



19-25, Conservatory Street, Floriana, Malta  
Company Registration Number C89431  
(the "Company")

### Company Announcement

The following is a company announcement issued by FES Finance p.l.c. ("FES" or the "Company") pursuant to Rule 4.11.13 of the Prospects Rules.

The Company announces that the Company's annual general meeting was held today at which:

- 1) The financial statements for the year ended 31 December 2019 were approved;
- 2) The Statutory Directors' Report on the Financial Statement for the year ended 31 December 2019 were approved;
- 3) The Auditors' Report on the Financial Statements for the year ended 31 December 2019 were approved;
- 4) Horwath Crowe were re-appointed as the Company's auditors until the conclusion of the next general meeting;
- 5) The current directors were re-appointed up to the next Annual General Meeting in accordance with the Company's Articles of Association; and
- 6) The Shareholders took note of the Board of Directors' resolution that no dividend will be declared.

Furthermore, the Company has been informed by the Board of Directors of the FES Projects Ltd (C 83872) (the "Guarantor"), that today they have considered and approved the audited financial statements of the Guarantor for the financial year ended 31 December 2019. The said financial statements are attached with this company announcement and available for viewing on the Company's website through the following link: <https://fes.com.mt/>

The Company also announces that the annual general meeting of the Guarantor was held today at which:

- 1) The financial statements for the year ended 31 December 2019 were approved;
- 2) The Statutory Directors' Report on the Financial Statement for the year ended 31 December 2019 were approved;
- 3) The Auditors' Report on the Financial Statements for the year ended 31 December 2019 were approved;
- 4) Horwath Crowe were re-appointed as the Guarantor's auditors until the conclusion of the next general meeting;
- 5) The current directors were re-appointed up to the next Annual General Meeting in accordance with the Guarantor's Articles of Association; and
- 6) The Shareholders took note of the Board of Directors' resolution that no dividend will be declared.



Dr Reuben Debono

Company Secretary

25 June 2020

**FES PROJECTS LTD**

*Annual Report  
and  
Financial Statements  
31 December 2019*

Company Registration Number C 83872

**CONTENTS**

*Page*

1 - 3.	Directors' Report
4 - 6.	Independent Auditor's Report
7.	Statement of Comprehensive Income
8.	Statement of Financial Position
9.	Statement of Changes in Equity
10.	Statement of Cash Flows
11 - 29.	Notes to the Financial Statements



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The directors present the annual report together with the audited financial statements of the Company for the year ended 31 December 2019.

### **Principal Activities**

The main activity of the company is that of investing in, acquiring or leasing, holding and managing boutique hotels, as well as acting as a holding company.

### **Performance Review**

The Company was incorporated on 6 December 2017. Consequently, the comparative figures for these financial statements are for a 13 month period.

In March 2019, the Company acquired the Euro Guest House, through proceeds on-let by its subsidiary FES Finance p.l.c., and subsequently generated rental income of €150,000 (2018: Nil) as the property was leased out to its subsidiary FES Operations Limited to operate the Euro Guest House on its behalf. The Company also generated other miscellaneous income amounting to €7,490 (2018: Nil). Administrative expenses mainly comprise depreciation charges amounting to €43,583 (2018: Nil). Finance costs comprise interest payable on the outstanding loan due to subsidiary amounting to €103,855 (2018: Nil). The Company's loss before taxation amounted to €6,419 (2018: €35,750). After accounting for taxation, the loss for the year amounted to €14,167 (2018: €35,750).

### **Position Review**

The Company's asset base amounted to €6,488,939 as at 31 December 2019. The key asset consist of the Euro Guest House boutique hotel situated in Gzira valued by an independent architect at €5.25 million in January 2019. The Company owns also other immovable property in Senglea.

The Company's main liability is made up of a loan advanced by its subsidiary, FES Finance p.l.c., of €4,123,011.

### **Dividends and Reserves**

The accumulated losses of the Company at the end of the year amounted to €49,917 (2018: €35,570). The directors do not recommend the distribution of a dividend and propose to charge the loss for the year to reserves.

### **Financial Risk Management**

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in note 21 in these financial statements.

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#### **Events Subsequent to the Statement of Financial Position Date**

The directors assessed subsequent events from 1 January 2020 through 25 June 2020, the date these financial statements were approved. Through such assessment, the directors have determined that events subsequent to statement of financial position date occurred as reported in note 22 to these financial statements.

