



COMPANY ANNOUNCEMENT

The following is a company announcement issued by AST Group p.l.c. (the “Company”) bearing company registration number C 66811, in terms of the rules of Prospects MTF, a market regulated as a multi-lateral trading facility and operated by the Malta Stock Exchange.

QUOTE

Approval and Publication of Interim Condensed Consolidated Financial Statements

The Company hereby announces that during the meeting of its Board of Directors held on Wednesday, 26th August 2020, the Company’s interim condensed consolidated financial statements for the six-month financial period ended 30th June 2020 were approved.

Copies of the aforesaid consolidated interim condensed consolidated financial statements are attached to this announcement and are also available for viewing and download on the following link on the Company’s website: <https://astgroupplc.com/news/category/financial-reports/>.

The Board of Directors resolved not to declare an interim dividend.

UNQUOTE

A handwritten signature in blue ink, appearing to be 'K Cachia', written in a cursive style.

Dr. Katia Cachia
Company Secretary

27th August 2019

AST GROUP P.L.C

C 66811

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2020

CONTENTS

	Pages
Directors' report	1 -2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the Interim condensed consolidated financial statements	7 - 16

**DIRECTORS' REPORT PURSUANT OF PROSPECTS RULE 4.11.12
FOR THE PERIOD 1 JANUARY 2020 TO 30 JUNE 2020**

This Half-Yearly Report is being published in terms of Chapter 4 of the Prospectus Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2020 prepared in accordance with IAS 34, 'Interim Financial Reporting'. In accordance with the terms of Prospectus rule 4.11.12, this interim report has not been audited by the Group's independent auditors.

The Directors present their report of the Group for the interim period ended 30 June 2020. The Group comprises the Company ("AST Group Plc") and its four subsidiaries: Damask Investment Limited, AST Shipping Limited, Damask Shipping Management Company Limited and Damask Chartering Limited.

Principal Activities

The principal activity of the Group is to trade in animal feed as well as operate M/V "AST Malta" to distribute the Group's animal feed or charter her out to third parties.

Review of business and results

Although the revenue for the period under review increased by 3.4 million over the previous period (January to June 2019), gross profit margin decreased from 7.4% (Jan-Jun 2019) to 3.5% (Jan-Jun 2019). The key reasons for this decrease are:-

- (i) The introduction of grains to its animal feed portfolio as from April 2019, which attracts lower margins when compared to other animal feed products traded by the Group;
- (ii) An increase in the cost of bunkers, due to the legislation (IMO 2020) which came into force on 1 January 2020.

Selling, distribution and administrative expenses increased during the six months under review due to increase in transport and freight as a result of such significant increase in turnover, as well as increase in depreciation given that the vessel was revalued as at 31st December 2019. The above factors contributed towards a pre-tax loss for the period of € 459,611 (June 2019: pre-tax loss € 1,594).

The Coronavirus (COVID-19) pandemic is affecting business on a national and worldwide level. The Company and its subsidiaries are closely monitoring the impact on its operations and financial performance and is committed to take all necessary steps to mitigate any impact.

No interim dividends are being proposed.

Approved by the board of directors on 26 August 2020 and signed on its behalf by:



Mr Giuseppe Muscat
Director



Dr. Kristian Balzan
Director

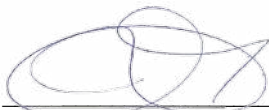
Registered Office:
31,32,33 Third Floor
Kingsway Palace
Republic Street
Valletta VLT 1115
Malta

**DIRECTORS' STATEMENT
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019**

Statement by Directors on the interim financial statements and other information included in the interim consolidated report

We hereby confirm that to the best of our knowledge:

- The unaudited condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and cash flows for the six month period then ended in accordance with IAS34, "Interim Financial Reporting"; and
- The Interim Directors' Report includes a fair review of the information required in terms of Prospects Rule 4.11.12.



