BURMARRAD GROUP ASSETS P.L.C.
MRA041, VALLETTA ROAD, INDUSTRIAL ESTATE
MARSA, MRS3000
INFO@BGASSETSPLC.COM I +356 2157 3261
WWW.BGASSTESPLC.COM

BURMARRAD
GROUP ASSETS PLC

COMPANY ANNOUNCEMENT

Approval of Company's Interim Unaudited Financial Statements July 2024

The Board of Directors of Burmarrad Group Assets p.l.c. (the "Company") met on Friday 27th September, and approved the unaudited interim financial statements of the Company for the period 1st February 2024 to 31st July 2024.

A copy of the financial statements is attached herewith and these are also available for viewing on the Company's website: www.bgassetsplc.com

By order of the Board

Dr. Joseph Saliba
Company Secretary

30th September 2024

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Unaudited Interim Condensed Consolidated Financial Statements

31 July 2024

Company Registration Number: C 83190

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Burmarrad Group Assets p.l.c.

(formerly Burmarrad Commercials Property Limited)

Directors, Officer and Other information

Directors:	Mr Mario Gauci Jnr (executive – appointed on 23 January 2024) Ms Maria Gauci (executive – appointed on 23 January 2024) Mr Mark Anthony Grech (non-executive – appointed on 24 January 2024) Mr David Spiteri (non-executive – appointed on 24 January 2024) Mr Albert Frendo (non-executive – appointed on 23 January 2024 Mr Mario Gauci Snr (resigned on 23 January 2024)
Secretary:	Joseph Saliba
Registered office:	Marjo, Burmarrad Road, Burmarrad San Pawl il-Bahar SPB 9060 Malta
Country of incorporation:	Malta
Country registration number:	C 83190
Auditors:	BDO Malta
Legal and judicial representatives:	Mark Anthony Grech Albert Frendo Maria Gauci Mario Gauci Jnr David Spiteri

Interim Directors' Report

The directors hereby present their interim report together with the condensed consolidated interim financial statements of Burmarrad Group Assets p.l.c. (C 83190) (the "Company" or "Issuer") and its fully owned subsidiaries namely Burmarrad Group Fleets Limited (C 105735) and Burmarrad Group Properties Limited (C 105732) (the "**Group**") for the period from 1 February 2024 to 31 July 2024. The Company also owns and reports on its 19.31% shareholding in BBT p.l.c. (C 101666).

The interim directors' report is being published in terms of Capital Markets Rule 5.75.2 issued by the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, Chapter 476 of the Laws of Malta.

Bond Issue

In terms of the Prospectus dated 28 March 2024 the Company had offered for subscription an amount of €16 million 5.85% Secured Bonds 2034. The Bonds were fully subscribed and admitted to the Official List of the Malta Stock Exchange p.l.c. with effect from 2 May 2024.

In accordance with the Prospectus, the net proceeds derived from the bond issue were utilised by the Group to acquire business assets consisting of vehicles and fixed assets related to the vehicle manufacturing and servicing business from commonly controlled operating companies outside the Group, as well as to finance the future acquisition of vehicles and provide general corporate funding.

Principal Activities

The Issuer is the holding company of the Group and acts as its finance arm by raising finance and advancing same to the companies within the Group and other companies within the Burmarrad Group. Following a restructuring exercise of the Burmarrad Group in 2023 and early 2024, Burmarrad Group Fleets Limited acquired legal ownership of the vehicles and vehicle-related fixed assets, which it leases to the commonly controlled operating companies of the Burmarrad Group.

The Group also comprises Burmarrad Group Properties Limited which owns several immovable properties for development and others held for the generation of rental income.

Review of Business

The Group's profit before tax for the period ended on 31 July 2024 amounted to €568,800 (2023: Loss of €3,266). The principal sources of revenue for the Group were Investment Income which amounted to €710,185 (2023: NIL) and share of profit of associate which amounted to €111,092 (2023: NIL).

As explained above, and more fully in the notes to these financial statements, the Group went through a restructuring exercise in late 2023 and early 2024 and the financial results for the current period cannot be meaningfully compared to those of the period ended on 31 July 2023.

The Group's Investment Income mainly comprises the return on finance and other leases of vehicles and other vehicle-related fixed assets which the Group entered into with the commonly controlled operating companies of the Burmarrad Group in early 2024.

Risks and uncertainties for the remaining six months to 31 January 2025

Capital Markets Rule 5.81 requires the Board to highlight the principal risks and uncertainties for the remaining six months of the financial year.

