THE SHORELINE
- LUXURY LIVING, UNPARALLELED VIEWS -

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Company No: C84005

COMPANY ANNOUNCEMENT

The following is a Company Announcement Ref No. SHM11 issued by Shoreline Mall p.l.c. (the **'Company'**) on the 26th August 2021 pursuant to the Capital Markets Rules issued by the Listing Authority.

Quote

Approval of Annual Report and Audited Financial Statements

The Company hereby announces that the Board of Directors has, on the 26th August 2021, resolved to approve the Company's Annual Report and the Audited Financal Statements for the year ended 30th April 2021.

A copy of the said Annual Report and Audited Financial Statements can be found below and available on the Company's website on: https://theshorelineresidence.com/investor-information/

Unquote

Dr Johan Farrugia

Company Secretary

26th August 2021

Shoreline Mall p.l.c

C 84005

Report and financial statements

30 April 2021

Contents

Shoreline Mall p.l.c

Directors, officers and other information

Directors:	Benjamin Muscat Ryan Edward Otto Kevin Deguara Jean Carl Farrugia Roderick Psaila Charles Scerri Robert Ancilleri
Secretary:	Jean Carl Farrugia
Registered office:	Suite 407, Level 4, Block SCMN 01, Smart City Malta, Ricasoli, Kalkara, SCM 1001, Malta
Country of incorporation:	Malta
Company registration number:	C 84005
Auditor:	Deloitte Audit Limited Deloitte Place Triq L-Intornjatur, Zone 3 Central Business District Birkirkara, CBD 3050 Malta
Bankers:	Bank of Valletta p.l.c. The Strand Triq Ix-Xatt, Gzira, GZR 1022 – Malta

The directors present their report and the audited financial statements for the year ended 30 April 2021.

Overview and principal activities

Shoreline Mall p.l.c ("the Company") is a public limited liability Company incorporated in Malta on 15 December 2017 with registration number C 84005 . The registered address of the Company is Suite 407, Level 4, Block SCMN01, Smart City Malta, Ricasoli, Kalkara, Malta.

The principal activity of the Company is the acquisition, disposal, development and operation of the various immovable properties within and constituting the Shoreline Mall Complex to be situated at the Shoreline Mall Site at Smart City, Kalkara, Malta. The Company was, in fact specifically set up in view and for the purposes of, and will principally operate by reference to, the Shoreline Mall Complex and its activities will accordingly be focused thereon. As such, the Company's main business will consist of:

a. The sale of immovable property within the Shoreline Mall site, mainly consisting of 7 residential terraced houses and the residential carpark; and

b. The development of the Shoreline Mall and the generation of rental income from the operation of the commercial units and carpark.

Review of the business trading performance

The Company has not yet started trading and as a result registered a loss for the year of *€280,095* year ended 30 April 2021. The Company is expected to begin trading by the end of financial year 2023 when its investment property and assets for sale under construction would have been brought into use.

Until such time, the Company will concentrate on completing the construction of such assets utilising funds it will receive through advances received from market raised funding, promise of sale agreements it will enter into and the financial support of its parent and fellow subsidiary companies.

Financial position

During the financial year under review, the application to the Listing Authority in Malta for the issuance of €14,000,000 4% Secured Bonds 2026 (series A Bonds) and €26,000,000 4.5% secured bonds 2032 (series B Bonds) was authorised as admissible to Listing, pursuant to the Listing Rules , by virtue of a letter dated 18 June 2020.

Both series bonds were issued at a nominal value of €100 at par and closed in July 2020 with the bonds being fully subscribed. Such proceeds will be utilised for the development of the project.

Financial position (continued)

As a result the Company's total assets as at 30 April 2021 grew to *€58,857,759* compared to the previous year amount of *€20,295,625*. This includes the improved liquidity position of Cash and cash equivalents as at 30 April 2020 increasing to €20.1 million (2020: €1.1 million).

The company has not started trading yet and is still in the construction phase. The liquid funds it has accumulated to date are aimed to be used in the development of the project.

Financial risk management

The Company is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as disclosed in note 24 to the financial statements.

Events subsequent to the financial reporting date

Outlook for 2021

World Health Organisation (WHO) declared the Coronavirus/COVID-19 outbreak to be a global pandemic. Around the world, many governments including that of Malta, introduced unprecedented measures in efforts to contain and control the spread of the outbreak as well as implemented stimulus measures, business support initiatives and employment protection programmes to support business, jobs and the economy in general.

Even with the impact of Covid-19 the project is still currently progressing according to expectations with an expected completion by financial year end 2023. In light of recent measures implemented by local authorities, potential delays may arise if mandatory lockdowns are imposed on construction sites. Notwithstanding this, the directors believe that the projected development timeframe should not be materially affected due to:

1. The main construction contract has been awarded and signed. Site establishment, piling, foundation and construction have commenced.

2. The main construction contract is based on a fixed price, design and build and therefore the potential for cost overruns is low. The contractor is further bound by strict performance obligations backed by a performance bond in favour of the Company.

Dividends
No dividend is being recommended as the Company did not have any distributable reserves at the end of the reporting period.

Corporate Governance
The directors are committed and fully support the adoption of the relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance ("the Code"), which entails amongst others, principles such as the appointment of independent directors to the Board, the formation of an audit committee as well as the continued adoption of internal controls to manage, review and safeguard the company assets and operations.