#### **Future Developments**

The directors intend to continue to operate in line with the original business plan as revised to reflect the present realities post COVID-19 events.

#### **Going concern**

After making enquiries and taking into consideration future plans, including the potential impact on financial and operational performance following the COVID-19 outbreak (note 2) the directors have a reasonable expectation that the Company has adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

#### **Directors**

Mr. Christopher Vella  
Dr. Reuben Debono

#### **Statement of Directors' Responsibilities**

The Maltese Companies Act, (Cap 386) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year.

In preparing the financial statements, the directors are responsible for:-

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern;

The directors are responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


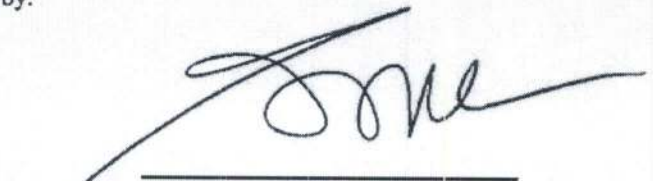


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**Auditors**

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

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

  
\_\_\_\_\_  
Mr. Christopher Vella  
Director  
\_\_\_\_\_  
Dr. Reuben Debono  
Director

**Registered Address:**  
19 – 25  
Conservatory Street  
Floriana  
Malta

25 June 2020

**INDEPENDENT AUDITOR'S REPORT**  
To the Shareholders of FES Projects Ltd

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**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of FES Projects Ltd (the Company), set out on pages 7 to 29, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company, as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs), as modified by Article 173 of the Maltese Companies Act (Cap 386), and have been properly prepared in accordance with the requirements of the said Act.

**Basis for Opinion**

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

**Emphasis of matter**

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

**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report. Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



### **Other Information (continued)**

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

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

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

### **Responsibilities of the Directors**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID – 19 will have on the company's trade, customers and supplies, and the disruption to its business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirements**

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

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

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

*John Abela (Partner) for and on behalf of*

**Horwath Malta**  
Member Crowe Global

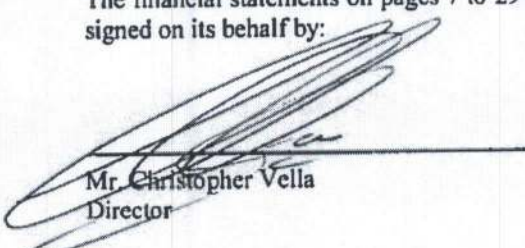
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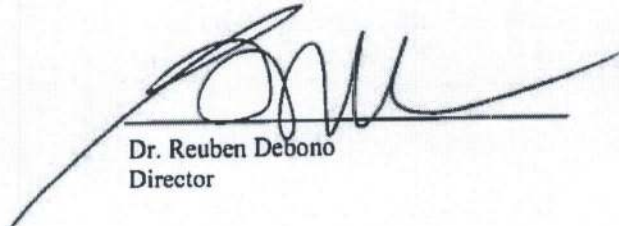
25 June 2020

	Notes	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Revenue	6	157,490	-
Administrative expenses		(60,054)	(35,750)
Finance costs	7	<u>(103,855)</u>	<u>-</u>
<b>Loss before Income Tax</b>	8	(6,419)	(35,750)
Income taxation	9	<u>(7,748)</u>	<u>-</u>
<b>LOSS FOR THE YEAR</b>		<u><u>(14,167)</u></u>	<u><u>(35,750)</u></u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property plant and equipment		1,550,754	-
Deferred tax thereon	9	<u>(304,000)</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>		<u><u>1,246,754</u></u>	<u><u>-</u></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>1,232,587</u></u>	<u><u>(35,750)</u></u>

	Notes	2019 €	2018 €
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	10	5,794,366	18,200
Investment in subsidiaries	11	<u>50,238</u>	<u>49,998</u>
		<u>5,844,604</u>	<u>68,198</u>
<b>Current Assets</b>			
Trade and other receivables	12	354,837	16,975
Cash and cash equivalents		<u>289,498</u>	<u>7</u>
		<u>644,335</u>	<u>16,982</u>
<b>Total Assets</b>		<u><u>6,488,939</u></u>	<u><u>85,180</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Called up issued share capital	13	1,818,004	1,250
Accumulated losses	14	<u>(49,917)</u>	<u>(35,750)</u>
		<u>1,768,087</u>	<u>(34,500)</u>
<b>Non-Current Liabilities</b>			
Borrowings	15	4,187,792	98,530
Deferred tax liability	16	<u>304,000</u>	<u>-</u>
		<u>4,491,792</u>	<u>98,530</u>
<b>Current Liabilities</b>			
Trade and other payables	17	221,312	21,150
Current tax liability		<u>7,748</u>	<u>-</u>
		<u>229,060</u>	<u>21,150</u>
<b>Total Equity and Liabilities</b>		<u><u>6,488,939</u></u>	<u><u>85,180</u></u>