Mr Giuseppe Muscat
Director
26 August 2020




Dr. Kristian Balzan
Director
26 August 2020

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

		30.06.2020	31.12.2019
		€	€
Assets			
	Note		
Non-current Assets			
Property, plant and equipment	5	1,663,999	1,837,662
Right-of-use-asset		38,777	47,992
Deferred tax assets	6	15,786	26,821
		<u>1,718,562</u>	<u>1,912,475</u>
Current Assets			
Inventories	7	966,424	1,219,070
Trade and other receivables	8	2,662,648	3,097,347
Prepaid Expenses		11,157	-
Cash and cash equivalents	9	138,360	738,737
		<u>3,778,590</u>	<u>5,055,154</u>
Total Assets		<u>5,497,151</u>	<u>6,967,629</u>
Equity and Liabilities			
Equity			
Share capital	10	50,000	50,000
Retained earnings		(24,632)	447,407
General purpose reserve	11	312,045	312,044
Revaluation		353,853	353,853
Other reserves		160,204	160,204
Capital Contribution Reserve	12	382,245	382,245
		<u>1,233,714</u>	<u>1,705,753</u>
Non-Current liabilities			
Borrowings	13	1,749,596	1,743,977
Lease Liabilities		32,384	34,804
Other Non-Current Liabilities		5,361	5,361
Deferred tax liability		22,096	22,096
		<u>1,809,437</u>	<u>1,806,238</u>
Current liabilities			
Trade and other payables	14	2,314,150	3,312,116
Lease Liabilities		17,027	16,083
Current tax payables		122,822	127,439
		<u>2,453,999</u>	<u>3,455,638</u>
Total liabilities		<u>4,263,437</u>	<u>5,261,876</u>
Total Equity and Liabilities		<u>5,497,151</u>	<u>6,967,629</u>

The interim financial statements on pages 3 to 16 have been authorised for issue by the board of Directors on 26 August 2020 and were signed on its behalf by:


Dr. Kristian Balzan
Director


Mr. Giuseppe Muscat
Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

	Notes	01.01.2020 to 30.06.2020 €	01.01.2019 to 30.06.2019 €
Revenue	15	9,357,771	5,961,671
Cost of sales		(9,029,498)	(5,520,002)
Gross Profit		328,273	441,669
Other income	16	14,430	1,438
Selling and distribution expenses		(351,677)	(55,190)
Administration expenses		(159,449)	(204,876)
Depreciation and amortisation		(185,648)	(93,729)
Operating (Loss) / Profit		(354,070)	89,312
Net Finance income / (costs)		(105,540)	(90,906)
(Loss) Before Tax		(459,611)	(1,594)
Taxation		(12,428)	(17,523)
(Loss) After Tax		(472,040)	(19,116)

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020**

Group

	Share Capital €	Retained Earnings €	Other Reserves €	Revaluation Reserve €	General Purpose Reserve €	Capital Contribution €	Total €
Balance as at 1 January 2019	50,000	788,533	160,204	-	582,044	112,245	1,693,026
Comprehensive income for the period	-	- 19,116	-	-	-	-	- 19,116
	<u>50,000</u>	<u>769,417</u>	<u>160,204</u>	<u>353,853</u>	<u>582,044</u>	<u>112,245</u>	<u>1,673,910</u>
Balance as at 30 June 2019	50,000	769,417	160,204	353,853	582,044	112,245	1,673,910
	<u>50,000</u>	<u>769,417</u>	<u>160,204</u>	<u>353,853</u>	<u>582,044</u>	<u>112,245</u>	<u>1,673,910</u>
Balance as at 1 January 2020	50,000	447,407	160,204	353,853	312,044	382,245	1,705,753
Comprehensive Income for the period	-	(472,040)	-	-	-	-	(472,040)
	<u>50,000</u>	<u>(472,040)</u>	<u>160,204</u>	<u>353,853</u>	<u>312,044</u>	<u>382,245</u>	<u>(472,040)</u>
Balance as at 30 June 2020	<u>50,000</u>	<u>- 24,633</u>	<u>160,204</u>	<u>353,853</u>	<u>312,044</u>	<u>382,245</u>	<u>1,233,714</u>

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

	Notes	01.01.2020 to 30.06.2020 €	01.01.2019 to 30.06.2019 €
Cash flows from operating activities			
Operating (Loss) / Profit for the year		(354,070)	89,312
Adjustment for:			
Depreciation of plant and machinery		83,007	40,809
Amortisation of special survey and drydocking		91,267	47,270.00
Amortisation of bond issue costs		5,651	5,650.00
Right-of-use-asset		5,720	-
Interest Expense		159,851	-
		<hr/>	<hr/>
Operating profit and loss before working capital		(8,575)	183,041
<i>Movement in Working Capital</i>			
Movement in inventories		252,645	(143,643)
Movement in trade and other receivables		445,856	1,332,332
Movement in trade and other payables		(731,989)	(344,210)
		<hr/>	<hr/>
Cash generated from operations		(42,062)	1,027,520
Net finance cost		(79,366)	(140,867)
Income tax paid		(26,847)	(3,043)
		<hr/>	<hr/>
Net cash generated from/(used in) operating		(148,274)	883,610
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of property, plant and equipment		(610)	(32)
		<hr/>	<hr/>
Net cash generated (used in) investing activities		(610)	(32)
		<hr/>	<hr/>
Cash flows from financing activities			
Bond issuance costs		(21,734)	0
Movement from related party borrowings		0	(1,054,424)
Payment for lease obligation		2,419	-
		<hr/>	<hr/>
Net cash generated (used in) financing activities		(19,315)	(1,054,424)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		(168,199)	(170,846)
Cash and cash equivalents at the beginning of the period		306,560	477,406
		<hr/>	<hr/>
Cash and cash equivalents at the end of period	9	138,360	306,560
		<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