The Issuer, as the holding company of the Group, is ultimately financially dependent on the results and performance of its two fully-owned subsidiaries and the results and performance of its associated company BBT p.l.c.

Risks and uncertainties for the remaining six months to 31 January 2025 (continued)

The financial results of Burmarrad Group Fleets Limited in turn depend on the results and performance of the operating companies comprised within the Burmarrad Group. These companies' business consists of the long-term leasing and short-term hiring of vehicles, the operation of a spare parts and tyre shop, and other vehicle-related services such as mechanical, electrical, spraying, roadside assistance, body building and car washing services.

The Burmarrad Group has been Malta's leading provider of such vehicle-related services for the past several years. Revenue from this business is relatively stable and no disruptions or downturns in business are expected in the next six months.

Burmarrad Group Properties Limited derives its income from the development, sale and rental of immovable property. No major risks or uncertainties have been identified for the next six months apart from property-related macroeconomic risks such as inflationary pressures that may squeeze margins, or a downturn in the economy that may dampen the demand for property as an investment asset.

The same macroeconomic risks may affect the business of BBT p.l.c. which develops commercial property for rent. The Issuer holds a 19.31% stake in this company and though it expects to derive substantial dividends from this investment in future, its financial viability for the 6 months ending 31 January 2025 is independent of the timing and extent of such dividends.

Dividends

The Directors do not propose the payment of an interim dividend.

Approved by the Board of Directors on 27 September 2024 and signed on its behalf by:

Maria Gauci
Director

Mario Gauci Jnr
Director

Burmarrad Group Assets p.l.c.

(formerly Burmarrad Commercials Property Limited)

Interim Directors' Statement pursuant to Capital Markets Rule 5.75.3 issued by the Malta Financial Services Authority

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We confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 July 2024 and of its financial performance and its cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
- The interim directors' report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

The condensed consolidated interim financial statements have not been audited or reviewed by the Company's statutory auditors.

Maria Gauci
Director

Mario Gauci Jnr
Director

27 September 2024

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Interim Condensed Consolidated Statement of Financial Position
As at 31 July 2024

	Note	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Non-current assets			
Investment property	11	**4,092,738**	3,745,202
Equity accounted investee	12	**15,718,984**	15,607,892
Finance lease receivable	13	**1,268,272**	-
Financial asset at amortised cost	14	**12,168,172**	-
Other financial assets	14	**3,742,697**	-
Deferred tax asset	15	**18,996**	-
		37,009,859	19,353,094
Current assets			
Finance lease receivable	13	**163,418**	-
Financial asset at amortised cost	14	**7,592,130**	-
Trade and other receivables	16	**109,707**	102,376
Cash and cash equivalents	17	**1,680,739**	113,248
		9,545,994	215,624
Total assets		**46,555,853**	19,568,718
EQUITY			
Capital and reserves			
Called up issued share capital	18	**14,127,000**	10,521,200
Fair value reserve	18	**870,768**	870,768
Retained earnings		**7,169,392**	6,751,253
Total equity		**22,167,160**	18,143,221
Non-current liabilities			
Debt securities issued	19	**15,700,509**	-
Bank borrowings	21	**515,293**	299,683
Trade and other payables	22	**84,771**	97,780
		16,300,573	397,463
Current liabilities			
Current tax liability		**170,145**	1,276
Debt securities issued	19	**220,537**	-
Loans due to related parties	20	**6,186,995**	140,234
Trade and other payables	22	**1,510,443**	886,524
		8,088,120	1,028,034
Total equity and liabilities		**46,555,853**	19,568,718

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 5 to 37 were approved and authorised for issue by the board of directors on 27 September 2024 and signed on its behalf by:

Maria Gauci
Director

Mario Gauci Jnr
Director

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Interim Condensed Consolidated Statement of Comprehensive Income
For the period ended 31 July 2024

	Note	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Investment income	7	**710,185**	-
Finance costs	8	**(231,168)**	(959)
Other revenue	9	**19,009**	-
Administrative expenses		**(40,318)**	(2,307)
Share of profit of associate	12	**111,092**	-
Profit/(loss) before tax		568,800	(3,266)
Income tax expense	10	**(150,661)**	-
Profit/(loss) for the period		418,139	(3,266)

The accompanying notes form an integral part of these financial statements.

