GILLIERU INVESTMENTS P.L.C

Annual Report
and
Consolidated Financial Statements
31 December 2024

Company Registration Number C 86682

CONTENTS

The directors present the annual report together with the audited financial statements of the Company and the Group, which comprises the parent Gillieru Investments p.l.c and its subsidiary Gillieru Holdings Limited, and its sub-subsidiary, Gillieru Catering Company Limited (hereinafter referred to as the Group) for the year ended 31 December 2024.

Principal Activities

The Company's principal activity is to carry on the business of a finance and holding company. The Group's main trading activity is that of investing, acquiring or leasing, holding and operating hotel and other ancillary outlets within the Gillieru Complex which currently comprises of the Gillieru Harbour Hotel, Ostrica and its inherent facilities including Octopus Garden Dive Centre which is a household name within the local underwater diving scene and the recently introduced Soul Solutions Wellness Centre.

Performance Review

During the financial year under review, the Gillieru Harbour Hotel continued to strengthen its traction within the hospitality industry, maintaining a high level of occupancy throughout the year, with strengthened occupancy levels in shoulder months.

The hotel's performance was further enhanced by the implementation of improved sales management strategies, including the diversification of booking channels and a focused approach to managing sales during peak seasons. These initiatives contributed to higher room rates and overall improved occupancy performance. Additional revenue streams were successfully established through the rental of spaces now occupied by a wellness centre, sailing club, and fitness facilities. Beyond generating rental income, these facilities have added valuable amenities for guests, positively impacting guest satisfaction and supporting an increase in room rates. Furthermore, the Dive Centre continues to demonstrate strong growth, attracting increased foot traffic and contributing to a more diversified and enriched guest experience at the hotel. With respect to the catering facility within the Gillieru Complex, the Ostrica Nera underwent new management during 2024 in an effort to improve quality of service. Themed dinners have continued to serve as a strong point for the restaurant, with weekly events taking place throughout the year.

As a result, the Group increased its revenue from €1,928,645 in previous year to €2,085,342 in current year, representing an increase of 8.1%. Cost containment continued to be a priority with improved internal controls to improve energy-saving outcomes across the Gillieru Complex. As a result, gross profit margin increased from 53.3% in the previous year to 55% in 2024. The increase in revenue was compensated by an increase in administrative expenses from €485,880 in the previous year to €603,836 in 2024. This generated a profit before tax of €33,503 (2023: €26,487). After accounting for taxation, the Group's profit amounted to €15,095 (2023: €30,656).

The Company is a finance company and generates its revenue in line with the agreements entered into with its subsidiary. The Company generated finance income of €247,450 which remained unchanged when compared to the previous year, as anticipated in accordance with the stipulated agreements in place. The Company's profit before taxation amounted to €2,644 (2023: €2,829). After accounting for taxation, the profit for the year amounted to €709 (2023: €1,658).

Position Review

The Group's asset base remained considerably strong amounting to €11,403,070 as at 31 December 2024, (2023: €11,184,066) consisting principally of the property, plant and equipment, incorporating the Gillieru Complex. The Group's total liabilities amounted to €7,328,237 as at 31 December 2024 (2023: €7,124,328) consisting principally of the borrowings and trade and other payables.

The Company's asset base amounted to €8,155,684 as at 31 December 2024 (2023: €8,153,602). The Company's main assets are the investment in subsidiary amounting to €2,860,104 (2023: €2,860,104) and the loans receivable amounting to €4,910,100 (2023: €4,910,100). The Company's total liabilities amounted to €5,026,801 as at 31 December 2024 (2023: €5,025,428). 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 Group and the Company at the end of the year amounted to €737,603 (2023: €750,324) and €16,761 (2023: €17,470) respectively. 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 Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 28 to these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2025 through 21 April 2025, the date these financial statements were approved. Through such assessment, the directors have determined that there were no particular events affecting the Group which occurred since the ned of the accounting period.

Future Developments

The directors intend to continue to operate in line with the current business plan whilst seeking new revenue streams which may be generated from the Gillieru Complex, including but not limited to, the lease of areas within the Gillieru Complex and additional facilities that can improve the hotel's competitiveness and enhance the experience of visitors and guests accommodated at the hotel.

Directors

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

The Board meets on a regular basis to discuss the financial performance, financial position and other matters relating to the Group. 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 period which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss of the Company and the Group 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 group and the parent 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 the Group 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 the Group 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

The Company's directors have assessed the Company's ability to continue as a going concern by reviewing anticipated profitability and cashflow projections. 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.

Management and the board of directors remain confident that the Group will remain operating as a going concern and will continue to honour liabilities when these 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 2024, 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 2024, 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 in line with the Memorandum & Articles of Association of the Company.

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 2024, 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

As at the date hereof, the directors, Mr Karmenu Vella and Mr. Alfred Grech are party to a director service contract with the Company, pursuant to which their respective role, responsibilities, duties and the applicable remuneration is set out. The service agreement is of an indefinite duration. None of the service contracts contain provisions for termination payments and other payments linked to early termination.

