



## COMPANY ANNOUNCEMENT

This is an announcement of the company Testa Finance P.L.C, a company incorporated under the laws of Malta, having company registration number C 85495 and registered address at Ru 19, The Pjazza, The Point, Tigne Point, Sliema, Malta.

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Date: 25<sup>th</sup> August 2020

Ref No: TST23

***Company Announcement relative to the approval of interim financial statements***

The following is a company announcement issued by Testa Finance P.L.C (The Company) pursuant to the Prospect MTF Rules

***Quote***

The company announces that the Board of Directors of the Company has approved the unaudited Interim Financial Statements for the period 1 January 2020 to 30 June 2020. The Interim Financial Statements are attached herewith and are also available for viewing of the Company's website <http://www.testacatering.com.mt/investor-relations/>.

***Unquote***

By order of the Board of Directors of the Company,

A handwritten signature in blue ink, appearing to read "Reuben", is written over a horizontal line.

Reuben Debono ID  
422778M  
Company Secretary

**Testa Finance Plc**

Ru 19, The Point, Tigné Point, Sliema, Malta. [info@testacatering.com.mt](mailto:info@testacatering.com.mt) - [testacatering.com.mt](http://testacatering.com.mt)

TESTA FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS  
For the period 1 January 2020 to 30 June 2020

TESTA FINANCE P.L.C.

**Company Information**

**Directors :** Mr Jean Paul Testa  
Ms Hanna Testa  
Mr Nigel Scerri  
Mr Raymond Pace  
Dr Reuben Debono

**Secretary :** Dr Reuben Debono

**Company number :** C 85495

**Registered office :** RU 19, The Pjaza, The Point  
Tigne Point  
Sliema

TESTA FINANCE P.L.C.

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TESTA FINANCE P.L.C.

## **Interim Directors' Report**

For the period 1 January 2020 to 30 June 2020

This report is published in terms of the Prospectus MTF Rules and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by Testa Finance P.L.C. ('the Company') in its published annual report. The interim financial information included in this report has been extracted from the company's unaudited accounts for the six months ended 30 June 2020, as approved by the board of directors on 26 August 2020 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

### ***Principal activity***

The principal activity of the Company is to act as a finance and investment company. The activities of the Company are expected to remain consistent for the foreseeable future.

### ***Principal risks and uncertainties***

The Company is mainly dependant on the business prospects of the Testa Group of Companies (the "Group"), and consequently, the operating results of the Group have a direct effect on the Company's financial position and performance, including the ability of the Company to service its payment obligations under the issued bonds. The directors are confident that the group's operations would generate enough earnings to meet the company's commitment.

The Company's main assets consist of receivables for loans issued to related companies forming part of the Group. Therefore, the ability of these companies to effect payments to the Company under such loans will depend on their respective cash flows and earnings which may be restricted by:

- changes in applicable laws and regulations;
- the terms contained in the agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or
- other factors beyond the control of the Company.

Additionally, the Company is directly exposed to the risks associated with the local property market. The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, or the exercise by tenants of their contractual rights.

### ***Review of business***

During the period under review the Company registered a profit before tax of € 18,896 (2019 – a loss before tax of € 12,514).

TESTA FINANCE P.L.C.

**Interim Directors' Report (continued)**

For the period 1 January 2020 to 30 June 2020

***Dividends and reserves***

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

***Directors***

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

Mr Jean Paul Testa  
Ms Hanna Testa  
Mr Nigel Scerri  
Mr Raymond Pace  
Dr Reuben Debono

***Directors' interest***

The directors' beneficial interest in the shares of the Company at 30 June 2020 is limited to 2 ordinary shares having a nominal value of €1 and 25% paid up held equally by Ms Hanna Testa and Mr Jean Paul Testa.

TESTA FINANCE P.L.C.

**Statement pursuant to prospectus rule 4.11.12**

For the period 1 January 2020 to 30 June 2020

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the company as at 30 June 2020, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting'); and
- The interim Directors' Report includes a fair review of the information required in terms of the Prospects Rules.

ON BEHALF OF THE BOARD



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Mr Raymond Pace  
Director



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Mr Jean Paul Testa  
Director

26 August 2020

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

	Period Jan 20–Jun20 (unaudited) €	Period Jan 19–Jun19 (unaudited) €
Finance income	134,647	92,932
Administrative expenses	(5,909)	(1,088)
Finance costs	(109,842)	(104,358)
	<hr/>	<hr/>
<b>Profit/(Loss) before tax</b>	<b>18,896</b>	<b>(12,514)</b>
Income tax	-	-
	<hr/>	<hr/>
<b>Profit/(Loss) for the period</b>	<b>18,896</b>	<b>(12,514)</b>
	<hr/>	<hr/>
<b>Other comprehensive income for the period net of tax</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income/(loss) for the period</b>	<b>18,896</b>	<b>(12,514)</b>
	<hr/>	<hr/>



**Condensed Interim Balance Sheet**

	As at 30 June 2020 (Unaudited) €	As at 31 December 2019 (Audited) €
<b>Assets</b>		
Trade and other receivables	2,751,104	2,838,301
Cash and cash equivalents	1,200,490	1,200,490
	<hr/>	<hr/>
<b>Total current assets</b>	<b>3,951,594</b>	<b>4,038,791</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>3,951,594</b>	<b>4,038,791</b>
	<hr/>	<hr/>
<b>Liabilities</b>		
Borrowings	3,855,939	3,853,348
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>3,855,939</b>	<b>3,853,348</b>
	<hr/>	<hr/>
Trade and other payables	103,550	212,234
Current tax liabilities	171	171
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>103,721</b>	<b>212,405</b>
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>3,959,660</b>	<b>4,065,753</b>
	<hr/>	<hr/>
<b>Net assets</b>	<b>(8,066)</b>	<b>(26,962)</b>
	<hr/>	<hr/>
<b>Equity</b>		
Share capital	12,500	12,500
Retained earnings	(20,566)	(39,462)
	<hr/>	<hr/>
<b>Total equity</b>	<b>(8,066)</b>	<b>(26,962)</b>
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The financial statements on pages 4 to 11 were approved by the board of directors on 26 August 2020 and were signed on its behalf by:

