GILLIERU INVESTMENTS P.L.C.

Annual Report
and
Financial Statements
31 December 2020

Company Registration Number C 86682

CONTENTS

The directors present the annual report together with the audited financial statements of the Company for the year ended 31 December 2020.

Principal Activities

The Company's principal activity is to carry on the business of a finance and holding company.

Performance Review

The COVID-19 pandemic has disrupted businesses on a global level. Despite this, the pandemic did not have a direct impact on the business of the Company, given that the Company is a finance Company and generates its revenue in line with the loan agreement entered into with its subsidiary on 1 January 2019. In fact, the Company generated finance income of €247,450 (2019: €247,450). The Company's profit before taxation amounted to €4,654 (2019: €345). After accounting for taxation, the profit for the year amounted to €3,025 (2019: €225).

Position Review

The Company's asset base amounted to €8,162,936 as at 31 December 2020 (2019: €8,167,850).

The Company's main asset relates to the investment in subsidiary amounting to €2,860,104 and to the loans receivable amounting to €4,910,100.

The Company's main liabilities are made up of €5,000,000 4.75% Secured Bonds 2028.

Dividends and Reserves

The accumulated losses of the Company at the end of the year amounted to €23,475 (2019: €26,500). The directors do not recommend the distribution of a dividend and propose to transfer the profit for the year to reserves.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 23 to these financial statements.

Events Subsequent to the Statement of Financial Position Date

There were no particular important events affecting the Company which occurred since the end of the accounting period.

Future Developments

The directors intend to continue to operate in line with the current business plan.

Directors

Mr. Stephen Cremona (Executive and Chairman)
Ms. Stephanie Cremona (Executive)
Mr. Karl Cremona (Non-Executive)
Mr. George Micallef (Non-Executive)
Mr. Alfred Grech (Non-Executive)

The Board meets on a regular basis to discuss the Company's financial performance, financial position and other matters relating to the Company. The Company's Articles of Association do not require any director to retire.

Statement of Directors' Responsibilities

The Maltese Companies Act, (Cap 386) 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 at the end of the financial year and of the profit or loss of the Company for that year.

In preparing the financial statements, the directors are required to: -

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable in the circumstances;
- adopt the going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

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 the directors to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, (Cap 386). 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.

Auditors

The auditors, Horwath Malta, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Going Concern

After making enquiries and taking into consideration future plans, as explained in Note 2 the directors have a reasonable expectation that the Company has adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

Additional disclosures

Principal risks and uncertainties associated with the Company

The Company's main objective is that of a finance and holding company. Given that the Company does not carry out any trading activities, it is dependent on the receipt of income from Gillieru Holdings Limited ('referred to as Subsidiary company') in relation to Bond proceeds which it has advanced in the form of a loan. Furthermore, the Company and its Subsidiary company are both economically dependent on the business prospects of Gillieru Catering Company Limited ('referred to as Sub-subsidiary company'), given that the latter company operates the Gillieru Harbour Hotel located in St. Paul's Bay, Malta, following a lease agreement entered into between the Subsidiary and Sub-subsidiary company. Consequently, any material changes in the performance of the Gillieru Harbour Hotel would directly affect the performance and position of the Company and the Group.

As the COVID-19 pandemic has significantly disrupted the hospitality industry, inherently the performance of the Gillieru Harbour Hotel was impacted. To this regard, the hotel and restaurant were forced to close in the second quarter of 2020, in accordance to COVID-19 mitigation measures introduced by government. During this period, a refurbishment exercise was undertaken by management to upgrade the hotel and restaurant.

Throughout the year, the directors monitored closely the impact of events and the ability of the Company to honour its financial commitments. In this respect, Gillieru Catering Company Limited leased out to a third party the food and beverage operations, whereby a third party was appointed as a designated operator of the Gillieru Complex, including the Cafeteria Café Carmelo, the Gillieru Restaurant, the Pallakun Lido and the Gillieru Pool Area. Therefore, the directors are of the view that the amount receivable from the Subsidiary by the Company is recoverable.

Management and the board of directors remain confident that the Company will remain operating as a going concern and will continue to honour liabilities as and when they fall due.

Share Capital Structure

The Company's authorised and issued share capital is €200,000 divided into 200,000 Ordinary Shares of €1 each.

Holdings in excess of 5% of Share Capital

On the basis of information available to the Company, as at 31 December 2020, Stephen Cremona Holdings Limited held 199,995 shares in the Company which is equivalent to 99.998% of its total issued share capital.