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 the Group 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.

21 April 2025

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 Capital Market 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 2024, 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. Alfred Grech – Independent, Non-Executive Director
Mr. Karmenu Vella – 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 at least once in each three years 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 5 times during the year under review and attendance was as follows:

Board member	*Attended*
Mr. Stephen Cremona	5 (out of 5)
Ms. Stephanie Cremona	3 (out of 5)
Mr. Karl Cremona	5 (out of 5)
Mr. Alfred Grech	5 (out of 5)
Mr. Karmenu Vella	5 (out of 5)

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. Karl Cremona
Mr. Karmenu Vella

Mr. Alfred Grech and Mr. Karmenu Vella act as independent, non-executive members of the Committee. The Audit Committee is chaired by Mr. Alfred Grech, whilst Mr. Karl Cremona and Mr. Karmenu Vella 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 4 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 fees of €25,178 were paid 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. As at the date hereof, the directors, Mr Karmenu Vella and Mr. Alfred Grech are party to a director service contract with the Company, pursuant to which their respective role, responsibilities, duties and the applicable remuneration is set out. The service agreement is of an indefinite duration.

None of the service contracts contain provisions for termination payments and other payments linked to early termination.

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 21 April 2025 by:

Mr. Alfred Grech
Chairman of the Audit
Committee

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 Shareholder of Gillieru Investments p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated and stand-alone parent company financial statements of Gillieru Investments p.l.c. (the Company), set out on pages 15 to 48, which comprise the consolidated and stand-alone parent company statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the parent Company, as at 31 December 2024 and of the group and parent company's financial performance and the Group and parent company's cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the parent company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of 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 2024 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 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.

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 Group 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 Group'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 Group 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.

Crowe

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 Group'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 Group'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 Group's ability to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide 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.

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Report on Other Legal and Regulatory Requirements (continued)

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 Group's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 6 to 10 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.

21 April 2025

		The Group		The Company	
		2024	2023	**2024**	2023
	Note	**€**	€	**€**	€
Revenue	6	**2,085,342**	1,928,645	**-**	-
Gross profit on hospitality operations		**1,147,648**	1,027,415	**-**	-
Selling costs		**(215,175)**	(180,222)	**-**	-
Administrative expenses		**(609,836)**	(485,880)	**(74,457)**	(52,273)
		322,637	361,313	**(74,457)**	(52,272)
Depreciation		**(191,512)**	(193,348)	**-**	-
Results from operating activities		**131,125**	167,965	**(74,457)**	(52,272)
Other income	7	**252,578**	212,051	**77,000**	55,000
Finance income	8	**-**	-	**247,450**	247,450
Finance costs	9	**(350,200)**	(353,529)	**(247,349)**	(247,349)
Profit before tax	10	**33,503**	26,487	**2,644**	2,829
Income taxation	12	**(18,408)**	4,169	**(1,935)**	(1,171)
PROFIT FOR THE YEAR		**15,095**	30,656	**709**	1,658
Loss for the year attributable to:					
- Owners of the Company		**12,721**	25,871	**-**	-
- Non-Controlling interest		**2,374**	4,785	**-**	-
		15,095	30,656	**-**	-
Profit per share		**0.06**	0.13		

The accounting policies and explanatory notes on pages 20 to 48 form an integral part of these financial statements.

	Note	**The Group 2024 €**	The Group 2023 €	**The Company 2024 €**	The Company 2023 €
ASSETS					
Non-Current Assets					
Property, plant and equipmen	13	**9,728,693**	9,682,226	**-**	-
Investment in subsidiary	14	**-**	-	**2,860,104**	2,860,104
Loans receivable	15	**413,840**	405,102	**4,910,100**	4,910,100
Deferred tax asset	16	**596,406**	614,814	**6,053**	7,988
		10,738,939	10,702,142	**7,776,257**	7,778,192
Current Assets					
Loans receivable	15	**10,444**	8,224	**233,200**	255,750
Trade and other receivables	17	**312,058**	185,788	**111,302**	102,945
Cash and cash equivalents	25	**341,629**	287,912	**34,925**	16,715
		664,131	481,924	**379,427**	375,410
Total Assets		**11,403,070**	11,184,066	**8,155,684**	8,153,602
EQUITY AND LIABILITIES					
Capital and Reserves					
Called up issued share capital	18	**200,000**	200,000	**200,000**	200,000
Other equity	19	**3,333,855**	3,333,855	**2,945,644**	2,945,644
Accumulated losses	20	**(737,603)**	(750,324)	**(16,761)**	(17,470)
		2,796,252	2,783,531	**3,128,883**	3,128,174
Non-controlling interests		**1,278,581**	1,276,207	**-**	-
		4,074,833	4,059,738	**3,128,883**	3,128,174
Non-Current Liabilities					
Bonds	21	**4,961,425**	4,951,576	**4,961,425**	4,951,576
Interest bearing borrowings	22	**513,355**	382,013	**-**	-
Other borrowings	23	**450,000**	450,000	**-**	-
Trade and other payables	24	**227,841**	193,270	**-**	-
		6,152,621	5,976,859	**4,961,425**	4,951,576
Current Liabilities					
Interest bearing borrowings	22	**172,054**	164,140	**-**	-
Trade and other payables	24	**1,000,941**	980,708	**65,376**	73,852
Current tax liability		**2,621**	2,621	**-**	-
		1,175,616	1,147,469	**65,376**	73,852
Total Equity and Liabilities		**11,403,070**	11,184,066	**8,155,684**	8,153,602

The accounting policies and explanatory notes on pages 20 to 48 form an integral part of these financial statements.