Going concern
The company has not yet started trading and as a result registered a loss for the year of *€280,095* (year ended 30 April 2020 loss of *€23,911*). The losses incurred by the Company and the short-term cash flow requirements have been financed by the immediate parent company and related parties, and such balances due are expected to continue to form part of the company's financing structure. The Company raised funds through the issue of bonds on the Maltese Stock Exchange, as described further above.

For this reason, the directors have adopted the going concern basis in preparing these financial statements.

Board of Directors

The directors who served during the period and up till the date of this report are as follows:
Benjamin Muscat (Chairman)
Ryan Edward Otto (Executive Director)
Kevin Deguara (Non- executive Director)
Jean Carl Farrugia (Non-executive Director)
Roderick Psaila (Non-executive Director)
Charles Scerri (Non-executive Director)
Robert Ancilleri (Non-executive Director)

In accordance with the Company's articles of association all the directors are to remain in office.

Auditors
Deloitte Audit Limited have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approved by the Board on 26 August 2021 and signed on its behalf by:

Benjamin Muscat	Ryan Edward Otto
Director	Director

Statement of directors responsibilities

Year ended 30 April 2021

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practice which give a true and fair view of the state of affairs of the company at the end of each financial period and of the profit or loss of the company for the year then ended.

In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a 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 ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining 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. 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.

Introduction

The Board of Directors (the ''Board'') of Shoreline Mall p.l.c. (the ''Company'') acknowledges that effective corporate governance is critical to the proper functioning not just of the sector in which the company operates but the Maltese society at large. Hence, it is committed to high standards of corporate governance and has a solid corporate governance framework that is built around the principles of control and accountability. The Board further believes that good corporate governance has a positive impact on the Company's performance.

The Company is subject to regulation by the Listing Authority. It is required to include a statement of compliance with the Code of Principles of Good Corporate Governance (the "Code") contained in Appendix 5.1 of the Listing Rules issued by the Malta Financial Services Authority. In terms of Listing Rule 5.94 and the Code's Preamble, the Company is obliged to disclose compliance or non-compliance with the provisions of the said Code. The Company strives to maintain the highest standards of disclosure in reporting the effective measures adopted to ensure compliance with the Code, and to explain the instances of non-compliance.

General

The Board has carried out a review of the Company's compliance with the Code. It has taken measures for the Company to comply with the requirements of the Code to the extent that it is considered appropriate and complementary to the size, nature and operations of the Company. The company is currently developing the Shoreline Mall Complex.

The Company acknowledges that although the Code does not dictate or prescribe mandatory rules, the Board endorsed the principles recommended in the Code and ensured their adoption, save as indicated within the section entitled Non-Compliance with Code where the Board indicates and explains the instances where it has not complied with the Code.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

The Board believes that for the financial year under review, the Company has generally complied with the requirements for each of the Code's main principles. Further information in this respect is provided hereunder.

Principle One: The Company's Board of Directors

The Board reports that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company. The Board is composed of members who are honest, competent and solvent and thus fit and proper to direct the business of the company. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has throughout the year under review adopted prudent and effective systems which ensure an open dialogue between the Board and senior management.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities.

During the year the Board delegated specific responsibilities to the Audit Committee. Further detail in relation to this committee and its responsibilities can be found under principle 4 of this Statement.

Principle Two: The Company's Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the Chief Executive are held by separate individuals and the division of responsibilities are clearly established and agreed by the Board.

The Chairman exercises independent judgment and is responsible to lead the Board and set its agenda, whilst also ensuring that the Directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with shareholders and ensuring active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the CEO is carried out by Ryan Edward Otto who is accountable to the Board for all business operations of the company.

The Company forms part of the Shoreline group of companies (the "Group") but has its own management structure and accounting systems and internal controls, and is governed by its own Board, whose members, are appointed by the shareholders of the Company. This provides sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision making powers are spread wide enough to allow proper control and reporting systems to be in place and maintained in such a way that no one individual or small group of individuals has unfettered powers of decision.

Principle Three: Composition of the Board

The Board is composed of 7 members, with 1 executive and 6 non-executive Directors, with each member offering core skills and experience that are relevant for the successful operation of the Company. The non-executive Directors are independent from the company. The Board is responsible for the overall long-term strategy and general policies of the company, of monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Board of Directors consists of the following:

- Benjamin Muscat – Chairman / Independent Non-executive Director
- Robert Ancilleri – Independent Non-executive Director
- Charles Scerri – Independent Non-executive Director
- Ryan Edward Otto – Executive Director
- Jean Carl Farrugia – Non- executive Director
- Kevin Deguara – Non- executive Director
- Roderick Psaila – Non- executive Director

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office without retirement until death or until they retire or are removed by the Company in accordance with Article 140 of the Companies Act, Cap. 386.

Mr. Benjamin Muscat, Mr. Robert Ancilleri and Mr. Charles Scerri are considered by the Board to be independent non- executive members of the Board.

None of the independent non-executive Directors:

a) is or has been employed in any capacity with the company and/or the group;
b) has or had a significant business relationship with the company and/or the group;
c) has received significant additional remuneration from the company and/or the group;
d) has close family ties with any of the company's executive Directors or senior employees;
e) has served on the Board for more than twelve consecutive years; or
f) is or has been within the last three years an engagement partner or a member of the audit team of the present external auditor of the company and/or the group.