There are no arrangements in place as at 31 December 2020, the operation of which may at a subsequent date result in a change in control of the Company.

Appointment and removal of directors

Appointment of directors shall be made at the Annual General Meeting of the Company.

An election of the directors shall take place every year at the Annual General Meeting of the Company. All directors shall retire from office once at least every three years but shall be eligible for re-election.

Appointment and removal of directors (continued)

A director shall hold office until he resigns or may be removed before the expiration of his year of office by a resolution taken at a general meeting of the Company and passed by a member or members having the right to attend and vote, holding in the aggregate shares entitling the holders thereof to more than fifty percent of the voting rights attached to shares represented and entitled to vote at the meeting.

Powers of the Directors

The management and administration of the Company is vested in the Board of Directors. The powers of Board members are contained in Article 12 of the Company's Articles of Association. There are no provisions in the Company's Memorandum and Articles of Association regulating the retirement or non-retirement of directors over an age limit.

Directors' Interests

As at 31 December 2020, non-Executive directors and the Executive director Ms. Stephanie Cremona have no beneficial interest in the share capital of the Company. However, the executive director Mr. Stephen Cremona, has a direct and an indirect beneficial interest in the share capital of the company through his shares in Stephen Cremona Holdings Limited, who is the ultimate beneficial owner of the Group.

Contracts with Board Members and Employees

The Company does not have service contracts with any of its Board Members.

Statement by the Directors on the Financial Statements and Other Information included in the Annual Report

In pursuant to Prospects MTF Rules the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position and financial performance of the Company and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the Companies Act (Cap.386); and

- this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risk and uncertainties that it faces.

Approved by the Board of Directors and signed on its behalf by:

Mr. Stephen Cremona
Director

Ms. Stephanie Cremona
Director

Registered Address:
The Gillieru Harbour Hotel
Church Street,
St. Paul's Bay
Malta

15 April 2021

The Code adopted by the Company

Gillieru Investments p.l.c. (the 'Company') supports the Prospects MTF Rules in their entirety and the stipulations of the said rules in relation to dealing restrictions.

The Company also supports The Code of Principles of Good Corporate Governance annexed to the Listing Rules (the 'Code'). The Company is required by the Prospects MTF Rules to include, in the Annual Report, a Directors' Statement of Compliance which deals with the extent to which the Company has adopted the Code and the effective measures that the Company has taken to ensure compliance with the Code, accompanied by a report of the auditor.

Compliance with the Code

The Board of Directors (the 'Board') of the Company believe in the adoption of the Code and has endorsed them except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendation. The Company has issued Bonds to the public and has no employees, accordingly some of the provisions are not applicable whilst others are applicable to a limited extent.

The Board

The Board sets the strategy and direction of the Company and retains direct responsibility for appraising and monitoring the Company's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Company so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Company's compliance with its continuing obligations in terms of the Prospects MTF Rules.

Chairperson and Chief Executive Officer

Due to the size structure of the Company and the nature of its operations, the Company does not employ a Chief Executive Officer (CEO). This function is undertaken by the Executive Directors.

The day to day running of the business is vested with the Executive Directors of the Company.

The Chairman is responsible for:

- leading the Board and setting its agenda;
- ensuring that the Directors of the Board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company;
- encouraging active engagement by all members of the board for discussion of complex or contentious issues.

Board Composition

As at 31 December 2020, the Board consists of two executive directors and three non-executive directors, two of whom are independent, as follows:

Mr. Stephen Cremona – Executive Director and Chairman
Ms. Stephanie Cremona – Executive Director
Mr. Karl Cremona – Non-Executive Director
Mr. George Micallef – Independent, Non-Executive Director
Mr. Alfred Grech – Independent, Non-Executive Director

All directors shall hold office from the general meeting at which they are elected until the next general meeting. All shall retire from office once at least in each three year however retiring directors are eligible for re-election.

Internal Control

The Board is responsible for the internal control system of the Company and for reviewing its effectiveness. The internal control system is designed to achieve business objectives and to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses and fraud.

Systems and procedures are in place to control, monitor, report and assess risks and their financial implications.

Attendance at Board Meetings

Directors meet regularly to review the financial performance of the Company and the system of internal control processes. Board members are notified of meetings by the Company Secretary with the issue of an agenda, which is circulated in advance of the meeting. All directors are entitled to seek independent professional advise at any time on any aspect of their duties and responsibilities at the Company's expense.

