currency is that the Euro is the company's functional currency, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the company. The share capital of the company is also denominated in Euro.

Transactions in foreign currencies being currencies other then the functional currency of the company have been converted into Euro at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Euro at the rates of exchange ruling at the balance sheet date. All resulting differences are taken to the statement of comprehensive income.

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Amounts due from related parties are recognised and carried at cost.

Cash and cash equivalents

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash in hand and at bank with maturities of 3 months and less, net of overdrawn bank balances.

Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the borrowing/loan.

Subsequent to initial recognition, all interest-bearing loans and borrowings, other than liabilities held for trading, are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on settlement. Liabilities which are held for trading are subsequently measured at fair value.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other payables
Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Amounts due to related parties are carried at cost.

Investment in subsidiaries
In the company's financial statements, investments in subsidiaries are accounted for by the cost method of accounting. The dividend income from such investments is included in the statement of comprehensive income in the accounting year in which the company's right to receive payment of any dividend is established.

The company gathers objective evidence that an investment is impaired using the same process disclosed in these notes to the financial statements. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

Loans for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, an extension of the company's investment in that subsidiary. Loans to subsidiaries for which settlement is planned are classified as loans and receivables in accordance with the requirements of IAS39.

Provisions
Provisions are recognised when the company has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Deferred taxation
Deferred income tax is provided using the balance sheet liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable. Losses for tax purposes are treated as deferred tax assets to the extent that there exists the possibility of offsetting these losses against taxable income within the foreseeable future.

Impairment of non-financial assets
Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, asset are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

1.3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the value of property acquired including cost of duties and other direct related costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the expected costs of completion and selling expenses.

1.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that effect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known.

In the opinion of the directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) – 'Presentation of financial statements'.

2. REVENUE

	2022 EUR	2021 EUR
Turnover	59,295	42,518
	59,295	42,518

NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

3. INVESTMENTS IN SUBSIDIARIES

Details of the investments in the subsidiary undertakings are as follows:

Undertaking	*Country of incorporation*	% of *issued shares held* 2023	2022
Yacht Lift Malta Operations Ltd	Malta	98%	98%

4. BORROWINGS

BOND
The Group issued 20,000 secured callable bonds having a face value of €100 each totalling to €2,000,000. These bonds have an interest rate of 5.5% per annum, payable annually in arrears on 12 September. The Bonds are repayable in full upon maturity on 13 September 2025.

These funds were used to finance the purchase and installation of the floating dry dock platform known as 'Yacht Lift' in Marina Di Valletta.

FINANCE LEASEE
The company leases properties with a carrying amount of €80,892 under finance lease.

BANK LOAN
The bank loan facilities are secured by general and special hypothec over the Group's assets and by guarantees of the directors and related parties. The average interest rate on the bank loan is 2.5%.

TRADE AND OTHER PAYABLES
The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

RELATED PARTY TRANSACTIONS
Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.