Principle Three: Composition of the Board

Each non-executive Director has declared in writing to the Board that he undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;
b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the company.

Principle Four: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. In fulfilling this mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its Bonds in issue, and for monitoring that its operations are in conformity with its commitments towards the Bondholders, the Company's shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the company's expense.

The Board has also established an Audit Committee. The terms of reference of this Committee are compliant with the Listing Rules.

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial year under review, the Audit Committee met twice and all members were present for the meetings.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the company and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee (continued)
The Audit Committee is composed of 3 members:

- Charles Scerri – Chairman
- Benjamin Muscat – Member
- Robert Ancilleri – Member

All members are independent non-executive Directors and competent in accounting/or auditing in terms of Listing Rule 5.117 on the basis that they are all qualified accountants.

In terms of Listing Rule 5.127.7, the Audit Committee is responsible for developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Internal Control and Risk Management
The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review the company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal control adopted by the Company are as follows:

Risk identification, control and reporting
The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the company and its subsidiaries are involved. These risks are assessed on a continual basis with a view to control and mitigate where deemed necessary. Major risks (if identified) that are applicable to their areas of business are reported and then discussed at Board meetings.

Information and communication
Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

Reporting
The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management. On a quarterly basis the Board receives a comprehensive analysis of financial and business performance.

Principle Five: Board Meetings
The Board meets as often and as frequently required to discharge its duties effectively. The Directors are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated in advance of the meeting. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda for Board meetings seeks to achieve a balance between long-term strategic and short-term performance issues.

Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met four times during the financial year under review.

The following Directors attended Board meetings as follows:

Name	Designation	Number of Meetings
Benjamin Muscat	Chairman/Non-executive Director	4 out of 4
Ryan Edward Otto	Executive Director	4 out of 4
Jean Carl Farrugia	Non-executive Director	4 out of 4
Kevin Deguara	Non-executive Director	4 out of 4
Roderick Psaila	Non-executive Director	3 out of 4
Robert Ancilleri	Non-executive Director	4 out of 4
Charles Scerri	Non-executive Director	4 out of 4

Principle Six: Information and Professional Development
As part of succession planning and employee retention, the Board ensures that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

The executive Directors are responsible for the recruitment and selection of senior management, consult with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees remains a priority. This is coordinated through the company's Human Resources Department

Principle Six: Information and Professional Development (continued)

As part of succession planning and employee retention, the Board ensures that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

The executive Directors are responsible for the recruitment and selection of senior management, consult with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees remains a priority. This is coordinated through the company's Human Resources Department.

The Board has access to the advice and services of the company secretary who is responsible to the board for ensuring that board procedures are complied with, as well as for ensuring sound information flows between the Board and the Audit Committee.

Principle Seven: Evaluation of the Board's Performance

At this stage of the business which is still in a project phase, the Board still does not consider it necessary to undertake an evaluation of its own performance, as the Board's performance is always under the scrutiny of the shareholders of the Company.

Principle Eight: Remuneration and Nomination Committees

The Board of Directors considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committee. The Company will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principles Nine and Ten: Relations with Shareholders and with the Market and with Institutional Shareholders

Pursuant to the company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta), the Annual Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the auditors and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

The Board is responsible for making relevant public announcements and for the Company's compliance with its continuing obligations in terms of the Listing Rules. With respect to the Company's Bondholders and the market in general, during the financial year under review, there were eight Company announcements issued to the market.

Principle Eleven: Conflicts of Interest
The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest.

All of the Directors of the company, except for Benjamin Muscat, Robert Ancilleri and Charles Scerri, have a direct beneficial interest in the share capital of the Company, and as such are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

If a Director has a continuing material interest that conflicts with the interests of the Company, is obliged to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict then the Director should consider resigning.

Moreover, the Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle Twelve: Corporate Social Responsibility
The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices and is committed to enhance the quality of life of all stakeholders and of the employees of the company and the group.

The Board recognises that the Company has a role within, and responsibility towards, the community it serves or is bound to serve in future. To discharge these roles and responsibilities, the Board remains committed to utilise resources for the general betterment of the environment it operates in.

The Group, to which the company forms part of, remains particularly committed to the sports and arts sectors wherein it has assisted in:

- development of youth sports through the sponsoring of a number of football clubs and youth nurseries in the regional district; and
- supporting the development of performing arts through sponsoring Masquerade Theatre Productions.

The Company is also mindful of the environment and the impact that the project will have on the surrounding areas and will be taking initiatives to embellish the said areas and supporting other initiatives that have the same objective, that of protecting the environment.

Non-Compliance with the Code
As at the date hereof, the Board considers the Company to be in compliance with the Code except for the following:

Principle Four: The Responsibilities of the Board

The Audit Committee
The Audit Committee did not meet at least four times in the year in accordance with the requirements of the Code Provision 5.131, as from its admission to Listing, pursuant to the Listing Rules. Whilst the Audit Committee was confronted with the exceptional complications brought about by the COVID-19 pandemic and as such, it had to work with a reduced meeting schedule, all members kept abreast of developments at company level via various communications with management throughout. That said, the Audit Committee has taken note of the lifting of certain measures and the easing of restrictions due to the pandemic and has already planned out its calendar schedule for the upcoming financial year in full compliance with the listing rules.