The Board met formally twelve times during the year under review and attendance was as follows:

Board member	*Attended*
Mr. Stephen Cremona	12 (out of 12)
Ms. Stephanie Cremona	7 (out of 12)
Mr. Karl Cremona	12 (out of 12)
Mr. George Micallef	11 (out of 12)
Mr. Alfred Grech	12 (out of 12)

Committees

The Board does not consider it necessary to appoint a committee to carry out performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

The Board considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committees. Appointments to the Board are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association. The Company considers that the members of the Board possess level of skill, knowledge and experiences expected in terms of the Code.

Audit Committee

The terms of reference of the Audit Committee consists of supporting the Board in their responsibilities in dealing with issues of risks, control and governance and associated assurance.

The Board set formal rules of engagement and terms of reference of the Audit Committee that establish its composition, role and function, the parameter of its remit and the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the respective board and is directly responsible and accountable to the respective board. The Board reserves the right to change the Committee's terms of reference from time to time.

The Audit Committee has the role to deal with and advise the Board on:

- the monitoring over the financial reporting processes, financial policies, internal control structures and audit of annual financial statements;
- the monitoring of the performance of the entity borrowing funds from the Company;
- maintaining communication on such matters between the board, management and independent auditors;
- facilitating the independence of the external audit process and addressing issues arising from the audit process and;
- preserving the company's assets by understanding the Company's risk environment and determining how to deal with such risks.

The Audit Committee also has the role and function of considering and evaluating the arm's length nature of proposed transactions to be entered into by the Company and a related party.

The Malta Stock Exchange reviewed the Committee's Terms of Reference as part of the admission process with respect to the Bonds issued by the Company.

The Members of the Audit Committee

The Audit Committee is presently composed of:

Mr. Alfred Grech (Chairman of the Audit Committee)
Mr. George Micallef
Mr. Karl Cremona

The Members of the Audit Committee (continued)

Mr. Alfred Grech and Mr. George Micallef act as independent, non-executive members of the Committee. The Audit Committee is chaired by Mr. Alfred Grech, whilst Mr. George Micallef and Mr. Karl Cremona act as members. In compliance with the Prospects MTF Rules, Mr. Alfred Grech is an independent, non-executive director who is competent in accounting matters. The Company believes that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof.

The Directors believe that the current set-up is sufficient to enable the Company to fulfil the objective of the Prospects MTF Rules' terms of reference in this regard.

During the year under review, the audit Committee met five times.

Remuneration Statement

Pursuant to the Company's Articles of Association, the maximum aggregate emoluments that may be paid to directors are approved by the shareholder in a general meeting. Total net fees of €20,000 were payable to directors during the year under review.

The remuneration of directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

None of the directors is employed or has a service contract with the Company.

Relations with bondholders and the market

The Company publishes annual financial statements and when required company announcements. The Board feels these provide the market with adequate information about its activities.

Conflict of interests

The directors are aware of their responsibility to always act in the interest of the Company and its shareholders as a whole, irrespective of who appointed them to the Board. In accordance with the Company's Articles of Association, the directors shall be obliged to disclose their interest in a contract, arrangement or proposal with the Company in accordance with article 145 of the Act and a director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest, whether direct or indirect. Furthermore, the Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company.

During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company. Mr. Stephen Cremona, has a direct and indirect beneficial interest in the share capital of the Company, and as such is susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company.

Corporate Social Responsibility

The directors are committed to high standards of ethical conduct and to contribute to the development of the local community and society at large.

Signed on behalf of the Board of Directors on 15 April 2021 by:

Mr. Alfred Grech
Director and Chairman of the
Audit Committee

Mr. Stephen Cremona
Director

SCremona

Ms. Stephanie Cremona
Director

Horwath Malta
Member Crowe Global

La Provvida, Karm Zerafa Street,
Birkirkara BKR 1713, Malta
Main +356 2149 4794/2
www.crowe.mt

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Gillieru Investments p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gillieru Investments p.l.c. (the Company), set out on pages 15 to 36, which comprise the statement of financial position as at 31 December 2020, 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 accompanying financial statements give a true and fair view of the financial position of the Company, as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), as modified by Article 173 of the Maltese Companies Act (Cap 386) and have been properly prepared in accordance with the requirements of the said Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Emphasis of matter

We draw attention to Note 2 in relation to the basis of preparation of these financial statements, which addresses developments in connection with COVID-19, and the potential impact on financial and operational performance of the Company. This matter is considered to be of fundamental importance to the users' understanding of the financial statements because of the potentially unfavorable nature of these developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of financial statements for 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.