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Interim Condensed Consolidated Statement of Changes in Equity
For the period ended 31 July 2024

	Note	Called up issued share capital €	Fair value reserve €	Retained earnings €	Total €
At 1 February 2023		1,200	7,271,159	194,351	7,466,710
Loss for the period		-	-	(3,266)	(3,266)
At 31 July 2023 (Unaudited)		**1,200**	**7,271,159**	**191,085**	**7,463,444**
At 1 August 2023		1,200	7,271,159	191,085	7,463,444
Increase in share capital	18	10,520,000	-	-	10,520,000
Profit for the period		-	-	159,777	159,777
Transfer from fair value reserve to retained earnings		-	(6,400,391)	6,400,391	-
At 31 January 2024 (Audited)		**10,521,200**	**870,768**	**6,751,253**	**18,143,221**
At 1 February 2024		10,521,200	870,768	6,751,253	18,143,221
Increase in share capital	18	3,605,800	-	-	3,605,800
Profit for the period		-	-	418,139	418,139
At 31 July 2024 (Unaudited)		**14,127,000**	**870,768**	**7,169,392**	**22,167,160**

The accompanying notes from an integral part of these financial statements.

Burmarrad Group Assets p.l.c.
(formerly Burmarrad Commercials Property Limited)

Interim Condensed Consolidated Statement of Cash Flows
For the period ended 31 July 2024

	Note	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Cash flows from operating activities			
Profit/(loss) for the period		**418,139**	(3,266)
Adjustments for:			
Income taxes	10	**150,661**	-
Share of profit from associate	12	**(111,092)**	-
Finance income	7	**(710,185)**	-
Finance costs	8	**231,168**	-
Changes in:			
Trade and other receivables	16	**(7,332)**	(2,400)
Trade and other payables	22	**610,910**	11,027
Cash generated from operating activities		**582,269**	5,361
Interest paid		**(10,631)**	-
Income taxes paid		**(788)**	-
Net cash from operating activities		**570,850**	5,361
Cash flows from investing activities			
Acquisition of investment property	11	**(347,536)**	(22,819)
Acquisition of motor vehicles		**(370,144)**	-
Net cash used in investing activities		**(717,680)**	(22,819)
Cash flows from financing activities			
Proceeds from loans and borrowings		**215,610**	16,213
Proceeds from debt securities issued	19	**16,000,000**	-
Debt securities issue costs paid	19	**(305,441)**	-
Funds advanced to related companies		**(10,495,848)**	-
Loans advanced to related company		**(3,700,000)**	-
Net cash from financing activities		**1,714,321**	16,213
Net increase/(decrease) in cash and cash equivalents		**1,567,491**	(1,245)
Cash and cash equivalents at beginning of period	17	**113,248**	(2,450)
Cash and cash equivalents at end of period	17	**1,680,739**	(3,695)

The accompanying notes from an integral part of these financial statements.

1 Reporting entity

Burmarrad Group Assets p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta. The Company's registered office is at Marjo, Burmarrad Road, Burmarrad, St. Paul's Bay, Malta. These consolidated financial statements comprise the Company and its subsidiaries (collectively the "Group" and individually as "Group Companies") and the Group's interest in an equity accounted investee. These financial statements cover the 6 month period ended 31 July 2024. The comparative period for the statement of financial position as at 31 July 2024 is for the 12 month period as at 31 January 2024. The comparative period for the statement of comprehensive income, the statement of changes in equity and the statement of cashflows is for the 6 month period ended 31 July 2023.

2 Basis of preparation

2.1 Basis of accounting

These condensed interim financial statements for the six months ended 31 July 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* for the first time since following the issue of debt securities and the listing of the Company, the Company no longer qualified for the exemption from preparing consolidated financial statements. Condensed financial statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the Group's financial position and performance.

The principal activity of the Company in the comparative period was to hold and develop investment property. During the current period, the directors changed its principal activity to that of a holding company, with the intention of holding the major assets of the Burmarrad Group and issue bonds on the Malta Stock Exchange.

2.2 Basis of measurement

Assets and liabilities are measured at historical cost except for investment property which is stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Euro (€), which is the Group's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2 Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)

Burmarrad Group Fleets Limited, one of the subsidiaries of the Group, acquired vehicles and fixed assets related to the vehicle manufacturing and servicing business from a number of related undertakings and leased them to the same and other related undertakings. It also acquired new vehicles which it leased to its related undertakings. The nature of these transactions were analysed in detail for proper classification and measurement under International Financial Reporting Standards. It was concluded that the acquisition of the motor vehicles from related undertakings and their subsequent lease falls under IFRS 9 *Financial Instruments* with the assets being recognised as a loan receivable and that the acquisition of the fixed assets and the acquisition of vehicles which were not previously owned by related undertakings and their subsequent lease to related undertakings be classified as finance leases under IFRS 16 *Leases*.