Principle Seven: Evaluation of the Board's Performance
The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1. The Board believes that the stage the Company has reached, given that all efforts are directed at developing the Shoreline Mall Complex, the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose.

The Board shall continue review of this matter in future.

Principle Eight: Committees

The Board considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committee in line with Code Provision 8A. The Board relies on the constant scrutiny of the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed entity. In addition, the Board took into consideration the fact that the remuneration of the Board is not performance related.

The Board intends to keep under review the utility and possible benefits of having a Remuneration Committee in due course.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Approved by the Board on 26 August 2021 and signed on its behalf by:

Benjamin Muscat
Chairman

Ryan Edward Otto
Executive Director

Shoreline Mall p.l.c

Statement of profit or loss and other comprehensive income

Year ended 30 April 2021

	Notes	2021 EUR	2020 EUR
Other income	5	-	10,000
Administrative expenses		**(280,095)**	(33,976)
Operating loss for the year		**(280,095)**	(23,976)
Finance income		-	65
Loss and total comprehensive loss for the year	6	**(280,095)**	(23,911)

Shoreline Mall p.l.c

Statement of financial position
30 April 2021

	Notes	2021 EUR	2020 EUR
ASSETS AND LIABILITIES			
Non - current assets			
Investment property under construction	9	**15,817,799**	11,385,805
Other asset	10	**-**	61,750
		15,817,799	11,447,555
Current assets			
Inventory under construction	12	**7,215,925**	7,545,078
Other receivables	11	**182,313**	88,032
Amounts due from group companies	13	**15,561,506**	82,500
Cash and cash equivalents	20	**20,080,216**	1,132,460
		43,039,960	8,848,070
Total assets		**58,857,759**	20,295,625
LIABILITIES			
Current liabilities			
Other payables	14	**1,454,089**	35,406
Amounts due to group companies	15	**128,738**	2,066,812
Lease liabilities	16	**414**	399
		1,583,241	2,102,617
Non-current liabilities			
Lease liabilities	16	**147,909**	148,323
Debt securities in issue	17	**39,362,019**	-
		39,509,928	148,323
Total liabilities		**41,093,169**	2,250,940
Net assets		**17,764,590**	18,044,685
EQUITY			
Share capital	18	**18,075,998**	18,075,998
Accumulated losses		**(311,408)**	(31,313)
Total equity		**17,764,590**	18,044,685

These financial statements were approved by the board of directors, authorised for issue on 26 August 2021 and signed on its behalf by:

Benjamin Muscat
Director

Ryan Edward Otto
Director

Shoreline Mall p.l.c

Statement of changes in equity

Year ended 30 April 2021

	Share capital EUR	Shareholders' contributions EUR	Accumulated losses EUR	Total EUR
Balance at 30 April 2019	1,200	1,246,312	(7,402)	1,240,110
Issue of share capital	16,828,486	-	-	16,828,486
Amount being capitalised	1,246,312	(1,246,312)	-	-
Loss and total comprehensive loss for the year	-	-	(23,911)	(23,911)
Balance at 30 April 2020	18,075,998	-	(31,313)	18,044,685
Loss and total comprehensive loss for the year	-	-	**(280,095)**	**(280,095)**
Balance at 30 April 2021	**18,075,998**	**-**	**(311,408)**	**17,764,590**

Shoreline Mall p.l.c

Statement of cash flows
Year ended 30 April 2021

	2021 EUR	2020 EUR
Cash flows from operating activities		
Loss before tax	**(280,095)**	(23,911)
Operating loss before working capital changes	**(280,095)**	(23,911)
Working capital movements:		
Movement in inventory	**(997)**	(1,494,433)
Movement in other receivables	**(94,281)**	29,491
Movement in other payables	**25,203**	(33,344)
Interest paid on lease liabilities	**(6,328)**	(3,094)
Net cash flows used in operating activities	**(356,498)**	(1,525,291)
Cash flows from investing activities		
Addition to investment property under construction	**(2,701,959)**	(2,399,615)
Advances to a related party for construction costs	**(14,420,377)**	-
Payments made at or before lease commencement	**-**	(2,679)
Net cash flows used in investing activities	**(17,122,336)**	(2,402,294)
Cash flows from financing activities		
Net proceeds from issue of share capital	**-**	3,828,486
Net proceeds from debt securities issued	**38,220,000**	-
Payment of bond transaction costs	**(576,707)**	(61,750)
Financing to related parties	**(1,296,741)**	1,293,161
Financing from related parties	**80,038**	-
Net cash inflows from financing activities	**36,426,590**	5,059,897
Net movement in cash and cash equivalents	**18,947,756**	1,132,312
Cash and cash equivalents at the beginning of the year	**1,132,460**	148
Cash and cash equivalents at the end of year (note 20)	**20,080,216**	1,132,460

1. Company information and basis of preparation

Shoreline Mall p.l.c (formerly Shoreline Mall Limited) is a limited liability company incorporated in Malta with registration number C 84005. The registered address of the company is Suite 407, Level 4, Block SCMN 01, Smart City Malta, Ricasoli, Kalkara, Malta.

The company's principal activity is to develop and manage the Shoreline Mall and to develop 7 residential terraced houses for resale, which both form part of the development being undertaken by the Shoreline Holdings group of companies in Smart City Malta (the Shoreline site).

The financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards as adopted by the EU. The significant accounting policies adopted are set out below.

The company has not yet started trading and as a result registered a loss for the year of *EUR280,095* (2020: *EUR23,911*). The losses incurred by the company and the short-term cash flow requirements have been financed by the immediate parent company and related parties, and such balances due to the immediate parent and related parties are expected to continue to form part of the company's financing structure. During the year, the company raised funds through an issue of bonds on the Maltese Stock Exchange (see note 17).

2. Significant accounting policies

Investment property under construction

With effect from the prior year, investment property also includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

2. Significant accounting policies (continued)

Investment property under construction (continued)

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition.

Inventories - Properties held for development and resale

With effect from the prior year, inventory also includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of production overheads based on the normal level of activity. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method.

With effect from the prior year, right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

2. Significant accounting policies (continued)

Depreciation (continued)

For leasehold land right-of-use assets classified as inventory for which it is reasonably certain that the purchase option is going to be exercised, the useful life is the expected period of time from the commencement date of the lease to the disposal of the inventory. The right-of-use asset classified as inventory is depreciated to the leasehold land's residual value to the extent that the residual value is lower than the carrying amount of the right-of-use asset. No depreciation is charged on leasehold land right-of-use assets classified as investment property for which it is reasonably certain that the purchase option is going to be exercised.

Financial instruments

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

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Other receivables

Other receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss as applicable.

2. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

(iii) Other payables

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

(iv) Amounts due from related companies

These financial assets are subsequently measured at amortised cost as they meet the following conditions:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Where applicable, interest income is recognised using the effective interest method.

2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Estimated credit losses (ECLs)

The Company recognises a loss allowance for ECLs on the following – financial assets measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition. For financial assets other than trade receivables and contract assets, the Company uses the general approach and recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ('12m ECL'). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Company recognises an impairment gain or loss in profit or loss. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort and, where applicable, the financial position of the counterparties.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors or borrowers operate as well as consideration of various external sources of actual and forecast economic information that relate to the debtors' or borrowers' core operations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information, that is available without undue cost or effort, that demonstrates otherwise.

2. Significant accounting policies (continued)

Estimated credit losses (ECLs) (continued)

Despite the above assessment, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, for these financial assets, the loss allowance is measured at an amount equal to 12m ECL.

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

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

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

The measurement of ECLs is a function of:

- the probability of default, which is an estimate of the likelihood of default over a given time horizon estimated at a point in time,
- the loss given default, which is an estimate of the loss arising on default, taking into into consideration the cash flows expected from collateral and other credit enhancements that are part of the contractual terms and are not recognised separately,
- the exposure at default, which is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date that are permitted by the current contractual terms, including amortisation profiles and early repayment or overpayment; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information, where applicable. Where applicable, the financial position of the counterparties is also taken into consideration.

If evidence of a significant increase in credit risk at the individual instrument level is not yet available, the Company performs the assessment of significant increases in credit risk on a collective basis by considering information on, for example, a group or sub-group of financial instruments. Where the Company does not have reasonable and supportable information that is available without undue cost or effort to measure lifetime ECL on an individual instrument basis, lifetime ECL is measured on a collective basis.

2. Significant accounting policies (continued)

Impairment of other assets

All assets are tested for impairment. At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

In the case of assets tested for impairment, the recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

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 for the asset in prior years.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

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

2. Significant accounting policies (continued)

Borrowing costs (continued)

The interest expense on the lease liability is included in the cost of the relevant qualifying assets classified as either (i) investment property or (ii) inventories for which revenue is recognised at a point in time in accordance with the Company's accounting policy.

Currency translation

The financial statements of the company are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was measured. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Leases

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

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

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Company applies the recognition exemption.

2. Significant accounting policies (continued)

Leases (continued)

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the lessee's benefit.

Where a right-of-use asset and a corresponding lease liability is recognised, the lease liability is initially measured at the commencement date at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially measured at the commencement date at cost, being the amount of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The Company applies the accounting policy entitled 'Depreciation' and the accounting policy entitled 'Impairment of other assets' to determine and to measure the extent of any impairment losses on the right-of-use assets.

In the statement of financial position, right-of-use assets that do not meet the definition of investment property are included within Inventories (being the same line item as that within which the corresponding underlying assets would be presented if they were owned). In the statement of financial position, right-of-use assets that meet the definition of investment property are presented with investment property. In the statement of financial position, lease liabilities are included separately from other liabilities.

In the statement of profit or loss and other comprehensive income, interest expense on the lease liability is presented separately from the depreciation charge for the right-of-use asset. In the statement of cash flows, cash payments for the principal portion of the lease liability are presented within financing activities and cash payments for the interest portion of the lease liability are presented within operating activities. Short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability are included within operating activities.

The interest expense on the lease liability is accounted for in accordance with the Company's accounting policy entitled 'Borrowing costs'.

2. **Significant accounting policies (continued)**

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other years. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, other than as described below.