The financial statements on pages 7 to 29 were approved by the Board of Directors on 25 June 2020 and were signed on its behalf by:

  
Mr. Christopher Vella  
Director

  
Dr. Reuben Debono  
Director



	Share Capital €	Revaluation reserve €	Accumulated losses €	Total €
Total comprehensive loss for the period				
Loss for the period	-	-	(35,750)	(35,750)
<b>Total comprehensive loss for the period</b>	-	-	(35,750)	(35,750)
Transaction with owners of the company				
Issue of share capital	1,250	-	-	1,250
<b>Total transactions with owners of the company</b>	1,250	-	-	1,250
<b>Balance as at 31 December 2018</b>	<u>1,250</u>	<u>-</u>	<u>(35,750)</u>	<u>(34,500)</u>
<b>Balance as at 1 January 2019</b>	<u>1,250</u>	<u>-</u>	<u>(35,750)</u>	<u>(34,500)</u>
Total comprehensive income for the year				
Loss for the year	-	-	(14,167)	(14,167)
Other comprehensive income for the year	-	1,246,754	-	1,246,754
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>1,246,754</u>	<u>(14,167)</u>	<u>1,232,587</u>
Transactions with owners of the company				
Issue of share capital	570,000	-	-	570,000
Capitalisation of revaluation reserve, net of tax	1,246,754	(1,246,754)	-	-
<b>Total transactions with owners of the company</b>	<u>1,816,754</u>	<u>(1,246,754)</u>	<u>-</u>	<u>570,000</u>
<b>Balance as at 31 December 2019</b>	<u><u>1,818,004</u></u>	<u><u>-</u></u>	<u><u>(49,917)</u></u>	<u><u>1,768,087</u></u>

**FES PROJECTS LTD**  
**Statement of Cash Flows**  
**For the year ended 31 December 2019**

**Page 10**

	Note	2019 €	2018 €
<b>Operating Activities</b>			
Loss for the year before taxation		(6,419)	(35,750)
Adjustment for:			
Depreciation expense		43,583	-
Finance costs		103,855	-
		<u>141,019</u>	<u>(35,750)</u>
<i>Working capital changes:</i>			
Movement in trade and other receivables		(292,424)	(16,975)
Movement in trade and other payables		292,659	20,870
		<u>141,254</u>	<u>(31,855)</u>
<b>Net Cash generated from / (used in) Operating Activities</b>			
<b>Investing Activities</b>			
Acquisition of property, plant and equipment		(4,268,995)	(18,200)
Acquisition of investment in subsidiary		(240)	(49,998)
		<u>(4,269,235)</u>	<u>(68,198)</u>
<b>Net Cash used in Investing Activities</b>			
<b>Financing Activities</b>			
Issue of share capital		570,000	1,250
Loan advanced by subsidiary		4,123,011	-
Advances to subsidiary		(36,685)	-
Advances to / (by) related company		(205,104)	280
(Repayments to) / advances by shareholders		(33,750)	98,530
		<u>4,417,472</u>	<u>100,060</u>
<b>Net Cash generated from Financing Activities</b>			
<b>Movement in Cash and Cash Equivalents</b>		<u>289,491</u>	<u>7</u>
Cash and cash equivalents at beginning of year		<u>7</u>	<u>-</u>
<b>Cash and Cash Equivalents at end of year</b>	18	<u><u>289,498</u></u>	<u><u>7</u></u>

**1. General Information**

FES Projects Ltd (the "Company") is a limited liability company domiciled and incorporated in Malta.

**2. Basis of Preparation**

*Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386).

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

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

*Basis of measurement*

The financial statements are prepared on the historical cost basis, except for land which is carried under the revaluation model.