1. General Information

1.1 Basis of preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union. The unaudited interim condensed consolidated financial statements are prepared in accordance with the historical cost convention, except for investment property and available-for-sale investments which are measured at fair values as explained in accounting policies below.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and 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.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of AST Group p.lc (Company) and its subsidiaries which include branches situated in several jurisdictions across the European region. Subsidiaries are entities controlled by the Company. Control is achieved where the Company has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.3 Functional and presentation currency

The financial statements are presented in Euro, which is the company's and group's functional and presentation currency.

2. Changes in Accounting Policies and Disclosures

In 2019, the Group adopted new standards and interpretations to existing standards that are mandatory for the Group for accounting periods beginning on 1 January 2019. The adoption of these revisions to the requirements of IFRSs as adopted by the EU resulted in changes in the accounting policies with respect to

IFRS 16: Leases

IFRS16 sets out the principles for recognition, measurement, presentation, and disclosure of leases. Under IFRS 16, 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. Under the new standard, all leases result in the lessee recognising the right to use an asset at the commencement date of the lease, and if lease payments are made over time, also recognising financing. Accordingly, IFRS 16 eliminates the classification between operating and finance leases as was required with IAS 17.

Lessee is required to recognise:

- a) Assets and liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of low value
- b) Depreciation of right of use of asset separately from interest on lease liabilities in the profit and loss.

Upon the implementation of the standard there is a choice of full retrospective application, that is, restating the comparatives, or the modified retrospective approach, that is, without restating the comparative.

The Group decided to implement IFRS16 using the modified retrospective approach. This requires the Group to recognise the cumulative effect of initial application of the standard in equity at 1 January 2019 and

Upon adoption of IFRS16, the Group has elected not to include initial direct costs in the measurement of the right of use asset for operating leases in existence at the date of the initial application of IFRS16, that is January 2019.

The Group has also elected to measure the right of use asset at an amount equal to the lease liability adjusted for any accrued or prepaid lease payments that existed at the date of transition. As such, no adjustments to equity were required upon the adoption of IFRS16 as at 1 January 2019.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

2. Changes in Accounting Policies and Disclosures (continued)

In the opinion of the directors, there are no other standards that are effective in 2019, that would be expected

Standards, interpretations and amendments to published standards as adopted by the EU that are

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below:

Description

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to IAS1 and IAS8 Definition of Materiality

Amendments to IFRS9, IAS39 and IFRS7

The directors are of the opinion that the above amendments will not have any material impact on the financial statements of the Company.

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these interim condensed consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, except for the adoption of new and amended standards as disclosed in Note 2 Changes in Accounting Policies.

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services and goods in the ordinary course of the Group's activities. Revenue is recognised upon delivery of products or performance of services, net of sales taxes and trade discounts. Interest income is recognised on a time proportional basis. Dividend income is recognised when the right to receive the payment is established.

3.2 Borrowings

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

3.3 Borrowing costs

General and specific 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.4 Foreign Currencies

Transactions in foreign currencies during the year have been converted at the rates of exchange ruling on the date of the transaction. Assets and Liabilities denominated in foreign currencies have been translated at the rates of exchange ruling on the balance sheet date. Any gains or losses arising from these conversions are included in the statement of comprehensive income.

3.5 Current and Deferred Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

3. Significant Accounting Policies (continued)

3.5 Current and Deferred Tax (continued)

Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised only to the extent that future taxable profits will be available such that the realisation of the related tax benefit is probable.