The financial statements on pages 15 to 48 were approved by the Board of Directors on 21 April 2025 and signed on its behalf by:

Mr. Stephen Cremona
Director

S. Cremona

Ms. Stephanie Cremona
Director

The Group	Share capital	Accumulated losses	Other equity	Total attributable to owners	Non - controlling interest	Total equity
	€	€	€	€	€	€
Balance at 1 January 2023	200,000	(776,195)	3,333,855	2,757,660	1,271,422	4,029,082
Total comprehensive loss for the year						
Loss for the year	-	25,871	-	25,871	4,785	30,656
Total comprehensive loss for the year	-	25,871	-	25,871	4,785	30,656
Balance at 31 December 2023	**200,000**	**(750,324)**	**3,333,855**	**2,783,531**	**1,276,207**	**4,059,738**
Balance at 1 January 2024	200,000	(750,324)	3,333,855	2,783,531	1,276,207	4,059,738
Total comprehensive loss for the year						
Loss for the year	-	12,721	-	12,721	2,374	15,095
Total comprehensive loss for the year	-	12,721	-	12,721	2,374	15,095
Balance at 31 December 2024	**200,000**	**(737,603)**	**3,333,855**	**2,796,252**	**1,278,581**	**4,074,833**

The Company	Share capital	Accumulated losses	Other equity	Total
	€	€	€	€
Balance at 1 January 2023	200,000	(19,128)	2,945,644	3,126,516
Total comprehensive income for the year				
Profit for the year	-	1,658	-	1,658
Total comprehensive income for the year	-	1,658	-	1,658
Balance at 31 December 2023	**200,000**	**(17,470)**	**2,945,644**	**3,128,174**
Balance at 1 January 2024	200,000	(17,470)	2,945,644	3,128,174
Total comprehensive income for the year				
Profit for the year	-	709	-	709
Total comprehensive income for the year	-	709	-	709
Balance at 31 December 2024	**200,000**	**(16,761)**	**2,945,644**	**3,128,883**

		The Group		The Company	
		2024	2023	**2024**	2023
	Note	**€**	**€**	**€**	**€**
Operating Activities					
Profit for the year before taxation		**33,503**	26,487	**2,644**	2,829
Adjustment for:					
Interest payable		**340,351**	343,680	**237,500**	237,500
Interest receviable		**-**	-	**(247,450)**	(247,450)
Amortisation of bond issue costs		**9,849**	9,849	**9,849**	9,849
Depreciation on property, plant and equipment		**191,512**	193,348	**-**	-
Provision for expected credit losses		**28,798**	15,107	**-**	-
		604,013	588,471	**2,543**	2,728
Working capital changes:					
Movement in trade and other receivables		**(258,846)**	(145,185)	**(13,565)**	11,215
Movement in trade and other payables		**96,674**	379,976	**(8,475)**	11,727
Cash generated from / (used in) operations		**441,841**	823,262	**(19,497)**	25,670
Interest paid		**(261,101)**	(286,641)	**(237,500)**	(237,500)
Interest received		**-**	-	**270,000**	255,000
Net Cash generated from Operating Activities		**180,740**	536,621	**13,003**	43,170
Investing Activities					
Purchase of property, plant and equipment		**(237,979)**	(253,872)	**-**	-
Net Cash used in Investing Activities		**(237,979)**	(253,872)	**-**	-
Financing Activities					
Repayments to ultimate beneficial shareholder		**-**	-	**(17,343)**	(17,500)
Loans to ultimate shareholder		**(23,109)**	(16,232)	**-**	-
Advances from subsubsidiary company		**-**	-	**22,550**	(26,044)
Advances to companies owned by common shareholders		**(5,191)**	(7,300)	**-**	-
Movement in bank loan		**139,256**	(155,342)	**-**	-
Net Cash generated from / (used in) Financing Activities		**110,956**	(178,874)	**5,207**	(43,544)
Movement in Cash and Cash Equivalents		**53,717**	103,875	**18,210**	(374)
Cash and cash equivalents at beginning of year		**287,912**	184,037	**16,715**	17,090
Cash and Cash Equivalents at End of Year	25	**341,629**	287,912	**34,925**	16,716

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 consolidated financial statements include the financial statements of Gillieru Investments p.l.c and its subsidiary. These consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, (Cap 386) enacted in Malta, which require adherence to International Financial Reporting Standards (IFRSs) as adopted by the EU.

Basis of measurement

The financial statements are prepared on the historical cost basis.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future and will be able to meet its obligations as they fall due.