*Functional and presentation currency*

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

*Going Concern*

FES Projects Ltd was set up as a property and holding company, which is expected to receive annual from the long-term lease agreements entered into with companies forming part of the FES Group. The Company owns the Euro Guest House boutique hotel in Gzira as well as a property in Senglea. The Gzira boutique hotel is operated by its subsidiary FES Operations Limited. In this context, the Company's trading prospects are dependant on the performance of FES Operations Limited, as it is dependent on the receipt of income from its subsidiary in relation to rental income following a lease agreement entered into between both parties.



## **2. Basis of Preparation (continued)**

### ***Going concern (continued)***

FES Group's (FES Projects Ltd, FES Operations Limited and FES Finance p.l.c.) operations through FES Operations Limited which operates the Euro Guest House, were affected by the COVID-19 pandemic which reflected the general economic and consumer trends worldwide. The outbreak of the pandemic in early 2020 has caused disruption to businesses and economic activity. The Euro Guest House's occupancy levels decreased due to COVID-19 and closure of the airport. The company sought the use of its premises through other revenue streams. Accordingly, negative developments in the local and global economy, that adversely affect the demand for the FES Group services could have a negative impact on the FES Group operations, earnings and financial position.

The FES Group considers the emergence and spread of COVID-19 to be a non-adjusting post statement of financial position event. Given the inherent uncertainties, it is difficult to ascertain the impact of COVID-19 on the FES Group, or to provide a quantitative estimate of this impact.

The board of directors expect that operations will gradually return to normal levels over the coming months due to increase in consumer confidence and disposable income and tourism levels.

The board of directors is in the process of preparing projections for profitability and cash flows covering 12 months from the date of reporting of these financial statements for the FES Group and the Company. From initial assessment of these projections the company's profitability and cash flows indicate that enough resources are available for the entity to cover its commitments.

Following their assessment and the remedial actions described above, the directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

### ***Use of estimates and judgements***

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

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

## **3. Changes in Accounting Policies and Disclosures**

### ***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 issue of these financial statements but are mandatory for the company's accounting years beginning after 1 January 2019. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU.

### 3. Changes in Accounting Policies and Disclosures (continued)

*New standards which have been newly adopted during the year*

*IFRS 16, Leases, (issued in January 2017 and effective date is 1 January 2019)*

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Company accounted for leases in accordance with IFRS 16 from date of initial application.

### 4. Significant Accounting Policies

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

**Revenue recognition**

Revenue include all revenues from the ordinary business activities of the company. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax.

Revenue is recognised as follows:

(i) *Property related income*

Rentals receivables charged to tenants of immovable property are recognised in the period when the property is occupied. The company's policy for recognition of revenue from operating leases is described in accounting policy on 'Leases' below.

**Borrowing costs**

Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.



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#### **4. Significant Accounting Policies**

##### ***Leases***

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

##### ***The company as lessor***

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

##### ***Income taxation***

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

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

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

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

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



#### **4. Significant Accounting Policies**

##### ***Property, plant and equipment***

All property, plant and equipment is initially recorded at historical cost. Land is shown at fair value based on periodic valuations by external independent valuers. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting year. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

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

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as a revaluation reserve in the shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Assets in course of construction are not depreciated.

The rates of depreciation used are the following:

• Buildings	- 2% per annum
• Computer and electronic equipment	- 20% per annum
• Furniture and fittings	- 20% per annum
• Software	- 20% per annum
• Other assets	- 10% per annum

Land is not being depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.



#### 4. Significant Accounting Policies

##### *Investment in subsidiaries*

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

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

##### *Impairment of non-financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

##### *Financial assets*

###### *Classification*

The company classifies its financial assets (other than investment in subsidiaries) as financial assets measured at amortised costs. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The company classifies its financial assets at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

###### *i. Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (eg liquidity risk and administrative costs), as well as a profit margin.



#### 4. Significant Accounting Policies (continued)

##### *Financial assets (continued)*

##### *Classification (continued)*

##### *i. Assessment whether contractual cash flows are solely payments of principal and interest (continued)*

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

##### *Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Interest income on debt instruments measured at amortised cost from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition of these instruments is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as a separate line item in profit or loss.

##### *Impairment*

The company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The company's financial assets are subject to the expected credit loss model.

##### *i. Expected credit loss model*

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

- Debt securities that are determined to have a low credit risk at the reporting date, and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.