(a) Recoverability of group balances

Loan receivable includes funds advanced to the subsidiary company. This loan amounted to €4,900,000 as at 31 December 2020 and carries an agreed rate of interest of 5.05% per annum.

The recoverability of this loan agreement is assessed at the end of each financial year.

How the scope of our audit responded to the risk

We have reviewed the loan agreement and agreed the terms to the loan balance included in these financial statements. We have also assessed the financial soundness of the subsidiary company by making reference to its latest audited financial statements.

Findings

We concur with the management's view that the intercompany loan is recoverable.

(b) Investment in subsidiary

Investment in subsidiary represents the capitalisation of dividend receivable by parent company that was assigned to the Company, which amount is utilised as additional capital in the subsidiary company.

How the scope of our audit responded to the risk

We have reviewed the necessary assignment of debt and novation agreements to ensure that these are recorded appropriately.

Findings

We concur with management's view with respect to the valuation of the investment in subsidiary.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report. Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. 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.

Crowe

Other Information (continued)

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

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

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

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Company and the disruption to its business and the overall economy.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current year 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.

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Prospects MTF Rules issued by the Malta Stock Exchange require directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting year with those Principles.

The Prospects MTF Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 5 to 9 has been properly prepared in accordance with the requirements of the Prospects MTF Rules issued by the Malta Stock Exchange.

Other matters on which we are required to report by exception

Under Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

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

John Abela (Partner) for and on behalf of

Horwath Malta
Member of Crowe Global

La Provvida
Karm Zerafa Street
Birkirkara BKR1713
Malta

15 April 2021

	Note	2020 €	2019 €
Finance income	6	**247,450**	247,450
Finance costs	7	**(247,349)**	(247,349)
Net interest income		**101**	101
Administrative expenses		**(40,447)**	(44,756)
Other income	8	**45,000**	45,000
Profit before Income Tax	9	**4,654**	345
Income taxation	10	**(1,629)**	(120)
PROFIT FOR THE YEAR		**3,025**	225
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,025**	225
Earnings per share	22	**0.015**	0.001

	Note	2020 €	2019 €
ASSET			
Non-Current Assets			
Investment in subsidiary	11	**2,860,104**	2,860,104
Loans receivable	12	**4,910,100**	4,910,100
Deferred tax asset	13	**12,371**	-
		7,782,575	7,770,204
Current Assets			
Loans receivable	12	**255,900**	247,450
Trade and other receivables	14	**122,206**	81,779
Cash and cash equivalents		**2,255**	68,417
		380,361	397,646
Total Assets		**8,162,936**	8,167,850
EQUITY AND LIABILITIES			
Capital and Reserves			
Called up issued share capital	15	**200,000**	200,000
Other equity	16	**2,983,644**	2,972,820
Accumulated losses	17	**(23,475)**	(26,500)
		3,160,169	3,146,320
Non-Current Liabilities			
Borrowings	18	**4,922,029**	4,912,180
Current Liabilities			
Trade and other payables	19	**80,738**	109,230
Taxation payable		**-**	120
		80,738	109,350
Total Equity and Liabilities		**8,162,936**	8,167,850

The financial statements on pages 15 to 36 were approved by the Board of Directors on 15 April 2021 and were signed on its behalf by:

Mr. Stephen Cremona
Director

Ms. Stephanie Cremona
Director

	Share Capital	Other Equity	Accumulated Losses	Total
	€	€	€	€
At 1 January 2019	47,000	3,022,104	(26,725)	3,042,379
Transactions with owners				
Capital contribution from ultimate shareholder	-	103,716	-	103,716
Capitalisation of capital contribution	153,000	(153,000)	-	-
	153,000	(49,284)	-	103,716
Total Comprehensive Income for the year				
Profit for the year	-	-	225	225
Total comprehensive income for the year	-	-	225	225
Balance at 31 December 2019	**200,000**	**2,972,820**	**(26,500)**	**3,146,320**
At 1 January 2020	200,000	2,972,820	(26,500)	3,146,320
Transactions with owners				
Capital contribution from ultimate shareholder	-	10,824	-	10,824
	-	10,824	-	10,824
Total Comprehensive Income for the year				
Profit for the year	-	-	3,025	3,025
Total Comprehensive Income for the year	-	-	3,025	3,025
Balance at 31 December 2020	**200,000**	**2,983,644**	**(23,475)**	**3,160,169**

Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 €	2019 €
Operating Activities			
Profit for the year before taxation		4,654	345
Adjustment for:			
Amortisation of bond issue costs		9,849	9,849
Finance costs		237,500	237,500
Finance income		(247,450)	(247,450)
		4,553	244
Working capital changes:			
Movement in trade and other payables		(35,689)	81,000
Movement in trade and other receivables		(40,427)	(56,795)
Cash (used in) / generated from Operating Activities		(71,563)	24,449
Interest paid		(237,500)	(237,500)
Interest received		239,000	-
Taxation paid		(120)	-
Net Cash used in Operating Activities		(70,183)	(213,051)
Financing Activities			
Advances to immediate and ultimate parent company		-	(3,000)
Capital contribution from ultimate shareholder		10,828	103,716
Advances to subsidiary company		-	(496,870)
(Advances to) / advances from sub-subsidiary company		(6,807)	2,331
Net Cash generated from / (used in) Financing Activities		4,021	(393,823)
Movement in Cash and Cash Equivalents		(66,162)	(606,874)
Cash and cash equivalents at beginning of year		68,417	675,291
Cash and Cash Equivalents at End of Year	20	2,255	68,417

1. General Information

Gillieru Investments p.l.c (the "Company") is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Maltese Companies Act, (Cap 386) enacted in Malta, which require adherence to International Financial Reporting Standards as adopted by the EU (EU IFRSs).

International Financial Reporting Standard 10, Consolidated Financial Statements, requires a parent company to prepare consolidated financial statements in which it consolidates its investment in subsidiary. However, the Company has availed itself of the exemptions set out in Section 173 of the Maltese Companies Act and accordingly consolidated financial statements covering the Company and its subsidiary have not been drawn up.

These financial statements therefore represent the separate financial statements of the Company, in accordance with International Accounting Standard 27, Separate Financial Statements, in which the investment is accounted for on the basis of the direct equity interest, rather than on the basis of the reported results and net assets of the investees.

Basis of measurement

The financial statements are prepared on the historical cost basis.

Going concern

The Company's principal activity is to act as a finance and holding company. The Company in itself does not have substantial assets and is a special purpose vehicle set up to act as the holding and finance company for the Gillieru Group which consists of the Company, its Subsidiary Gillieru Holdings Limited and its Sub-subsidiary Gillieru Catering Company Limited. Since the Company does not carry out any trading activities itself, it is economically dependent on the business prospects of the Group, the core operations of which are the ownership, management and operation of the Gillieru Hotel located in St. Paul's Bay, Malta and the leasing out of the food and beverage operations.

During the financial year under review, the world faced the massive outbreak of the Coronavirus ("COVID-19"). On 11th March 2020 it was declared by the World Health Organisation ("WHO") as a worldwide pandemic. The outbreak of COVID-19 resulted in serious disruption to businesses around the world. In view of sharp economic downturn and the threat of massive unemployment, many governments reacted by introducing co-ordinated stimulus measures, business support initiatives and employment protection programmes on a scale never witnessed before. In Malta, the government also launched particular schemes to immediately address the shortage of liquidity. In this respect, the Group availed itself of the COVID-19 Wage Supplement Scheme, the Electricity Refund Scheme made available by Malta Enterprise and the MDB COVID-19 Guarantee Scheme whereby it obtained additional finance of €1 million to finance the cash shortfall encountered by the Group.

2. Basis of Preparation

Going Concern (continued)

In preparing these financial statements, the directors of the Company assessed the impact that the COVID-19 pandemic has had on the performance of the Company, and the Group. This was assessed through (i) the losses encountered by the Group during 2020 and the anticipated profitability once the pandemic subsides (ii) the additional revenue being generated by the Sub-subsidiary company through the appointment of the designated operator.

The board of directors is satisfied that the Group will generate sufficient profitability to meet its payment obligations to the Company, such that the Company continues to meet is obligation with its bondholders. The Group shall continue to closely monitor the situation and constantly assess the impact of the COVID-19 pandemic on its operations. The Group acknowledges that there is still a high degree of uncertainty, however the directors will continue to take appropriate actions, as they have already done, and consider the Group resilient enough to be able to sustain the current conditions.