As at 31 December 2024, the Group's total current liabilities exceeded its total current assets by €510,987. This indicates the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In response to this situation, the Group's ultimate beneficial owner has confirmed his willingness to provide adequate financial support, should the need arise, to enable the Group to meet its liabilities as they fall due.

During the financial year ended 31 December 2024, the Group recorded an improvement in its financial and operational performance. In particular, the net current liability position improved by over €154,558 compared to the prior year, reflecting the results of management's ongoing strategic initiatives.

Management continues to implement measures focused on increasing revenue and improving cost efficiency, including the recruitment of dedicated revenue personnel, upgrading room amenities to enhance room rates, and engaging in strategic collaborations aimed at promoting sport tourism. Additionally, efforts to generate lease income from underutilised areas within the Complex are ongoing. From a cost-management perspective, management is exploring the replacement of aging machinery to reduce utility expenses.

While management acknowledges the lingering financial effects of the COVID-19 pandemic, particularly on operations that were in early stages of growth, the directors remain confident that the Group's strategies are yielding positive results.

Based on these considerations and the shareholder's support, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2. Basis of Preparation (continued)

Functional and presentation currency

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

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS, as adopted by the EU, 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 period in which the estimates are revised and in any future periods affected.

Preparation of consolidated financial statements

International Financial Reporting Standard 10, Consolidated Financial Statements, requires a parent company to prepare consolidated financial statements in which it consolidates its investments in subsidiaries. The consolidated financial statements of the company for the year ended 31 December 2024, comprise the company and its subsidiary, Gillieru Holdings Limited (together referred to as the ''group''). Gillieru Holdings Limited is the parent company of Gillieru Catering Company Limited.

Subsidiaries consists of Gillieru Catering Limited, are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potentaionl voting rights that are currently exercisable or convertabile are considered when assessing whether the group controls another entity.

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

In the company's seperate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is at cost less impairment. Cost includes directly attribuatble costs of the investments. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified. The results of subsidiaries are reflected in the company's seperate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is charged or credited to profit or loss.

3. Changes in Accounting Policies and Disclosures

There were no new standards, amendments and interpretation to existing standards that have been published and are mandatory for the accounting periods beginning 1 January 2024 or later periods, that have an effect on the group's and parent 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 periods presented, unless otherwise stated.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

Revenue is recognised as follows:

i. Revenue from Hotel operations

Revenue from hotel operations includes revenue from accommodation, food and beverage services and other ancillary services. Most of the services are provided to customers during their stays in the hotel and depending on the type of booking, some services would be generally be amalgamated into one 'contract' (for example, bed and breakfast).

Each of the services rendered is assessed to be a distinct performance obligation, and if applicable, the Company allocates the transaction price to each of the services rendered to the customer on a relative basis, based on their stand-alone selling price. Revenue from such operations is recognised over time since the customer benefits as the Company is performing; the majority of revenue relates to accommodation (i.e. the amount allocated to such performance obligation is recognised over the customer's stay at the respective hotel).

ii. Catering services

The Company provides services in the catering industry. The transaction price comprises a fixed amount agreed with the respective customer. Any upfront payments are deferred as contract liabilities, and revenue is recognised in the year that the services are provided to the customer.

4. Significant Accounting Policies (continued)

Revenue recognition (continued)

iii. Rental Income

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

Borrowing costs

Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of interest-bearing borrowings.

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 finance costs are recognised as they accrue unless collectability is in doubt.

Leases

Leases are classified as finance leases whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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 period, 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.

4. Significant Accounting Policies (continued)

Income taxation (continued)

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 Group 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.

Employee benefits

The Company contributes towards the State defined contribution pension plan in accordance with local legislation in exchange for services rendered by employees and to which it has no commitment beyond the payment of fixed contributions. Obligation for contributions are recognised as an employee benefit in profit or loss in the years during which services are rendered by employees.

Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this

4. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

Depreciation (continued)

most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current years are as follows:

- Building – 50 years
- Improvements to premises – 50 years
- Motor vehicles – 5 years
- Furniture, fixtures and fittings – 10 years
- Airconditioning – 6 years
- Computer and electronic equipment – 4 years
- Computer software – 4 years
- Communication equipment – 6 years
- Security system and equipment – 6 years
- Catering equipment – 6 years
- Electrical and plumbing – 6 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate. Impairment losses are recognised as an expense in the profit or loss.

Impairment of non-financial assets

Assets that are subject to deprecation 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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 shareholder 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.

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.

4. Significant Accounting Policies (continued)

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 years presented the Company does 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.

Financial assets at amortised cost

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.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

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

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 Group 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 Group held no financial assets at FVOCI.

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 year of time.

In assessing whether the contractual cash flows are SPPI, the Group 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.

i. 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.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

i. Financial liabilities (continued)

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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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.

Trade and other receivables

Trade receivables comprise amounts due from customer for services provided in the ordinary course of business. If collection is expected in one year or less (or in the normal operation cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

4. Significant Accounting Policies (continued)

Cash and cash equivalents

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

Expected Credit Losses

The Group recognised a loss allowance for Expected Credit Losses (ECLs) on the following financial assets at amortised cost: loans and receivables, trade and other receivables and cash at bank.