With the exception of the above mentioned judgement and except as disclosed in note 2.5 to the financial statements, in the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 *Presentation of Financial Statements.*

2.5 Measurement of fair values

The Group owns investment property which is measured at fair value (refer to note 11.2).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

3 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

3 Material accounting policies (continued)

3.1 Basis of consolidation

3.1.1 Investments in Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that give the Company the current ability to direct the investee's relevant activities are taken into account. Assets, liabilities, income and expenses of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements reflect the financial position and operation of the Company and its subsidiaries as listed below (together the 'Group').

Entities	Principal Activities	Country of Incorporation	Ownership Interest	Registered office
Subsidiaries				
Burmarrad Group Fleets Limited	The company is principally engaged in purchasing, holding and leasing of assets to group companies	Malta	100%	Marjo, Burmarrad Road, Burmarrad, San Pawl il-Bahar SPB 9060
Burmarrad Group Properties Limited	The company is principally engaged in holding and developing investment property	Malta	100%	Marjo, Burmarrad Road, Burmarrad, San Pawl il-Bahar SPB 9060

3.1.2 Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3 Material accounting policies (continued)

3.1 Basis of consolidation (continued)

3.1.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.4 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method, except when the investment is classified as held for sale, from the date that significant influence commences until the date that significant influence ceases. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associates, less any impairment in the value of individual investments. The Group's share of the post-acquisition profit or loss of the associates is recognised in profit or loss and the Group's share of the post-acquisition changes in other comprehensive income is recognised in other comprehensive income. Distributions received from an investee reduce the carrying amount of the investment. The Group's share of losses of an associate in excess of its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is excluded from the carrying amount of the investment and recognised immediately in profit or loss.

Where necessary, in preparing these financial statements, appropriate adjustments are made to the financial statements of associates to bring their accounting policies in line with those used by the Group.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Material accounting policies (continued)

3.2 Other financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

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

Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

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

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an 'accounting mismatch').

3 Material accounting policies (continued)

3.2 Other Financial instruments (continued)

3.2.1 Financial assets

The business model

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Debt instruments measured at amortised cost

The following financial assets are classified within this category: Other financial assets at amortised cost, trade receivables, loans receivable, cash at bank.

Appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

Changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss.

Interest income is recognised using the effective interest method and is included in the line item *'Investment income'*.

Interest income using the effective interest method

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

3.2.1.1 Other financial asset at amortised cost

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

3.2.1.2 Trade receivables

Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for ECLs.

3.2.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3 Material accounting policies (continued)

3.2 Other Financial instruments (continued)

3.2.2 Financial liabilities

The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

The Group has the following financial liabilities: debt securities issued, loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.2.2.1 Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method. Bank loans are carried at face value due to their market rate of interest.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

3.2.2.2 Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

3.2.2.3 Trade and other payables

Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

3.2.3 Share capital

3.2.3.1 Ordinary shares

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

3 Material accounting policies (continued)

3.3 ECLs

The Group recognises a loss allowance for ECLs on the following – *debt instruments measured at amortised cost, finance lease receivables and loan commitments.*

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

3.3.1 Financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Loss allowances are measured at 12-month expected credit losses ("ECLs").

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:
- the customer is unlikely to pay its credit obligations to the Group in full; or
- the financial asset is more than 180 days past due and there is no agreement in place to offset the receivable against amounts due to the same customer

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

3 Material accounting policies (continued)

3.3 ECLs (continued)

3.3.1 Financial assets (continued)

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 that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company 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.

Measurement of ECLs

For 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.

For a lease receivable, the cash flows used for determining the ECLs are consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

3.3.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3 Material accounting policies (continued)

3.3 ECLs (continued)

3.3.2 Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss unless impairment relates to assets which are measured at fair value, in which case it is treated as a revaluation decrease.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4 Leases

The company assesses whether the contract is, or contains, a lease at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Group as a lessor

Leases for which the Group is a lessor continue to be classified as finance or operating leases. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leased assets are presented in the statement of financial position according to their nature and are tested for impairment in accordance with the Group's accounting policy on impairment. Depreciable leased assets are depreciated in accordance with the Group's accounting policy on depreciation. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset.

3 Material accounting policies (continued)

3.4 Leases (continued)

Group as a lessor (continued)

Amounts due from lessees under a finance lease are presented in the statement of financial position as receivables at the amount of the Group's net investment in the lease and include initial direct costs (unless the finance lease involves manufacturer or dealer lessors). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the finance lease.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

When the transfer of an asset by the seller-lessee does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset:

The seller-lessee shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. It shall account for the financial liability applying IFRS 9. The buyer-lessor shall not recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. It shall account for the financial asset applying IFRS 9.