Current and deferred tax are recognised as an expense or income in the statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

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

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

3.6 Property, plant and machinery

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 the property, plant and equipment, and are recognised net within "Other income" in statement of comprehensive income. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation is calculated to write off the cost or valuation of the assets on the straight line method over the expected useful lives of the assets concerned. If an asset costs up to Eur1,500, 100% depreciation is charged to the income statement in the year it is bought. The annual depreciation rates are:

Vessel	10 years
Dry-docking costs and special survey costs	2.5 years / 5 years
Furniture and Fittings	10 years
Office equipment	4 years
Improvement to premises	1.5 years

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

3.7 Leases

Group as a lessee

At the inception of a contract, the group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to an identified asset, the Group uses the definition of a lease in IFRS16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

3. Significant Accounting Policies (continued)

3.7 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease or, if this cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as a discount rate. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate and lease payments in an optional renewal period that the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets within 'Property, plant and equipment' and lease liabilities within 'Non-current liabilities' and 'Current liabilities' in the statement of financial position.

Accounting policy up to 31 December 2018

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. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

3.8 Financial Assets and Liabilities

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. In the company's financial statements, subsidiaries are accounted for by the cost method of accounting. The results of subsidiary undertakings in the company's financial statements are reflected in these financial statements only to the extent of dividend receivable.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group measures financial assets at amortised cost if:

(a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and (b) 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and receivables from related

The Group recognises an allowance for expected credit losses (ECLs) in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2019

3.8 Financial Assets and Liabilities (continued)

Financial liabilities

Financial liabilities are classified, at initial recognition as loans, borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank financing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

3.9 Impairment

At each statement of financial position date the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, as calculated. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss/reversal is treated as a revaluation movement.

3.10 Inventories

Goods held for resale

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first out method. The cost of inventories comprises the invoiced value of goods and in general, includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

3.11 Trade and other receivables

Trade and other receivables are carried forward at the anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

Trade receivables that are factored out to banks with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions are recorded as borrowings. Any fee incurred to effect factoring is net-off against borrowings and taken to the statement of comprehensive income.

3.12 Trade and other payables

Trade payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.13 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020
3.14 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand net of bank overdraft facilities.

3.15 Share Capital*Ordinary shares*

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.

Dividend distribution

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

4. 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).

5. Property, Plant and equipment

Group	Motor Vessel €	Improvement to premises €	Office Equipment €	Furniture & Fittings €	Total €
At 31 December 2019					
Cost / revalued amount	2,114,691	6,038	13,220	55,874	2,189,823
Accumulated depreciation	(322,874)	(6,035)	(5,425)	(17,827)	(352,161)
Net Book Amount	1,791,817	3	7,795	38,047	1,837,662
At 30 June 2020					
Opening Net Book Value	1,791,817	3	7,795	38,047	1,837,662
Additions	-	-	210	400	610
Depreciation for the period	(70,169)	(3)	(998)	(11,837)	(83,007)
Amortisation of dry-docking and special survey expenses	(91,267)	-	-	-	(91,267)
Closing Net Book Amount	1,630,382	0	7,007	26,610	1,663,998

The motor vessel is held under a security trust under the AST Trust agreement as a guarantee in favour of bondholders until such time that these are repaid in accordance with the Company Admission Document.

The motor vessel was revalued by an independent valuer on 31 December 2019, on an open market existing use basis that reflects recent transactions for similar vessels.

In 2018, after the vessel was purchased, it was subject to dry-dock and special survey costs which were capitalised.

6. Deferred tax asset

The measurement in the deferred tax asset is as follows:-

	30.06.2020 €	31.12.2019 €
At the beginning of the period (Charged)/Credited to profit or loss	26,821 (11,035)	6,810 20,011
At the end of the period	15,786	26,821

Deferred tax asset

	30.06.2020 €	31.12.2019 €
<i>Temporary differences arising on:</i>		
Property, Plant and Equipment	-	(298)
Provisions	-	(1,428)
Unabsorbed Capital Allowances	-	1,664
Unabsorbed Tax Losses	12,343	23,431
Unutilised Tax Credits	3,113	3,113
Leases	330	339
	15,786	26,821

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020

7. Inventories

	30.06.2020	31.12.2019
	€	€
Animal feed	827,060	949,624
Spares, Fuels and oils	139,364	269,446
	<hr/> 966,424 <hr/>	<hr/> 1,219,070 <hr/>

8. Trade and Other Receivables

	30.06.2020	31.12.2019
	€	€
Trade receivables	1,487,461	2,135,910
Other receivables	126,129	37,892
Prepayments/Advance Payments	444,077	444,614
Amounts due from parent company	203,430	165,523
VAT refundable	345,113	309,787
Tax refundable	56,439	3,622
	<hr/> 2,662,648 <hr/>	<hr/> 3,097,348 <hr/>

Amounts due from subsidiaries, parent company and ultimate beneficial owner are unsecured, interest free and repayable within the normal operating cycle of the Group.