Where a collective basis is applied (see the Accounting Policy entitled 'Collective basis' below), the ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience based on the past due status of the debtors, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the receivables operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition.

For trade receivables that do not contain a significant financing component (or for which the IFRS 15 practical expedient for contracts that are one year or less is applied), the Company applies the simplified approach and recognises lifetime ECL.

Under IFRS 9, loss allowances are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have a low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. To the extent applicable, the Group has applied the low credit risk assumption for the following classes of financial assets – cash at bank.

4. Significant Accounting Policies (continued)

Expected Credit Losses (continued)

Definition of Default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information develop internally or obtained from external sources indicates that the receivable is unlikely to pay its payables, including the Company, in full (without taking into account any collateral held by the Company).

The maximum period considered when estimating ECLs is the maximum contractual year over which the Group is exposed to credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty; a breach of contract, such as a default or past due event; the borrower, for economic or contractual reason relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial recognition; or the disappearance of an active market for that financial asset because of financial difficulties.

Measurement and recognition of ECLs

For the financial assets, the credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses with the respective risks of a default occurring as the weights.

Where applicable, forward-looking information considered includes the future prospects of the industries in which the Group's receivables operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that related to the Group's core operations.

Collective basis

If evidence of a significant increase in credit risk at the individual instrument level is not yet available, the Group performs the assessment of significant increases in the credit risk on a collective basis by considering information on, for example, a group or sub-group of financial instruments.

The grouping is regularly reviewed by the management to ensure the constituents of each group continue to share similar credit risk characteristics.

4. Significant Accounting Policies (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Recoveries made are recognised in profit or loss as impairment gains.

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 year of the borrowings using the effective interest method.

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

Dividend distribution

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

Revenue represents the invoiced value of the accommodation and ancillary services rendered net of direct taxation thereon.

7. Other Income

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Management fee	-	-	**77,000**	55,000
Rental income	**251,013**	205,100	-	-
Sundry income	**1,565**	6,951	-	-
	252,578	212,051	**77,000**	55,000

8. Finance Income

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Interest on long term loan due from subsidiary company	-	-	**247,450**	247,450

9. Finance Costs

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Interest payable on bond	**237,500**	237,500	**237,500**	237,500
Amortisation of bond issue costs	**9,849**	9,849	**9,849**	9,849
Interest on bank loans	**32,151**	35,647	-	-
Interest on loans	**70,700**	70,533	-	-
	350,200	353,529	**247,349**	247,349

10. Profit before Income Tax

This is stated after charging the following:

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Audit fee	**9,208**	9,050	**2,894**	2,800
Director's remuneration	**104,138**	80,512	**25,178**	24,516
Depreciation on property, plant and equipment	**191,512**	193,348	**-**	-
Amortisation of bond issue costs	**9,849**	9,849	**9,849**	9,849
Provision for expected credit losses	**28,798**	15,107	**-**	-

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

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Annual statutory audit fee	**9,208**	9,050	**2,894**	2,800
Other non-audit services	**9,241**	9,241	**1,316**	1,316

11. Staff Costs and Employee Information

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Wages and salaries	**593,474**	521,256	**-**	-
Social security costs	**42,012**	37,137	**-**	-
	635,486	558,393	**-**	-

Director	**1**	1	-	-
Rooms	**15**	15	-	-
Maintenace	**3**	3	-	-
Administration	**6**	6	-	-
	25	25	-	-

12. Income Taxation

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Current tax expense	**-**	-	**-**	-
Deferred tax charge/(credit)	**18,408**	(4,169)	**1,935**	1,171
	18,408	(4,169)	**1,935**	1,171

12. Income Taxation (continued)

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

	The Group		**The Company**	
	2024	2023	**2024**	2023
	€	€	**€**	€
Profit before taxation	**33,502**	26,487	**2,642**	2,829
Tax at the applicable statutory rate of 35%	**11,726**	9,270	**925**	990
Tax effect of:				
Capital allowances not deducted by way of depreciation	**(26,959)**	(30,363)	**-**	-
Depreciation not deducted by way of capital allowances	**1,010**	980	**-**	-
Maintenace allowance	**(39,470)**	(36,256)	**-**	-
Disallowable expenses	**72,101**	52,200	**1,010**	181
	18,408	(4,169)	**1,935**	1,171