If the transfer of an asset in a sale and leaseback arrangement is a failed sale i.e. it does not meet the requirements of IFRS 15 to be accounted for as an asset sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. It accounts for the financial liability subsequently under IFRS 9.

3.5 Interest income

As further disclosed in the accounting policy on financial assets, interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

3.7 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

3 Material accounting policies (continued)

3.7 Income tax (continued)

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 periods.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

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.

3.8 Rental income

Rental income arising from operating leases on investment properties is recognized on a straight-line basis over the lease term.

4 New standards and interpretations

4.1 Relevant standards and amendments issued by the IASB but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 February 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective in preparing these financial statements. Unless otherwise indicated, adoption of the following standards, interpretations and amendments are not expected to have material impact on the Group's financial statements.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- IFRS 18 *Presentation and Disclosure in Financial Statements*
- Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The directors of the Group are currently in the process of assessing the impact of the above on the Group's financial statements.

5 Profit before tax

This is stated after charging:

	Six months ended 31.7.2024 (Unaudited)	Six months ended 31.7.2023 (Unaudited)
	€	€
Investment income	**710,185**	-

The analysis of the amounts that are payable to the auditors is as follows:

	Six months ended 31.7.2024 (Unaudited)	Six months ended 31.7.2023 (Unaudited)
	€	€
Total remuneration payable to the company's auditors for the audit of the Group's financial statements	**8,555**	1,770

6 Key management personnel compensation

	Six months ended 31.7.2024 (Unaudited)	Six months ended 31.7.2023 (Unaudited)
	€	€
Directors' emoluments	**27,032**	-

7 Investment income

	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Interest income on loans receivable	42,697	
Interest income on financial assets	592,957	-
Interest income on finance lease receivables	74,531	-
	710,185	-

During 2024 the Group entered into lease agreements with its subsidiaries as disclosed in notes 13 and 14.

8 Finance costs

	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Interest on debt securities in issue	226,487	-
Interest and charges on bank overdrafts and loans	4,681	959
	231,168	959

9 Other revenue

	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Rental income	19,009	-

10 Income tax expense

The tax expense for the period and the result of the accounting profit/(loss) multiplied by the tax rate applicable for the Group in Malta, the Company's country of incorporation, are reconciled as follows:

	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Profit/(loss) before income tax	**568,800**	(3,266)
Income tax using the Company's domestic tax rate of 35%	**(199,080)**	1,143
Recognition of previously unrecognized tax losses	**18,996**	-
Tax effect of expenses not allowed for tax purposes	**(13,261)**	(1,143)
Tax effect of difference in tax rates applied to fair value gains	**3,802**	-
Share of profit of associate	**38,882**	-
Income tax expense for the period	**(150,661)**	-

	Six months ended 31.7.2024 (Unaudited) €	Six months ended 31.7.2023 (Unaudited) €
Current tax expense	**(169,657)**	-
Deferred tax movement	**18,996**	-
	(150,661)	-

11 Investment property

	Investment property	Investment property under construction	Total
	€	€	€
Carrying amount			
At 1 August 2023	1,610,000	512,819	2,122,819
Additions	1,560,000	62,383	1,622,383
At 31 January 2024 (Audited)	**3,170,000**	**575,202**	**3,745,202**
Additions	6,076	341,460	347,536
At 31 July 2024 (Unaudited)	**3,176,076**	**916,662**	**4,092,738**

11.1 Investment property consists of land situated in Burmarrad, properties held for development purposes, garages, commercial and residential buildings in Burmarrad and restaurant in Nadur.

11.2 Investment property is revalued by professionally qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice. In the periods where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior period valuation reports and holds discussions with the independent valuer, as necessary. The fair value of the Group's investment property as at 31 July 2024 amounts to €4,092,738 (31 January 2024: €3,745,202). The directors are of the opinion that the fair value of the property has not altered significantly since the date of the valuation and hence this is an appropriate estimate of the fair value at 31 July 2024. There has been no change to the valuation technique during the period.

11.3 In estimating the fair value of the properties, the highest and best use of the properties is their current use.

11.4 The Group's property has been determined to fall within level 3 of the fair valuation hierarchy as defined note 2.5.

11.5 Rental income derived from investment property is disclosed in note 9. There were no direct operating expenses incurred in the generation of this rental income.