Allocation of costs eligible for capitalisation between Investment property under construction and Inventory under construction

During the construction phase of the Shoreline Site, the company incurs certain costs which are eligible for capitalisation which relate to both the investment property under construction, as described in note 9, as well as the inventory under construction, as described in note 12. During the current year, the company reassessed the applicable allocation technique and concluded that in the circumstances existing during the year, a technique based on the volume of the buildings being constructed, as estimated by the company's appointed experts in accordance with the approved plans, is more representative of the allocation of the costs eligible for capitalisation between the two different categories of assets under construction. The previous year allocation technique was based on the estimated sales value of the completed complex. As a result of the change, *EUR495,059* was re-allocated from inventory under construction to investment property under construction. The amount of the effect in future periods is not disclosed because estimating it is impracticable.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective

Initial application of International Financial Reporting Standard

IAS 1 & IAS 8 Amendment – Definition of material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. These amendments are effective for annual periods beginning on or after 1 January 2020 and these changes have been adopted by the European Union.

International Financial Reporting Standards in Issue but not yet Effective

At the date of approval of these financial statements, a number of International Financial Reporting Standards were either not yet endorsed by the European Union or were not yet applicable of the Company.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

International Financial Reporting Standards in Issue but not yet Effective (continued)

IAS 1 Amendments – Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; and

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or service.

The effective date was deferred to financial periods commencing on or after 1 January 2023 by virtue of the July 2020 Amendments.

IAS 1 Amendments – Disclosure of Accounting Policies

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments amend IAS 1 in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;

- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

International Financial Reporting Standards in Issue but not yet Effective (continued)

- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and

- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The amendments are applicable for financial periods commencing on or after 1 January 2023.

Amendments to IAS 37 - Onerous contracts – cost of fulfilling a contract

The amendments deal with costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments are applicable for financial periods commencing on or after 1 January 2022.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments are intended to help entities distinguish between accounting policies and accounting estimates. The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"

- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

- The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss of the the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

International Financial Reporting Standards in Issue but not yet Effective (continued)

Amendments to IAS 8 - Definition of Accounting Estimates

These amendments are applicable for financial periods commencing on or after 1 January 2023. They have not as yet been endorsed by the EU.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The aim of the amendments are to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Prior to the Amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions.

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

These amendments are applicable for financial periods commencing on or after 1 January 2023. They have not as yet been endorsed by the EU.

The directors anticipate that the adoption of the above and other International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements but not yet effective will have no material impact on the financial statements of the Company in the period of initial application.

5. Other income

	2021 EUR	2020 EUR
Intercompany recharges	-	10,000

6. Loss before tax

The analysis of the amounts that are payable to the auditors and that are required to be disclosed is as follows:

	2021 EUR	2020 EUR
Total remuneration payable to the company's auditor for the audit of the company's financial statements	**13,500**	7,000
Total fees payable to the company's auditor for non-audit services other than tax compliance and assurance services	**42,000**	-
Tax compliance	**610**	610
Assurance	**5,500**	-
	61,610	7,610

7. Staff costs and employee information

	2021 EUR	2020 EUR
Staff costs		
Wages and salaries	**27,812**	18,338
Recharged by fellow subsidiary	**159,957**	-
	187,769	18,338

The above costs are capitalised within the line item Investment Property under construction and inventory under construction in note 9 and note 12 respectively.

The average number of employees during the year was made up as follows:

	2021 Number	2020 Number
Administrative	**1**	1

8. Key management personnel compensation

	2021 EUR	2020 EUR
Short-term benefits:		
Directors emoluments	**24,000**	16,000

8. Key management personnel compensation (continued)

Other services rendered by directors, as paid and recorded in a group related company, as shown below based on an allocation deemed commensurate to the services received by the Company, are as follows:

	2021 EUR	2020 EUR
Directors emoluments	**68,115**	23,689

In the previous year there were amounts totaling *EUR82,500* which were directly attributed to the project and accordingly were capitalised within Investment property under construction and Inventory under construction in note 9 and 12 respectively.

9. Investment property under construction

	Right-of-Use Assets (Land) EUR	**Buildings EUR**	**Total EUR**
Cost			
As at 1 May 2019	-	1,964,917	1,964,917
Additions during the year	7,083,148	2,825,886	9,909,034
Transfer to inventory	-	(491,229)	(491,229)
Capitalised interest on lease liabilities	-	3,083	3,083
As at 1 May 2020	7,083,148	4,302,657	11,385,805
Additions during the year	-	2,612,896	2,607,854
Reallocation from inventory (note 3)	-	495,059	495,059
Capitalised interest on lease liabilities	-	4,877	4,877
Capitalised finance costs	-	1,319,162	1,324,204
As at 30 April 2021	**7,083,148**	**8,734,651**	**15,817,799**

9. Investment property under construction (continued)

This consists of land costs, planning and studies, architectural, excavation and project management cost relating to the construction of a mall on a portion of land which was sub-leased from Shoreline Residence Limited. Shoreline Residence Limited acquired the land under a title of sub-emphyteusis from SmartCity (Malta) Limited. Shoreline Contracting Limited (another fellow subsidiary) is managing all the construction arrangements relating to the construction of The Mall. The Shoreline Mall project is expected to be completed by 2023.

The portion of the right-of-use asset of the leasehold land allocated to the investment property has been arrived at based on a sale and assignment deed that took place between Shoreline Residence Limited and a third party. Following which, a sale and assignment deed was made between Shoreline Residence Limited and the company. This latter assignment was based on a valuation from a professionally qualified valuer on the basis of market value that reflects recent transactions for similar properties as adjusted to the reflect inputs specific to the property.