Taking into consideration all of the above factors and circumstances, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Functional and presentation currency

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

Use of estimates and judgements

The preparation of financial statements in conformity with EU IFRSs, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 5 – Critical accounting estimates and judgements).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

3. Changes in Accounting Polices and Disclosures

There were no new standards, amendments and interpretations to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2020 or later periods, that have an effect on the Company's financial statements.

4. Significant Accounting Policies

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

Finance income and finance costs

Finance income and finance costs are recognised in profit or loss for all interest-bearing instruments on a time-proportionate basis using the effective interest method. Finance costs include the effect of amortising any difference between net proceeds and redemption value in respect of the Company's borrowings. Finance income and costs are recognised as they accrue, unless collectability is in doubt.

Income taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Investment in subsidiary

Subsidiary undertakings are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

4. Significant Accounting Policies (continued)

Investment in subsidiary (continued)

In the Company's financial statements, investment in subsidiary is accounted for using the cost method of accounting. The dividend income from such investment is included in the statement of comprehensive income in the accounting year in which the company's rights to receive payment of any dividend is established. If the company gathers objective evidence that an investment is impaired using the same process disclosed in accounting policy – *impairment of financial assets,* the impairment loss is recognised in the statement of comprehensive income. 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.

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant component is measured at transaction price.

Classification and subsequent measurement

i. Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) (debt investment), FVOCI (equity instrument) or FVTPL.

In the periods presented the company do not have financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within administrative expenses.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

i. Financial assets (continued)

Financial assets at amortised costs

A financial asset is measured at amortised cost if it meets both the following conditions:

- it is held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discount is immaterial. The Company's cash and cash equivalents, loans and receivables and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of the business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, expect for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or loses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

As already noted above, the Company held no financial assets at fair value through profit or loss.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

As already noted above, the Company held no financial assets at FVOCI.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

i. Financial assets (continued)

Assessment whether contractual cashflows are SPPI

For the purpose of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

ii. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expenses, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfer the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. Significant Accounting Policies (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

Non-derivative financial assets

The Company assesses at each reporting basis the expected credit losses associated with its (ECLs).

The company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk

For all financial assets that are subject to impairment under IFRS 9, the company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit impaired on initial recognition is classified in stage 1.

Financial assets in stage 1, have their expected credit loss measured at amount equal to the portion of lifetime expected credit loss that results from default events possible within the next 12 months, or until contractual maturity if shorter. If the company identifies a significant increase in credit risk since initial recognition, the asset is transferred to stage 2 and its expected credit loss is measured on a life time basis, that is up until contractual maturity. If the company determines that a financial asset is credit impaired, the asset is transferred to stage 3 and the expected credit loss is measured on a lifetime credit loss basis.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, i.e. expected credit loss allowance. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss within 'administrative expenses'. When a receivable is uncollected, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in profit or loss.

Cash and cash equivalents

Cash comprises demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

4. Significant Accounting Policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost: any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Dividend distribution

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

Trade and other payables

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

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

5. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates 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).

6. Finance Income

	2020	2019
	€	€
Interest receivable on long term loan due from subsidiary company	**247,450**	247,450

7. Finance Costs

	2020	2019
	€	€
Interest payable on bond	**237,500**	237,500
Amortisation of bond issue costs	**9,849**	9,849
	247,349	247,349

8. Other income

	2020	2019
	€	€
Management fee	**45,000**	45,000

9. Profit before Income Tax

This is stated after charging the following:

	2020	2019
	€	€
Directors' fees	**20,000**	20,000
Audit fee	**2,625**	2,500
Amortisation of bond issue costs	**9,849**	9,849

9. Profit before Income Tax (continued)

The total remuneration paid to the Company's auditors during the year amounts:

	2020	2019
	€	€
Annual statutory audit fees	**2,625**	2,500
Other non-audit services	**1,645**	3,278

10. Income Taxation

	2020	2019
	€	€
Current tax expense	-	120
Deferred tax credit	**(12,371)**	-
Tax charge on group losses surrenderd from a group company	**14,000**	-
	1,629	120

The tax charge and the result of accounting profit multiplied by the statutory income tax rate are reconciled as follows:

	2020	2019
	€	€
Profit before taxation	**4,654**	345
Tax at the applicable statutory rate of 35%	**1,629**	120

11. Investment in Subsidiary

	2020	2019
	€	€
At 1 January		
Cost and carrying net book amount	**2,860,104**	2,860,104
As at 31 December		
Cost and carrying net book amount	**2,860,104**	2,860,104

The investment in subsidiary represents the capitalisation of dividends receivable by the parent company that was assigned to the Company, which amount is utilised as additional capital in subsidiary company.