#### 4. Significant Accounting Policies (continued)

##### *Financial assets (continued)*

##### *i. Expected credit loss model (continued)*

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). The maximum year considered when estimating ECLs is the maximum contractual year over which the company is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as a significant financial difficulty of the borrower or issuer, or a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### *ii. Simplified approach model*

For trade receivables, the company applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of sales over a year of 12 months before 31 December 2019 or 1 January 2019, respectively, and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the customers to settle the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

For related party balances, the Company assesses the credit quality of the related companies by taking into account the financial position, performance and other factors. In measuring expected credit losses on these balances, management has taken into account the agreement in place and adherence to the agreement.

##### *Financial liabilities*

The company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provision of the instrument. The company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The company derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.



#### **4. Significant Accounting Policies (continued)**

##### ***Trade and other payables***

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

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

##### ***Borrowings***

Borrowings are recognised initially at the fair value of proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of borrowings using the effective interest method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

##### ***Offsetting***

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

##### ***Cash and cash equivalents***

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include deposits held at call with banks.

##### ***Share capital***

###### ***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

###### ***Dividend distribution***

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

## 5. Critical Accounting Estimates and Judgements

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

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

## 6. Revenue

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Rental income	150,000	-
Miscellaneous income	7,490	-
	<u>157,490</u>	<u>-</u>

## 7. Finance Costs

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Interest on loan from subsidiary	<u>103,855</u>	<u>-</u>

## 8. Loss before Income Tax

### *Auditor's fee*

Fees charged by the auditor for services rendered during the financial year ended 31 December 2019 relate to the following:

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Annual statutory audit	2,000	1,000
Other non-audit services	<u>300</u>	<u>200</u>



## 9. Income Taxation

### *Amounts recognised in profit or loss*

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Current tax expense	<u>7,748</u>	<u>-</u>

### *Amounts recognised in other comprehensive income*

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Deferred tax expense on revaluation of property, plant and equipment	<u>304,000</u>	<u>-</u>
Tax expense	<u>304,000</u>	<u>-</u>

The tax on the company's loss before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Loss before taxation	<u>(6,419)</u>	<u>(35,750)</u>
Tax at the applicable statutory rate of 35%	(2,247)	(12,513)
<i>Tax effect of:</i>		
Maintenance allowance	(11,024)	-
Disallowable expenses for tax purposes	<u>21,019</u>	<u>12,513</u>
Tax charge	<u>7,748</u>	<u>-</u>

# 10. Property, Plant and Equipment

	Land €	Buildings €	Furniture & Fittings €	Computer & Electronic Equipment €	Software €	Other Assets €	Total €
<b>Year ended 31 December 2018</b>							
Additions	-	18,200	-	-	-	-	18,200
Depreciation charge	-	-	-	-	-	-	-
<b>Closing net book amount</b>	<b>-</b>	<b>18,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,200</b>
<b>At 31 December 2018</b>							
Cost	-	18,200	-	-	-	-	18,200
Accumulated depreciation	-	-	-	-	-	-	-
<b>Net book amount</b>	<b>-</b>	<b>18,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,200</b>
<b>Year ended 31 December 2019</b>							
Opening net book amount	-	18,200	-	-	-	-	18,200
Additions	2,249,246	1,582,328	124,063	1,981	23,051	288,326	4,268,995
Revaluation	1,550,754	-	-	-	-	-	1,550,754
Depreciation charge	-	(14,258)	(12,406)	(198)	(2,305)	(14,416)	(43,583)
<b>Closing net book amount</b>	<b>3,800,000</b>	<b>1,586,270</b>	<b>111,657</b>	<b>1,783</b>	<b>20,746</b>	<b>273,910</b>	<b>5,794,366</b>
<b>At 31 December 2019</b>							
Cost / Revalued amount	3,800,000	1,600,528	124,063	1,981	23,051	288,326	5,837,949
Accumulated depreciation	-	(14,258)	(12,406)	(198)	(2,305)	(14,416)	(43,583)
<b>Net book amount</b>	<b>3,800,000</b>	<b>1,586,270</b>	<b>111,657</b>	<b>1,783</b>	<b>20,746</b>	<b>273,910</b>	<b>5,794,366</b>



## 10. Property, Plant and Equipment (continued)

As at 31 December 2019 property having a value of €5.25 million has a first special hypothec registered against it in favour of a Security Trustee for the benefit of a subsidiary's (FES Finance p.l.c) bondholders.

Land was valued by an independent valuer on 25 January 2019, on an open market existing use basis. The effect of the current year's revaluation is presented in the statement of comprehensive income.

The movement in the deferred tax liability arising on the revaluation has been computed on the basis of a tax rate of 8% on the land's sales value, which is equal to its fair value at the reporting date.