13. Property, Plant and Equipment

The Group

	Land	Buildings	Imp. to premises	Motor Vehicles	Furnitue, Fixtures & Fittings	Air-Conditioning	Computer & Electronic Equipment	Computer Software	Communication equipment	Security System Equipment	Catering Equipment	Electrical & Plumbing	Total
	€	€	€	€	€	€	€	€	€	€	€	€	€
At 1 Janaury 2023													
Cost	6,089,000	2,700,263	690,135	28,000	459,232	94,543	110,518	4,705	9,328	20,323	89,744	45,061	10,340,852
Accumulated depreciation	-	(216,020)	(49,119)	(22,400)	(160,782)	(60,241)	(105,949)	(3,288)	(4,981)	(9,206)	(57,117)	(30,048)	(719,151)
Net book amount	**6,089,000**	**2,484,243**	**641,016**	**5,600**	**298,450**	**34,302**	**4,569**	**1,417**	**4,347**	**11,117**	**32,627**	**15,013**	**9,621,701**
Year ended 31 December 2023													
Opening net book amount	6,089,000	2,484,243	641,016	5,600	298,450	34,302	4,569	1,417	4,347	11,117	32,627	15,013	9,621,701
Additions	-	-	188,358	-	60,258	-	1,344	-	636	3,277	-	-	253,873
Depreciation charge	-	(54,005)	(17,570)	(5,600)	(67,272)	(15,760)	(3,898)	(1,176)	(1,661)	(3,934)	(14,960)	(7,512)	(193,348)
Closing net book amount	**6,089,000**	**2,430,238**	**811,804**	**-**	**291,436**	**18,542**	**2,015**	**241**	**3,322**	**10,460**	**17,667**	**7,501**	**9,682,226**
At 31 December 2023													
Cost	6,089,000	2,700,263	878,493	28,000	519,490	94,543	111,862	4,705	9,964	23,600	89,744	45,061	10,594,725
Accumulated depreciation	-	(270,025)	(66,689)	(28,000)	(228,054)	(76,001)	(109,847)	(4,464)	(6,642)	(13,140)	(72,077)	(37,560)	(912,499)
Net book amount	**6,089,000**	**2,430,238**	**811,804**	**-**	**291,436**	**18,542**	**2,015**	**241**	**3,322**	**10,460**	**17,667**	**7,501**	**9,682,226**

13. Property, Plant and Equipment (continued)

The Group

	Land	Buildings	Imp. to premises	Motor Vehicles	Furniture, Fixtures & Fittings	Air-Conditioning	Computer & Electronic Equipment	Computer Software	Communication Equipment	Security System Equipment	Catering Equipment	Electrical & Plumbing	Total
	€	€	€	€	€	€	€	€	€	€	€	€	€
Year ended 31 December 2024													
Opening net book amount	6,089,000	2,430,238	811,804	-	291,436	18,542	2,015	241	3,322	10,460	17,667	7,501	9,682,226
Additions	-	-	173,519	-	54,076	3,118	2,182	-	-	-	5,084	-	237,979
Depreciation charge	-	(54,005)	(21,042)	-	(69,441)	(16,264)	(1,632)	(241)	(1,660)	(3,934)	(15,792)	(7,501)	(191,512)
Closing net book amount	**6,089,000**	**2,376,233**	**964,281**	**-**	**276,071**	**5,396**	**2,565**	**-**	**1,662**	**6,526**	**6,959**	**-**	**9,728,693**
At 31 December 2024													
Cost	6,089,000	2,700,263	1,052,012	28,000	573,566	97,661	114,044	4,705	9,964	23,600	94,828	45,061	10,832,704
Accumulated depreciation	-	(324,030)	(87,731)	(28,000)	(297,495)	(92,265)	(111,479)	(4,705)	(8,302)	(17,074)	(87,869)	(45,061)	(1,104,011)
Net book amount	**6,089,000**	**2,376,233**	**964,281**	**-**	**276,071**	**5,396**	**2,565**	**-**	**1,662**	**6,526**	**6,959**	**-**	**9,728,693**

14. Investment in Subsidiary

	2024	2023
	€	€
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 the subsidiary company.

The principal subsidiary undertaking which is unlisted at 31 December 2024 is shown below:

	Registered Office	**Principal Activity**	**Percentage of shares held**	**2024 €**
Gillieru Holdings Limited	296, Northern Star, Triq San Pawl, St. Paul's Bay, Malta.	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.

15. Loans Receivable

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Loan receivable from immediate and ultimate parent company	**3,000**	3,000	**3,000**	3,000
Loan receivables from subsidiary company	-	-	**4,902,000**	4,902,000
Loan receivables from companies owned by common shareholders	**55,803**	50,617	-	-
Loan receivables from ultimate beneficial owner	**354,276**	350,724	**5,100**	5,100
Loan receivables from related parties	**761**	761	-	-
	413,840	405,102	**4,910,100**	4,910,100
Current				
Interest accrued on loan receivable from subsidiary company	-	-	**230,700**	253,250
Amounts due from immediate and ultimate parent company	**4,551**	2,331	-	-
Amounts due from companies owned by common shareholders	**3,393**	3,393	-	-
Amounts due from ultimate beneficial owner	**2,500**	2,500	**2,500**	2,500
	10,444	8,224	**233,200**	255,750
Total	**424,284**	413,326	**5,143,300**	5,165,850

Loans receivables from immediate and ultimate parent company, ultimate beneficial owner and companies owned by common shareholders, relate to transfer of funds.