The principal subsidiary undertaking which is unlisted at 31 December 2020 is shown below:

	Registered Office	**Principal Activity**	**Percentage of shares held shares held**	**2019 €**
Gillieru Holdings Ltd	296, Northern Star, Triq San Pawl, St. Paul's Bay	Leasing Property	83.54	8,354

The shares held by Gillieru Investments plc in Gillieru Holdings Limited are pledged as security under the Gillieru Security Trust agreement, whereby Gillieru Investment plc grants a pledge over all of its shares held in Gillieru Holdings Limited, from time to time, in favour of the Security Trustee.

The Company has an indirect investment in Gillieru Catering Ltd which is 100% directly owned by Gillieru Holdings Limited.

12. Loans Receivable

	2020	2019
	€	€
Non- current		
Loan receivable from immediate and ultimate parent company	**3,000**	3,000
Loan receivable from subsidiary company	**4,902,000**	4,902,000
Loan receivable from ultimate beneficial owner	**5,100**	5,100
	4,910,100	4,910,100
Current		
Interest accrued on loan receivable from subsidiary company	**255,900**	247,450
Total	**5,166,000**	5,157,550

Loans receivable from immediate and ultimate parent company and ultimate beneficial owner relate to transfer of funds.

Loans receivable from parent and ultimate beneficial owner are unsecured, interest free and have no fixed date for repayment but are not envisaged to be paid within the next twelve months.

Mainly, the loan receivable from subsidiary company relates to the advancement of bond proceeds, which were subsequently utilised in line with the use of the proceeds as per Company Admission Document.

Loan receivable from subsidiary company is unsecured, carries interest rate of 5.05% per annum and is repayable in full by not later than 31 October 2028, except for the amount of €2,000 which is unsecured, interest free and has no fixed date for repayment but not envisaged to be paid within the next twelve months.

The current portion of amounts due from subsidiary company is related to the accrued interest at year end not yet paid.

At 31 December 2020, these financial assets were fully performing and hence do not contain impaired assets.

13. Deferred Taxation

Deferred taxation is calculated on all temporary differences under the liability method, using the principal tax rate of 35%.

The movement in the deferred tax asset is as follows:

	2020	2019
	€	€
Deferred tax asset		
Credited to profit or loss	12,371	-
At end of year	12,371	-

Deferred taxation is principally composed of deferred tax assets and liabilities which are to be recovered and settled after more than twelve months. Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority. The deferred taxation balance at 31 December represents:

	2020	2019
	€	€
Deferred tax asset		
Temporary difference on:		
Unabsorbed tax losses	12,371	-

14. Trade and Other Receivables

	2020	2019
	€	€
Indirect tax refundable	2,222	-
Accrued income	90,000	45,000
Prepaid expenses	5,000	9,464
Other receivables	24,984	27,315
	122,206	81,779

15. Share Capital

	2020 €	2019 €
Authorised, Issued and Fully Paid Up		
200,000 Ordinary shares of €1 each	**200,000**	200,000

16. Other Equity

This amount represents capital contribution from the immediate and ultimate parent company and from the ultimate beneficial shareholder. The amount is unsecured, interest free and repayable exclusively at the option of the Company.

17. Accumulated Losses

This represents accumulated profits or losses. During the year under review, no dividends were paid out.

18. Interest Bearing Borrowings

	2020 €	2019 €
Non-current		
5,000,000 4.75% Secured Bonds 2028	**4,922,029**	4,912,180
Bonds outstanding (face value)	**5,000,000**	5,000,000
Gross amount of bond issue costs	**(98,490)**	(98,490)
Amortisation of gross amount of bond issue costs:		
Amortisation bond issue costs brought forward	**10,670**	821
Amortisation charge for the year	**9,849**	9,849
Unamortised bond issue costs	**(77,971)**	(87,820)
Amortised cost and closing carrying amount	**4,922,029**	4,912,180

Interest on the 4.75% Secured Bonds 2028 is payable annually in arrears, on 30 November of each year.