The carrying amount of land that would have been included in the financial statements had these assets been carried at cost is €2,249,246.

## 11. Investment in Subsidiaries

The carrying amount of the investment in subsidiaries at reporting date was as follows:

	2019 €	2018 €
<b>Year ended 31 December</b>		
Opening net book amount	49,998	-
Additions	240	49,998
Closing net book amount	<u>50,238</u>	<u>49,998</u>
<b>At 31 December</b>		
Cost and carrying net book amount	<u>50,238</u>	<u>49,998</u>

The subsidiaries as at 31 December 2019 are shown below:

	Registered Office	Class of shares held	Principal activity	Percentage of shares held	
				2019	2018
FES Finance plc	19 -23 Conservatory Street Floriana, Malta	Ordinary shares	Finance company	99.996%	99.996%
FES Operations Ltd	19 – 23 Conservatory Street Floriana, Malta	Ordinary shares	Operation of a boutique hotel	100%	-

**12. Trade and Other Receivables**

	2019 €	2018 €
Amounts owed by subsidiary	163,208	11,350
Amounts owed by related company	43,580	-
Advance deposit	110,000	-
Indirect tax recoverable	38,049	5,625
	<u>354,837</u>	<u>16,975</u>

Amounts owed by subsidiary and related company are unsecured, interest free and are repayable on demand.

As at 31 December 2019 and 31 December 2018, these amounts were fully performing and hence do not contain impaired assets.

**13. Share Capital**

	2019 €	2018 €
<b>Authorised</b>		
1,818,004 (2018: 1,250) ordinary shares of €1 each	<u>1,818,004</u>	<u>1,250</u>
<b>Issued and Fully Paid Up</b>		
1,818,004 (2018: 1,250) ordinary shares of €1 each	<u>1,818,004</u>	<u>1,250</u>

During 2019 there was a significant increase in the share capital of the company, mainly due to the capitalisation of the revaluation reserve surplus of €1,246,754 following an architect's valuation of the Euro Guest House boutique hotel in Gzira. Furthermore, there was an additional cash injection by the shareholders for an amount of €470,000 as well as capitalisation of part of the shareholders' loans for an amount of €100,000.

**14. Accumulated Losses**

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



## 15. Borrowings

	2019 €	2018 €
<b>Non-current</b>		
Amounts owed to shareholders	64,781	98,530
Loan due to subsidiary	<u>4,123,011</u>	<u>-</u>
	<u>4,187,792</u>	<u>98,530</u>

Amounts owed to shareholders are unsecured, interest free and have no fixed date for repayment but they are not envisaged to be paid within the next twelve months.

A loan facility amounting to €4,897,500 is made available to the company by its subsidiary FES Finance p.l.c.. This loan is unsecured, carries interest at 5.35% per annum and is repayable in full by not later than 31 December 2028. Any other balances payable to subsidiary are unsecured, interest free and have no fixed date of repayment but are not envisaged to be paid within the next twelve months.

## 16. Deferred Tax Liability

Deferred taxation is calculated on all temporary differences using the principal tax rate for revaluation of land which is calculated using 8% final withholding tax rate.

The movement in the deferred tax account is as follows:

	2019 €	2018 €
<b>Deferred tax liability</b>		
Charged to equity	<u>304,000</u>	<u>-</u>
At end of year	<u>304,000</u>	<u>-</u>

Deferred taxation is principally composed of deferred tax liability which is to be recovered and settled after more than twelve months. The deferred tax liability at 31 December represents:

	2019 €	2018 €
<b>Deferred tax liability</b>		
<i>Temporary differences on:</i>		
Revaluation of land	<u>304,000</u>	<u>-</u>

## **17. Trade and Other Payables**

	2019 €	2018 €
Amounts owed to related company	-	280
Trade payables	10,355	19,670
Accrued expenses	<u>210,957</u>	<u>1,200</u>
	<u><u>221,312</u></u>	<u><u>21,150</u></u>

Amounts owed to related company were unsecured, interest free and repayable on demand.

## **18. Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2019 €	2018 €
Cash at bank	<u><u>289,498</u></u>	<u><u>7</u></u>

## **19. Related Party Transactions**

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

The Company forms part of the FES Group. All companies forming part of the FES Group are related parties since these companies are ultimately owned by FES Projects Ltd.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by Mr. Christopher Vella and Dr. Reuben Debono.