11 Investment property (continued)

11.6 The table below includes further information about the company's level 3 fair value measurements.

	Significant observable input	Narrative sensitivity
31/7/2024		
Commercial property, including restaurant	Estimated sales value ranging from €2,000 per square metre (31.1.2024: €2,000 per square metre)	The higher the sales price per square metre, the higher the fair value
Garages and storage	Estimated sales value ranging from €650 to €2,800 per square metre (31.1.2024: €650 to €2,800 per square metre)	The higher the sales price per square metre, the higher the fair value
Residential property	Estimated sales value ranging from €2,000 to €2,300 per square metre (31.1.2024: €2,000 to €2,300 per square metre)	The higher the sales price per square metre, the higher the fair value
Development site	Estimated sales value of €2,600 per square metre (31.1.2024: €2,600 per square metre)	The higher the sales price per square metre, the higher the fair value
Agricultural land	Estimated sales value of €50 per square metre (31.1.2024: €50 per square metre)	The higher the sales price per square metre, the higher the fair value

Judgement is exercised to estimate the sales price, which is a significant input used to determine the fair value of the investment property.

12 Equity accounted investee

The carrying value of the investment in associates as at 31 July 2024 is made up as follows:

	Total
	€
At 1 August 2023	-
Additions	13,523,872
Goodwill	2,076,128
Share of results	7,892
At 31 January 2024 (Audited)	**15,607,892**
Share of results	111,092
At 31 July 2024 (Unaudited)	**15,718,984**

On 19 January 2024, the Group acquired 19.31% interest in BBT p.l.c., the registered address of which is The Watercourse Zone 2, Central Business District, Mdina Road, Birkirkara, Malta.

12 Equity accounted investee (continued)

The Group has a right to appoint one of three directors and hence the investment acquired was considered an associate.

The following table illustrates financial information for BBT p.l.c.

	30.6.2024	31.12.2023
	(Unaudited)	(Unaudited)
	€	€
Current assets	**6,343,613**	3,842,977
Non-current assets	**98,315,328**	89,613,707
Current liabilities	**(2,025,718)**	(1,936,399)
Non-current liabilities	**(28,757,416)**	(21,484,697)
Equity	**73,875,807**	70,035,588
Group's share in equity – 19.31%	**14,265,418**	13,523,872
Group's carrying amount of the investment	**15,718,984**	15,607,892
Revenue	**1,903,282**	1,745,063
Profit for the period	**575,173**	465,264
Other comprehensive income	**-**	-
Total comprehensive income	**575,173**	465,264
Group's share of total comprehensive income for the period pertaining to the Group	**111,092**	7,892

Following the application of the equity method, the carrying amount of the investment was tested for impairment. The value in use of the investment was determined to be higher than the carrying amount, and therefore, the investment was not impaired.

13 Finance lease receivables

During the period, the Group entered into finance leasing arrangements as a lessor for commercial vehicles, rental vehicles and other fixed assets to entities under common control. The vehicles and other fixed assets are necessary for the operation of the vehicle rental operations of such entities. The term of the finance leases ranges from 5 to 12 years. Some of these lease contracts include extension or early termination options.

The group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Euro.

At the end of the reporting period, the respective lessees had outstanding undiscounted lease payments for finance leases, which fall due as follows:

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Amounts receivable under finance leases:		
Year 1	**210,710**	-
Year 2	**204,363**	-
Year 3	**204,363**	-
Year 4	**204,532**	-
Year 5	**225,657**	-
More than 5 years	**1,309,023**	-
Total undiscounted lease payments	**2,358,648**	-
Less: unearned finance income	**(926,958)**	-
Net investment in the lease	**1,431,690**	-

Finance income on the net investment in the lease amounted to €74,531 (2022 – € NIL).

14 Other financial assets

	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Related party loan receivable	**3,742,697**	-
Other financial asset at amortised cost	**19,760,302**	-
	23,502,999	-

The related party loan receivable was issued to an entity under common control and is unsecured, bears an interest of 5.85% per annum and matures on 31 December 2034.

During the period, the Group entered into financing arrangements with entities under common control through the sale and leaseback of commercial vehicles and rental vehicles. The financing arrangements have terms ranging from 1 to 5 years and generate an internal rate of return of 10% on the investment in commercial and rental vehicles.

	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Amount expected to be received within 12 months included with current assets	**7,592,130**	-
Amount expected to be received after 12 months included with non-current assets	**15,910,869**	-
	23,502,999	-

	Related party loan receivable €	**Other financial asset at amortised cost €**	**Total €**
Amortised cost			
At 1.2.2024	-	-	-
Additions	3,742,697	19,760,302	23,502,999
At 31.7.2024 (Unaudited)	**3,742,697**	**19,760,302**	**23,502,999**

15 Deferred tax asset

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Opening balance	-	-
Recognised in profit or loss	**18,996**	-
Closing balance	**18,996**	-

The deferred tax asset arose on unutilised tax losses carried forward.