9. Cash and cash equivalents

	30.06.2020	31.12.2019
	€	€
Cash in hand and at bank	138,360	738,737
	<hr/> 138,360 <hr/>	<hr/> 738,737 <hr/>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

10. Share Capital

	30.06.2020	31.12.2019
	€	€
Authorised		
50,000 Ordinary Shares of €1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Issued		
50,000 Ordinary Shares of €1 each 100% paid up	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

11. General Purpose Reserve

The general purpose reserve is a non-distributable reserve set up to finance the branches capital expenditure.

12. Capital Contribution

Capital contribution relates to contributions from the ultimate beneficial owner, Mr. Kalamaras. These balances are unsecured, interest free and are repayable exclusively at the option of the Group.

13. Borrowings

	30.06.2020	31.12.2019
	€	€
Non-current		
1,835,000 5.5% Unsecured Bonds 2028	4,938,507	4,938,507
	<u>4,938,507</u>	<u>4,938,507</u>
Bonds outstanding (face value)	1,835,000	1,835,000
	<u>1,835,000</u>	<u>1,835,000</u>
Gross amount of bond issue costs	(99,176)	(112,976)
	<u>(99,176)</u>	<u>(112,976)</u>
Amortisation of gross amount of bond issue costs:		
Amortised bond issue costs brought forward	11,003	10,651
Amortisation charge for the period	2,769	11,302
	<u>13,772</u>	<u>21,953</u>
Unamortised bond issue costs	(85,404)	(91,023)
	<u>(85,404)</u>	<u>(91,023)</u>
Amortised cost and closing carrying amount	1,749,596	1,743,977
	<u>1,749,596</u>	<u>1,743,977</u>

Interest

Interest on the 5.5% Unsecured Bonds 2028 is payable annually in arrears, on 31 January of each year.

Security

The bonds constitute the general, direct, unconditional and unsecured obligations of the Group, and shall at all times rank pari passu, without any priority or preference among themselves and with other outstanding and unsecured debt of the Group, present and future. In addition, the Bonds would rank after any future debts which may be secured by a cause of preference such as a pledge, privilege and/or a hypotec.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020

14. Trade and other payables

	30.06.2020	31.12.2019
	€	€
Trade payables	2,089,901	3,094,505
Other creditors	7,064	6,466
Accrued expenses	130,593	171,535
Indirect taxation	83,012	36,030
Social security payable	3,580	3,580
	<hr/> 2,314,150 <hr/>	<hr/> 3,312,116 <hr/>

15. Revenue

Revenue represents the amounts receivable for sale of goods and services rendered, net of any indirect taxes, as follows:

	01.01.2020	01.01.2019
	to	to
	30.06.2020	30.06.2019
	€	€
Sale of goods	8,735,995	4,506,454
Freight income	621,776	1,455,217
	<hr/> 9,357,771 <hr/>	<hr/> 5,961,671 <hr/>

16. Other income

	01.01.2020	01.01.2019
	to	to
	30.06.2020	30.06.2019
	€	€
Compensation from Abaries	14,430	-
Discounts Received	-	1,438
	<hr/> 14,430 <hr/>	<hr/> 1,438 <hr/>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 01 JANUARY TO 30 JUNE 2020**

17. Related Party Transactions

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

All companies forming part of the AST Group are considered to be related parties. Trading transactions between these companies include items which are normally encountered in a group context.

AFTL Group AG is the ultimate parent of the company.

Transactions with related parties

During the current period, the Group entered into transactions with related parties as set out below:

	01.01.2020	01.01.2019
	to	to
	30.06.2020	30.06.2019
	€	€
<i>Financial Transactions</i>		
Advances to Ultimate Parent Company	26,547	-
	<hr/> <hr/>	<hr/> <hr/>

Balances with related parties

Related parties balances are disclosed in note 8 and note 14 to the financial statements.

18. Contingent Assets and Liabilities

The group had no contingent liabilities at 30 June 2020.

19. Capital Commitments

The Group had no capital commitments as at 30 June 2020.

20. Statutory Information

AST Group p.l.c is a public limited liability company. AST Group p.l.c is incorporated in Malta with its registered address at 31,32,33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115. The company's immediate parent company is AFTL Group AG with registered office situated at Zug, c/o Fidura Immobilien AG, Gotthardstrasse 20, 6300 Zug, Switzerland.

21. Comparative Figures

Comparative figures have been reclassified to conform with this year's presentation of financial statements.