The carrying amount of the company's land within investment property includes *EUR7,083,148* (2020 – *EUR7,083,148*) in respect of right-of-use assets, representing the company's temporary emphyteusis of the leasehold land over which the buildings that are also included within investment property are being constructed. The company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. The company is reasonably certain of exercising this option at the earliest opportunity, being the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the company expects to have completed construction by not later than 16 January 2025, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 *Leases.* Upon exercise of such purchase option, the company will reclassify the carrying amount of right-of-use assets at that date to investment property that is directly owned by the company.

Borrowing costs amounting to *EUR4,877* (2020 - *EUR3,087*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EUR1,319,162* (2020 – *nil*) and comprising interest on the debt securities in issue were also capitalised during the period into the cost of the buildings.

9. Investment property under construction (continued)

The fair value of the investment property as at 30 April 2021 amounted to EUR21,000,000, after taking into consideration the level of construction of the property as at the end of the reporting period.

The fair value of the investment property has been arrived at on the basis of a recent valuation carried out by an independent professionally qualified valuer. The valuation was prepared on the basis of a comparative valuation methodology with similar properties adjusted to reflect current inputs and conditions that are specific to the property in its current state, including the value of the development costs incurred as at the end of the reporting period. There has been no change to the valuation technique during the year.

The fair value measurement is classified as a Level 3 measurement within the fair value hierarchy.

In estimating the fair value of the investment property, the highest and best use is its current use.

10. Other assets

	2021 EUR	2020 EUR
Transaction costs	-	61,750

During the prior year the company incurred transaction costs in relation to the bonds issued and listed on the Maltese Stock Exchange in the current year as disclosed in note 17. Upon the issue of these bonds during the current year, this amount was reclassified to debt securities in issue.

11. Other receivables

	2021 EUR	2020 EUR
Other receivables	143,696	88,032
Prepayments	33,575	-
Accrued interest receivable	5,042	-
	182,313	88,032

12. Inventory under construction

	Right-of-Use Assets (Land) EUR	Buildings EUR	Total EUR
Cost			
As at 1 May 2019	-	-	-
Additions during the year	6,071,270	982,568	7,053,838
Transfer from Investment property	-	491,229	491,229
Capitalised interest on lease liabilities	-	11	11
Balance at 1 May 2020	6,071,270	1,473,808	7,545,078
Additions during the year	-	**986**	**986**
Reallocation to investment property under construction (note 3)	-	**(495,059)**	**(495,059)**
Capitalised interest on lease liabilities	-	**1,063**	**1,063**
Capitalised finance costs	-	**163,857**	**163,857**
Balance at 30 April 2021	**6,071,270**	**1,144,655**	**7,215,925**

This amount includes cost of development of residential units and residential parking spaces for sale in the ordinary course of business on a portion of land which was sub-leased from Shoreline Residence Limited. Shoreline Residence Limited acquired the land under a title of sub-emphyteusis from SmartCity (Malta) Limited. Shoreline Contracting Limited (another fellow subsidiary) is managing all the construction arrangements relating to the construction of The Mall.

All inventories are expected to be recovered after more than twelve months. This is considered to be the normal operating cycle of the company.

The residential parking spaces have been committed to Shoreline Residence Limited. In this regard, the latter party has entered into promise of sale agreements with third parties during the year under review and the transaction price allocated to performance obligations that are totally or partially unsatisfied as at the end of the reporting period in relation to these parking spaces amounts to *EUR2,797,594* (2020 - *EUR 2,609,994*). The final deeds of sale are expected to occur after 31 December 2024.

12. Inventory under construction (continued)

The carrying amount of the company's land within inventory includes *EUR 6,071,270* (2020 – *EUR6,071,270*) in respect of right-of-use assets, representing the company's temporary emphyteusis of the leasehold land over which the buildings that are also included within inventory are being constructed. The company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. The company is reasonably certain of exercising this option at the earliest opportunity, being the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the company expects to have completed construction by not later than 16 January 2025, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 *Leases.* Upon exercise of such purchase option, the company will reclassify the carrying amount of right-of-use assets at that date to inventory that is directly owned by the company.

Borrowing costs amounting to *EUR1,063* (2020 - *nil*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EUR163,857* (2020 - *nil*) and comprising interest on the debt securities in issue were also capitalised during the period into the cost of the buildings.

13. Amounts due from group companies

	2021 **EUR**	2020 EUR
Amounts due from related parties	**15,561,506**	82,500

Included in the year end balances are amounts paid in advance to Shoreline Contracting Ltd, a group company, to be used for the construction of the project.

Nevertheless, the amounts due from related parties are interest-free, payable on demand, denominated in EUR and have no fixed date for repayment. As described in note 22, Shoreline Contracting Ltd holds a performance guarantee from a third party sub-contractor covering these amounts.

During the year the company entered into a novation agreement with a group company. This is further described below in note 15.

14. Other payables

	2021 EUR	2020 EUR
Trade payables	**40,092**	2,159
Accrued interest	**1,393,480**	-
Other accruals	**20,517**	33,247
	1,454,089	35,406

15. Amounts due to group companies

	2021 EUR	2020 EUR
Amounts due to group companies	**128,738**	2,066,812

The amounts due to group companies are unsecured, interest-free, denominated in EUR and the company has no unconditional right to defer settlement for at least 12 months from the end of the reporting period. The expectation for settlement is 12 months from the date of the statement of financial position. The consideration to be provided in settlement may include offsets with amounts due to / from the same party.