16 Trade and other receivables

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Prepayments	-	97,476
Amount due from related company	**104,807**	-
Other receivables	**4,900**	4,900
	109,707	102,376

The amount due from the related company is unsecured, interest free and has no fixed date for repayment.

17 Cash and cash equivalents

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Cash at bank	**1,680,739**	113,248

18 Equity

18.1 Share capital

	Issued Class 'A' shares	Issued class 'B' shares	Total
	€	€	€
Issued share capital of €1 each 100% paid up at 1.8.2023	1,200	-	**1,200**
Issue of shares on 23.1.2024	10,519,999	1	**10,520,000**
Issued share capital of €1 each 100% paid up at 31.1.2024 (Audited)	10,521,199	1	**10,521,200**
Issue of shares on 26.3.2024	3,605,800	-	**3,605,800**
On issue at 31.7.2024 - 100% paid up (Unaudited)	14,126,999	1	**14,127,000**

On 12 March 2024 the Company ceased to be a single member company.

On 23 January 2024 the Company increased the authorised share capital from one thousand two hundred Euro (€1,200) divided into one thousand two hundred (1,200) ordinary shares of a nominal value of €1 each to fifteen million Euro (€15,000,000) divided into fourteen million, nine hundred and ninety-nine thousand, nine hundred and ninety-nine (14,999,999) Ordinary 'A' shares of one Euro (€1) each and one (1) Ordinary 'B' Share of one Euro (€1).

The holders of Class A Shares have the right to attend and vote in respect of any and all matters at general meetings of the Company, and entitle the holders to one vote in respect of each share. The holders of the 'B' Shares have the right to receive notice and to attend at general meetings of the Company but have no right to vote on any matter at such general meetings.

The holders of the 'A' shares have the right to receive dividends and to participate in the profits of the Company and in the distribution of assets of the Company upon winding-up. The holders of the 'B' Shares have no right to receive dividends or to participate in the profits of the Company or in the distribution of assets of the Company upon winding up, except for a return of capital upon such winding up.

18.2 Fair value reserve

	31.7.2024 (Unaudited)	31.1.2024 (Audited)
	€	€
Fair value reserve	**870,768**	870,768

19 Debt securities issued

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Non-current		
Bonds in issue	**15,700,509**	-
Current		
Bonds in issue – accrued interest	**220,537**	-

The carrying amount in the statement of financial position is gross of interest.

The Group has issued by means of a prospectus an aggregate of €16,000,000 5.85% bonds of a face value of €100 per bond payable in full upon subscription and to be redeemed and finally repaid at their face value on 14 May 2034. Such offer has been fully subscribed.

The bonds are secured by the collateral which consist of:

a) the BBT Pledge, namely the first ranking pledge over the 22,680 Ordinary A shares of a nominal value of €1.00 each, fully paid up, in the capital of BBT p.l.c. held by the Issuer (the BBT Pledged Shares); and
b) the BGFL Pledge, namely the first ranking pledge over the 1,200 ordinary shares of a nominal value of €1.00 each, fully paid up, in the capital of BGFL, and constituting the totality of the issued share capital of the said BGFL, held by the Issuer (the BGFL Pledged Shares).

The bonds are subject to the terms and conditions in the prospectus dated 28 March 2024. The quoted market price as at 31 July 2024 for the debt securities was €106/bond.

20 Loans due to related parties

	Interest rate	Year of maturity	**31.7.2024**	31.1.2024
			(Unaudited)	(Audited)
	%		**€**	€
Related party loans	-	-	**6,186,995**	140,234

The related party loans are unsecured, interest free and repayable on demand.

21 Borrowings

21.1

	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Falling due in between two and five years:		
Bank loans	**515,293**	299,683

21.2 The bank loan is secured by a first general hypothec over Burmarrad Group Properties Limited's assets, by a first special hypothec over the property in respect of which the loan has been taken and a pledge taken over a contractors' insurance policy covering the property being hypothecated. The bank loan is repayable by 31 January 2027 and bears interest at 1.35% over the bank's base rate.