FES Projects Ltd is the parent company of the entities listed in Note 11.



## 19. Related Party Transactions (continued)

### Transactions with related parties

	2019 €	2018 €
<b>Income</b>		
Rent charged to subsidiary	<u>150,000</u>	<u>-</u>
<b>Expenditure</b>		
Recharges to subsidiary	<u>-</u>	<u>11,350</u>
<b>Capital Expenditure</b>		
Recharges by subsidiaries	<u>184,721</u>	<u>-</u>
<b>Loans and Advances</b>		
(Repayments) / advances by shareholders	(49,760)	98,530
Advances (to) / by related company	(205,104)	280
Advances by subsidiary	4,123,011	-
Advances to subsidiary	<u>(36,685)</u>	<u>-</u>

Amounts owed by subsidiary are unsecured, interest free and are repayable on demand.

Amounts owed to shareholders and related company are unsecured, interest free and have no fixed date for repayment.

A loan facility amounting to €4,897,500 is made available to the company by a subsidiary. This loan is unsecured, carries interest at 5.35% per annum and is repayable in full by not later than 31 December 2028. Any other balances payable to subsidiary are unsecured, interest free and have no fixed date of repayment but are not envisaged to be paid within the next twelve months.

Year end balances arising from related party transactions are disclosed in Notes 12, 15 and 17 to the financial statements.

## 20. Contingent Liabilities

The Company has given a first special hypothec on its property in Gzira for the amount of €5,250,000 and a pledge over the Insurance Policy in favour of the Security Trustee.

At 31 December 2019, the company held the following guarantees in favour of the Security Trustee:

- Guarantee in relation to the issue of €5,000,000 5% Secured Bonds 2029.

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## **21. Financial Risk Management**

The Company's principal risk exposures related to credit risk and liquidity risk. The Company is not exposed to currency risk and interest rate risk. The directors consider interest rate risk exposure to be minimal due to fixed interest rate stipulated on interest bearing liability. Note 15 incorporates interest rates and maturity information with respect to the Company's main interest bearing liability.

### ***Credit Risk***

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of amounts owed from related parties and cash at bank.

The Company's cash at bank is placed with high quality financial institutions.

The Company's receivables consist mainly of amounts receivable from related parties and accordingly credit risk in this respect is limited. The company monitors inter-group credit exposures at individual entity level on a regular basis and ensures timely performance of these assets in the context of overall company liquidity management. The company assesses the credit quality of these related parties taking into account financial position, performance and other factors. The company takes cognisance of the related party relationship with these entities and management does not expect any further significant losses from non-performance or default.

While receivables and cash and cash equivalents are subject to impairment requirements of IFRS 9, the identified impairment loss is insignificant.

### ***Liquidity Risk***

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and borrowings. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month year to ensure that no additional financing facilities are expected to be required over the coming year.

### ***Timing of Cash Flows***

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

### ***Capital Management***

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2019.



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**21. Financial Risk Management (continued)**

*Fair Value of Financial Instruments*

At 31 December 2019 and 31 December 2018 the carrying amounts of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. As at end of the reporting year, the fair values of financial assets and liabilities, approximate the carrying amounts shown in the statement of financial position.

**22. Post Reporting Events**

Although the situation is uncertain, based on the information available at the time of reporting, management remains of the belief that the COVID-19 outbreak will not have a foreseeable negative long-term effect on the Company's business. The consequences of the emergence and spread of COVID-19 in 2020 is considered to be a non-adjusting post balance sheet event. Further information on COVID-19 and the potential impact on financial and operational performance is included in the basis of preparation in Note 2.

**FES PROJECTS LTD**  
**Schedule to the Financial Statements**  
**For the year ended 31 December 2019**

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**SCHEDULE**

**1. Administrative Expenses**



**FES PROJECTS LTD**  
**Administration Expenses**  
**For the year ended 31 December 2019**

**Schedule 1**

	12 months to 31 Dec 2019 €	13 months to 31 Dec 2018 €
Audit fee	2,000	1,000
Professional fees	1,007	200
Depreciation	43,583	-
Bank charges	519	34
Registration fee	1,095	-
Entertainment costs	1,647	-
Insurance	4,844	-
Office supplies	2,669	-
Subscriptions	190	-
Licences and permits	1,774	-
Other expenses	<u>726</u>	<u>34,516</u>
	<u><u>60,054</u></u>	<u><u>35,750</u></u>