The bonds constitute the general, direct, unconditional obligation of the Company and shall be secured by means of the Collateral granted in terms of the pledge agreement. The bonds shall rank with priority in relation to other unsecured debt of the Company, if any.

19. Trade and Other Payables

	2020 €	2019 €
Trade payables	**18,064**	15,184
Accrued expenses	**53,151**	91,715
Amounts due to sub-subsidiary company	**9,523**	2,331
	80,738	109,230

Amounts due to sub-subsidiary company are unsecured, interest free and repayable on demand.

20. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2020 €	2019 €
Cash at bank	**2,255**	68,417

21. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Company forms part of the Cremona Group of Companies. All companies forming part of the Cremona Holdings Group are related parties since these companies are ultimately owned by Stephen Cremona Holdings Limited.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by Mr. Stephen Cremona, who is therefore considered to be a related party.

The Company is a subsidiary of Stephen Cremona Holdings Limited which is the immediate and ultimate parent company. The registered address of the parent company is Gillieru Harbour Hotel, Church Street, St. Paul's Bay.

21. Related Party Transactions (continued)

Transactions with related parties

	2020 €	2019 €
Income		
Finance income from subsidiary company	**247,450**	247,450
Management fee charged to sub-subsidiary company	**45,000**	45,000
Loans and Advances		
Capital contribution by ultimate beneficial owner	**10,828**	103,716
Advances to immediate and ultimate parent company	-	(3,000)
Advances to subsidiary company	-	(496,870)
(Advances to) / advances from sub-subsidiary company	**(6,807)**	2,331
Other		
Tax losses surrendered by sub-subsidiary company	**14,000**	-

Key management personnel compensation, consisting of directors' fees has been disclosed in Note 9 to the financial statements.

Year end balances arising from related party transactions are disclosed in Notes 12, 16 and 19 to the financial statements.

22. Earnings per Share

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

	2020 €	2019 €
Net profit generated by the owners of the company	**3,025**	225
Weighted average number of ordinary shares in issue (Note 15)	**200,000**	200,000
Earnings per share (cents)	**0.015**	0.001

23. Financial Risk Management

At the year end, the Company's main financial assets comprised loan receivables from subsidiary company and cash held at bank. At the year end the Company's main financial liabilities consisted of borrowings and trade and other payables.

The Company's principal risk exposures relate to credit risk and liquidity risk. The Company is not exposed to currency risk and the directors consider interest rate risk exposure to be minimal due to matching of interest costs on borrowings with finance income from its loans and receivables.

Timing of Cash Flows

The presentation of the above mentioned financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Credit Risk

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of loan receivables from subsidiary company, immediate and ultimate parent company and ultimate beneficial owner and cash at bank (refer to notes 12 and 20). The carrying amount of financial assets represents the maximum credit exposure.

For related party balances, the Company assess the credit quality of these related parties by taking into account financial position, performance and other factors. In measuring expected credit losses on these balances, management takes into account, when available, the agreements in place and adherence to the applicable agreements. Management does not expect any losses from non-performance or default, and as such the credit risk in this respect is limited.

The Company banks only with local financial institutions with high quality rating. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

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 (refer to Notes 18 and 19). The Company is exposed to liquidity risk arising from its ability to satisfy liability commitments depending on cash inflow receivable in turn from Gillieru Holdings Limited.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month year to ensure that no additional financing facilities are expected to be required over the coming year. This process is performed through a rigorous assessment of detailed cash flow projections of the Company where matching of cash inflows and outflows arising from expected maturities of financial instruments are assessed on an annual basis.

23. Financial Risk Management (continued)

Liquidity Risk (continued)

The carrying amounts of the Company's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates in the respective notes to the financial statements.

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares.

Fair Values of Financial Instruments

At 31 December 2020 and 31 December 2019, the carrying amounts of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Company for similar financial instruments.

As at the end of the reporting period, the fair values of financial assets and liabilities, approximated the carrying amounts shown in the statement of financial position.

SCHEDULE

1. Administrative Expenses

GILLIERU INVESTMENTS P.L.C.
Administration Expenses
For the year ended 31 December 2020

Schedule 1

	2020	2019
	€	€
Directors' fees	**20,000**	20,000
Audit fee	**2,625**	2,500
Professional fees	**16,901**	21,349
Registration fee	**600**	600
Bank charges	**321**	307
	40,447	44,756