Mr Raymond Pace  
Director

Mr Jean Paul Testa  
Director

**Condensed Interim Statement of Changes in Equity**

	Issued capital €	Retained earnings €	Total €
<b>Changes in equity for 2019</b>			
Balance at 1 January 2019	12,500	(7,515)	4,985
Loss for the period	-	(12,514)	(12,514)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2019</b>	<b>12,500</b>	<b>(20,029)</b>	<b>(7,529)</b>
	<hr/>	<hr/>	<hr/>
<b>Changes in equity for 2020</b>			
Balance at 1 January 2020	12,500	(39,462)	(26,962)
Profit for the period	-	18,896	18,896
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2020</b>	<b>12,500</b>	<b>(20,566)</b>	<b>(8,066)</b>
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**Condensed Interim Statement of Cash Flows**

	Period Jan 20 – Jun 20 (unaudited) €	Period Jan 19 – Jun 19 (unaudited) €
Net cash used in operating activities	(222,998)	85,189
Net cash generated from investing activities	-	-
Net cash generated from financing activities	222,998	1,114,811
	<hr/>	<hr/>
Net movement in cash and cash equivalents	-	1,200,000
Cash and cash equivalents at beginning of the period	1,200,490	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>1,200,490</b>	<b>1,200,000</b>
	<hr/>	<hr/>

**Notes to Condensed Interim Financial Statements**

For the period 1 January 2020 to 30 June 2020

**1 GENERAL INFORMATION**

Testa Finance PLC is a limited liability company domiciled and incorporated in Malta on 22 March 2018.

The Financial Statements for the year ended 31 December 2019 are available upon request from the company's registered office at RU 19, The Pjazza, Tigne Point, The Point, Sliema

The condensed interim financial statements were approved for issue by the board of directors on 26 August 2020.

**2 ACCOUNTING POLICIES**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Companies Act, 1995. The financial statements have been prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. 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.

**2.2 Assessment of going concern assumption**

The directors have a reasonable expectation at the time of approving the condensed interim financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparation of the condensed interim financial statements.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2020 to 30 June 2020

**2 ACCOUNTING POLICIES (continued)**

**2.3 New and revised standards**

**2.3.1 Summary of Significant Accounting Policies**

The accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2019 as described in those financial statements.

**2.3.2 Standards, Interpretations and amendments to published standards effective in 2020**

During 2020, the Company has adopted revised standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2020.

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

**2.3.3 Standards interpretations and amendments to published standards that are not yet effective.**

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for the issue of these condensed interim financial statements that are mandatory for the company's accounting periods beginning after 1 January 2020. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that, with the exception of the below pronouncements, there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

**3 BORROWINGS**

On 20 December 2018, the Company issued € 3,900,000 5.5% Unsecured Bonds having a nominal value of € 100 each. The bond issue was admitted to Prospects MTF operated by the Malta Stock Exchange with effect from 9 January 2019. Trading on the bond issue commenced on 10 January 2019. The Bonds are redeemable at par on 9 January 2029.

Part of the bond proceeds amounting to € 1,200,000 are to be deposited in a fixed term account with a local credit institution and then pledged in favour of the bondholders accordingly.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2020 to 30 June 2020

**3 BORROWINGS (continued)**

The remaining net proceeds from the bond issue have been advanced by the Company to the respective related Group companies to:

- partly finance the purchase of property in Bugibba at the Islets Promenade together with its improvements, additions and alternations,
- repay existing borrowings and facilities from credit institutions and third-party loan and working capital obligations and repayments.

The Bonds constitute the general, direct, unconditional, unsecured, unsubordinated obligations of the Company, and rank equally without any priority or preference with other present and future unsecured and unsubordinated obligations of the Company.

The Bond Issue was also partly secured by the General Hypothec of the ultimate shareholders as well as special hypothecs over properties of the companies forming of the Group and eventually a pledge over the fixed term deposit mentioned page 9.

**4 RELATED PARTIES**

4.1 Parent Company

The Company is an owned subsidiary of Testa Properties Limited, the Group's parent Company. The registered office of the parent Company is situated at RU 19, The Pjazza, The Point, Tigne Point, Sliema.

It is the responsibility of the parent Company to prepare consolidated financial statements of the Group.

4.2 Key management personnel and director transactions

The share capital of the Company is subscribed as to 2 ordinary shares having a nominal value of €1 and 25% paid up held equally by Ms Hanna Testa and Mr Jean Paul Testa and 49,998 ordinary shares having a nominal value of €1 and 25% paid up held by Testa Properties Limited. Key management personnel have control over the financial and operating policies of the Company.

4.3 The amounts owed by the related companies in relation to advances forwarded by the Company are unsecured, bear interest at 7% and is repayable on demand.

4.4 The amounts due to related party are unsecured, interest free and repayable on demand.

**Notes to Condensed Interim Financial Statements (continued)**

For the period 1 January 2020 to 30 June 2020

**5 FINANCIAL RISK MANAGEMENT**

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2019.

**6 CONTINGENT LIABILITIES**

No events occurred since 31 December 2019 that require disclosure of any contingent liabilities as at 30 June 2020.