22 Trade and other payables

	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Non-current		
Deferred income	**84,771**	97,780
Current		
Trade payables	**279,063**	-
Amounts due to related companies	**1,169,676**	758,098
Accruals	**25,198**	100,906
Deferred income	**26,160**	26,160
Indirect taxation	**9,346**	360
Deposit payable	**1,000**	1,000
	1,510,443	886,524

The amounts due to the related companies are unsecured, interest free and have no fixed date of repayment.

23 Financial instruments

23.1 Overview

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

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the company's exposure to financial risks or the manner in which the company manages and measures these risks are disclosed below.

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

23.2 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, loans, investments and cash at bank.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date by type of counterparty was:

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Finance lease receivables	**1,431,690**	-
Financial asset at amortised cost	**19,760,302**	-
Loans receivable from related companies	**3,742,697**	-
Amount due from related company	**104,807**	-
Other receivables	**4,900**	4,900
Cash at bank	**1,680,739**	113,248
	26,725,135	118,148

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's customer base consists solely of related companies.

23 Financial instruments (continued)

23.2 Credit risk (continued)

The aging of trade receivables at the reporting date was as follows:

	Gross	Impairment	Net
	€	€	€
31 July			
Not past due	109,707	-	109,707
Past due 0 – 30 days	-	-	-
Past due 31 – 180 days	-	-	-
Past due more than 180 days	-	-	-
	109,707	-	109,707

23.3 Liquidity risk

The group's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise of debt securities in issue, loans due to related parties, bank borrowings, trade and other payables and amounts due to other related parties (see notes 19, 20, 21 and 22). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the group and company's obligations when they become due.

23 Financial instruments (continued)

23.3 Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments:

		Contractual cash flows				
	Carrying amount	Contractual cash flows	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
As at 31 July 2024 (Unaudited)						
Debt securities	15,921,046	25,360,000	936,000	936,000	2,808,000	20,680,000
Loans due to related parties	6,186,995	6,186,995	6,186,995	-	-	-
Bank borrowings	515,293	605,468	18,035	18,035	569,398	-
Trade and other payables	1,510,443	1,510,443	1,510,443	-	-	-
Current tax liability	170,145	170,145	170,145	-	-	-
Total non-derivatives	**24,303,922**	**33,833,051**	**8,821,618**	**954,035**	**3,377,398**	**20,680,000**
As at 31 January 2024 (Audited)						
Bank borrowings	299,683	331,150	10,489	10,489	310,172	-
Loans due to related parties	140,234	140,234	140,234	-	-	-
Trade and other payables	860,364	860,364	860,364	-	-	-
Total non-derivatives	**1,300,281**	**1,331,748**	**1,011,087**	**10,489**	**310,172**	**-**

23.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is not exposed to currency risk as its transactions are carried out in Euro, the functional currency.

Interest rate risk

The company has taken out bank facilities to finance its operations as disclosed in note 21. The interest rates thereon and the terms of such borrowings are disclosed accordingly. The Group has variable and fixed interest-bearing financial liabilities and does not enter into financial instruments to hedge against this interest rate risk.

23 Financial instruments (continued)

23.4 Market risk (continued)

Profile

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments were:

	31.7.2024 (Unaudited) €	31.1.2024 (Audited) €
Fixed instruments		
Finance lease receivable	**1,431,690**	-
Financial asset at amortised cost	**19,760,302**	-
Loan receivable from related company	**3,700,000**	-
Debt securities	**16,000,000**	-
Variable rate instruments		
Bank loans	**515,293**	299,683

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for fixed rate financial assets and liabilities at fair value through profit and loss and does not enter into hedging instruments to hedge against this risk. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The directors do not deem the effect of variable rate instruments and variances in interest rates to have a significant effect on the Company's cash flow and profit or loss.

23.5 Capital management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the group consist of the items presented within equity in the statement of financial position.

The company's directors manage the company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the company balances its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

23 Financial instruments (continued)

23.5 Capital management (continued)

There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

23.6 Fair values

At the reporting date, the carrying amounts of financial assets and financial liabilities approximated their fair values.

24 Related parties

24.1 Information on amounts due by/to related parties are set out in notes 13, 14, 16, 20 and 22 to the financial statements.

24.2 Related party transactions

Transactions with related parties during the period were as follows:

	31.7.2024	31.1.2024
	(Unaudited)	(Audited)
	€	€
Funds advanced to related companies	**14,195,848**	45,000
Interest income charged to related companies	**710,185**	-
Costs paid by related company	**310,672**	43,552
Costs paid on behalf of a related company	**104,807**	-
Finance lease receivables	**1,431,690**	-
Other financial asset at amortised cost	**19,722,315**	-

25 Comparative amounts

The comparative amounts have been restated to conform with the current period's presentation.