Loans receivables from parent company, ultimate beneficial owner and companies owned by common shareholders are unsecured, interest free and have no fixed date for repayment but are not envisaged to be paid within the next twelve months, except for the amounts of €4,551 and €3,393 and €2,500 respectively which are unsecured, interest free and repayable on demand and an amount of €240,000 which is repayable by ultimate beneficial owner by January 2026.

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.

15. Loans receivable (continued)

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 2024 loans receivables are disclosed net of provision for impairment on amounts due from companies owned by common shareholders of €245,850 (2023: €230,497).

16. Deferred Taxation

Deferred taxation is calculated on all temporary differences under the liability method, using the principal tax rate of 35% (2023: 35%).

The movement in the deferred tax asset is as follows:

	The Group		**The Company**	
	2024	2023	**2024**	2023
	€	€	**€**	€
Defered tax asset				
At beginning of the year	**614,814**	610,646	**7,988**	9,159
(Credit) / charge to profit or loss	**(18,408)**	4,168	**(1,935)**	(1,171)
At end of year	**596,406**	614,814	**6,053**	7,988

Deferred taxation is principally composed of deferred tax asset 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:

	The Group		**The Company**	
	2024	2023	**2024**	2023
	€	€	**€**	€
Defered tax asset				
Temporary difference on:				
Property, plant and equipment	**(4,713)**	(10,347)	-	-
Provisions	**96,954**	86,874	-	-
Unabsorbed capital allowances	**356,895**	323,593	-	-
Unabsorbed trading losses	**147,270**	214,694	**6,053**	7,988
	596,406	614,814	**6,053**	7,988

17. Trade and other receivables

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Trade receivables	**225,408**	102,893	-	-
Accrued income	**45,398**	19,507	**22,000**	-
Prepaid expenses	**13,841**	9,625	**11,275**	7,575
Advance payments	**176**	177	-	-
Other receivables	**27,235**	53,586	-	-
Amounts due from sub-subsidiary company	-	-	**78,027**	95,370
	312,058	185,788	**111,302**	102,945

Trade receivables are disclosed net of expected credit losses of €4,714 (2023: €20,152) and a specific provision of €26,447 (refer to Note 28 of these financial statements).

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

18. Share Capital

	The Group and the Company	
	2024	2023
	€	€
Authorised, Issued and Fully Paid Up		
200,000 ordinary shares of €1 each	**200,000**	200,000

19. Other Equity

This amount represents capital contribution from the immediate and ultimate parent company, from the ultimate beneficial shareholder and from companies owned by common shareholders. The amount is unsecured, interest free and repayable exclusively at the option of the Group.

20. Accumulated Losses

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

21. Bonds

	The Group and the Company	
	2024	2023
	€	€
Non-current		
5,000,000 4.75% Secured Bonds 2028	**4,941,727**	4,941,727
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 cost:		
Amortisation bond issue costs brought forward	**50,066**	40,217
Amortisation charge for the year	**9,849**	9,849
Unamortised bond issue costs	**(38,575)**	(48,424)
Amortised cost and closing carrying amount	**4,961,425**	4,951,576

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

Interest bonds constitute the general, direct, unconditional obligation of the Group 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 Group, if any.

22. Interest Bearing Borrowings

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Bank loan	**513,355**	382,013	**-**	-
Current				
Bank loan	**172,054**	164,140	**-**	-
Total	**685,409**	546,153	**-**	-

The bank loan is secured by a general hypothec over the sub-subsidiary's assets, through guarantee given by the ultimate shareholder and related party and through a pledge on the business insurance policy. The effective interest rate at 31 December 2024 is 5.40% (2023:6.70%).

22. Interest Bearing Borrowings (continued)

Maturity long term borrowings

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Between 1 and 2 years	**181,083**	172,757	-	-
Between 2 and 5 years	**42,272**	209,256	-	-
Over 5 years	**290,000**	-	-	-
	513,355	382,013	-	-

23. Other Borrowings

The amount of €200,000 is due to a third party and is secured by a property owned by the ultimate shareholder, carries interest at 6.5% per annum and is to be repaid by February 2027.

The amount of €250,000 is due to a related party and is unsecured, carries interest at 5% per annum and does not have a fixed date for repayment however it is not envisaged to be repaid within the next twelve months.

24. Trade and Other Payables

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Social security contribution and other taxes	**227,841**	193,270	-	-
Current				
Trade payables	**273,468**	419,955	**12,329**	24,750
Indirect taxation payable	**82,798**	49,776	**18,001**	12,874
Accrued expenses	**321,274**	256,540	**35,047**	36,228
Other payables	**83,089**	63,348	-	-
Social security contribution and other taxes	**128,448**	97,869	-	-
Amounts due to ultimate beneficial shareholder	**55,932**	46,610	-	-
Amounts due to related party	**55,932**	46,610	-	-
	1,000,941	980,708	**65,377**	73,852
Total	**1,228,782**	1,173,978	**65,377**	73,852

25. Cash and Cash Equivalents

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

	The Group		**The Company**	
	2024	2023	**2024**	2023
	€	€	**€**	€
Cash at bank	**341,629**	287,912	**34,925**	16,715

26. 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.

Gillieru Investments plc is the parent of subsidiary Gillieru Holdings Ltd and sub subsidiary Gillieru Catering Company Limited (together referred to as the Gillieru Group). All companies forming part of the Gillieru Group are related parties since these companies are ultimately owned by Stephen Cremona Holdings Limited which is considered by the directors to be the ultimate controlling party.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by Mr. Stephen Cremona.

Stephen Cremona Holdings Limited is the immediate and ultimate parent of the Gillieru Group.

26. Related Party Transactions (continued)

Transactions with related parties

	The Group		The Company	
	2024	2023	**2024**	2023
	€	€	**€**	€
Revenue				
Finance income from subsidiary company	-	-	**247,450**	247,450
Management fee charged to subsidiary company	-	-	**77,000**	55,000
Loans and Advances				
Repayments to ultimate beneficial owner	-	-	**(17,343)**	(17,500)
Loans to ultimate shareholder	**(23,109)**	(16,232)	-	-
Advances from sub-subsidiary company	-	-	**22,550**	(26,044)
Advances to companies owned by common shareholders	**(5,191)**	(7,300)	-	-

Key management personal compensation, consisting of directors' fees and directors' remuneration has been disclosed in Note 10 to these financial statements.

Year end balances arising from related party transactions are disclosed in Notes 15, 17, 19 and 24 to the financial statements.

27. Earnings per Share

Earnings per share is calculated by dividing the profit attributable to the equity holders of the parent company weighted average number of ordinary shares in issue during the year.

	2024	2023
	€	€
Profit from operations attributable to the owners of the parent	**15,094**	25,871
Weighted average number of ordinary shares is issue (Note 18)	**200,000**	200,000
Earnings per share (cents)	**0.08**	0.13

28. Financial Risk Management

At the period end, the Group's main financial assets comprised of the loans receivables, trade and other receivables and cash held at bank.

At the period end the Group's main financial liabilities consisted of borrowings and trade and other payables.

The exposure to risk and the way risks arises, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

Timing of Cash Flows

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

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation.

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of receivables and cash at bank.

Receivables and loans are presented net of an allowance for doubtful receivables. In terms of IFRS 9 the Group applies an ECL model as an allowance for doubtful receivables. The Group assesses the credit quality of its customers, the majority of which are unrated, taking into account the financial position, past experience and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of services are effected with customers with an appropriate credit history.

The Group banks only with local financial institution with high quality rating. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet its 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 Group.

The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, where applicable, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral held.

Management considers the credit quality of these financial assets at the end of the reporting year as being acceptable.

28. Financial Risk Management (continued)

Credit risk (continued)

Provision Matrix

In terms of IFRS 9, the Company applies a provision matrix to estimate the ECL provision on its trade receivables. For such amounts, the ECL provision matrix resulted in a loss allowance of €4,742 as at 31 December 2024. During the year under review, in addition to the provision matrix, a specific provision was set off for a doubtful receivable in the amount of €26,447 which is not included within the reported matrix. The table below details the risk profile the Company's trade receivables which we analysed collectively based on the Group's provision matrix.

	Not past due	<= 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	More than 120 days past due	Total €
At 31 December 2023							
Expected credit loss rate	3.23%	22.83% - 52.35%	27.53% - 52.73%	40.04% - 52.73%	64.13% - 51.83%	74.90% - 51.83%	
Estimated total gross carrying amount at default	94,326	5,917	13,057	-	281	9,464	123,045
Lifetime ECL at 31 December 2023	(3,048)	(3,098)	(6,758)	-	(180)	(7,089)	(20,173)
Net carrying amount at 31 December 2023							**102,872**
At 31 December 2024							
Expected credit loss rate	0.37%	3.19% - 6.73%	4.60% - 7.36%	5.15% - 7.36%	7.33% - 7.87%	11.18% - 7.87%	
Estimated total gross carrying amount at default	166,000	29,858	19,482	6,630	-	8,179	230,149
Lifetime ECL at 31 December 2024	(614)	(1,446)	(1,426)	(342)	-	(914)	(4,742)
Net carrying amount at 31 December 2024							**225,407**

28. Financial Risk Management (continued)

Provision Matrix (continued)

With respect to trade balances with related parties the Group assesses the credit quality of these related parties by taking into account the financial position, performance and other factors. In measuring the expected credit losses on these balances, management determined the impairment provision independently from third party trade receivables and as at 31 December 2024, the impairment provision amounted to €245,850 (2023: €230,497). Management take cognisance of related party relationship with these entities and settlement arrangements in place and management does not expect any further losses from non-performance or default.

Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally borrowings and trade and other payables (refer to Notes 21, 22, 23 and 24). Prudent liquidity risk management implies maintaining sufficient cash and committed credit lines to ensure the availability of funding to meet the Group's obligations.

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 financial facilities are expected to be required over the coming year.

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

Capital Management

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

Fair Values of Financial Instruments

At 31 December 2024 and 31 December 2023, 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 Group for similar financial instruments.

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