As at 10 July 2020 an amount of *EUR2,000,000* was payable to the related party representing cost of works over the Shoreline Mall site for work carried out by the related party. As at the same date, the related party subscribed to part of the debt securities issued during the year, and as a result an amount of *EUR1,780,000* was receivable by the Company from the related party. At that same date, the company entered into a novation agreement with the related party for the amount of *EUR1,780,000.*

16. Lease liabilities

Further disclosures are provided in note 9 Investment Property under Construction and note 12 Inventory under construction.

The company entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis expiring on 22 April 2106, with the option of effectively purchasing the land upon completion of construction or 16 January 2025, whichever occurs the latest. As disclosed in notes 9 and 12, the company is reasonably certain of exercising this purchase option on 16 January 2025. As required by IFRS 16 *Leases,* the amount that will be required to exercise this purchase option has been included as a lease payment, and therefore also included within the measurement of the lease liability and corresponding right-of-use asset.

The land that is the subject of the Agreement shall be used solely and exclusively for the construction of the Shoreline Complex. Shoreline Mall plc is prohibited from transferring under any title the undeveloped land and / or airspace without first obtaining the consent of SmartCity (Malta) Limited, which consent shall not be withheld if the proposed transferee is an international investor of good repute. Shoreline Mall plc shall be entitled to freely transfer by any title the developed Complex, subject to certain terms and conditions.

The lessee's weighted average incremental borrowing rate used to measure the company's lease liabilities is 4% per annum. All lease obligations are denominated in EUR. The company's obligations are secured on the assets to which they relate. The company's lease liabilities are analysed as follows:

	2021 EUR	2020 EUR
Total undiscounted minimum lease payments payable in settlement of lease liabilities	**170,211**	176,540
Less: future finance charges	**(21,888)**	(27,818)
—		
Present value of lease obligations	**148,323**	148,722
Less: amounts included in current liabilities	**(414)**	(399)
Amounts included in non-current liabilities	**147,909**	148,323

16. Lease liabilities (continued)

The total cash outflows for leases amounted to *EUR6,328* (2020: *EUR3,094*) during the year under review.

In accordance with the Company's accounting policy on Depreciation, there is no depreciation charge for the year on right-of-use assets, both for the current and previous year.

The maturity analysis for lease liabilities is disclosed in note 24.

17. Debt securities in issue

	2021 EUR	2020 EUR
Non-current		
Series A Bonds - 4% and Series A Bonds 4.5%	**39,362,019**	-

	2021 EUR	2020 EUR
Face value of the bonds		
Series A Bonds - 4%	**14,000,000**	-
Series A Bonds - 4.5%	**26,000,000**	-
	40,000,000	-
Issue costs	**686,251**	-
Accumulated amortisation	**(48,270)**	-
Net book amount	**637,981**	-
Amortised cost	**39,362,019**	-

The company was approved by the Listing Authority in Malta, on 18 June 2020, for the issuance of EUR14,000,000 4% Secured Bonds 2026 (series A Bonds) and EUR26,000,000 4.5% Secured Bonds 2032 (series B Bonds). Both series bonds were issued at a nominal value of EUR100 at par. The bond subscriptions closed in July 2020 with the bonds being fully subscribed with interest payable annually on 1 August, starting from 1 August 2021. The proceeds will be utilised for the development of the project. The unutilised proceeds as at the end of the reporting period's are held with a security trustee as further described in note 20.

17. Debt securities in issue (continued)

A Special Hypothec on the value of the property as classified under investment property under construction and inventory under construction in note 9 and 12 respectively was registered in favour of the Security Trustee for the benefit of the Bondholders in accordance with its obligations under Section 4.6.1 of the Securities Note. The Special Hypotec secures the principal amount of the bond still outstanding and accrued interest.

An amount of *EUR1,225,200* 4% Secured Bonds 2026 (Series A Bonds) and *EUR554,800* 4.5% Secured Bonds 2032 (Series B Bonds) was subscribed by a group company during the year (see note 15).

18. Share capital

	2021 and 2020		
	Authorised	**Issued**	**Called up and paid**
	EUR	**EUR**	**EUR**
16,575,997 Ordinary A shares of EUR1 each	**16,575,997**	**16,575,997**	**16,575,997**
4,424,002 Ordinary A shares of EUR1 each	**4,424,002**	**4,424,002**	**1,500,000**
1 ordinary B share of EUR 1	**1**	**1**	**1**
	21,000,000	**21,000,000**	**18,075,998**

The holders of the 'A' and 'B' shares rank 'pari passu' in all respects.

19. Fair values of financial assets and financial liabilities

At 30 April 2021 and 2020 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities. The fair value of the debt securities in issue amounted to *EUR25,747,800* for the 4% Secured bonds and *EUR14,280,000* for the 4.5% Secured bonds at 30 April 2021. The financial liabilities in this paragraph exclude lease liabilities.

20. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amount in the statement of financial position:

	2021 EUR	2020 EUR
Cash at bank	**9,080,216**	1,132,460
Fixed term deposit	**11,000,000**	-
	20,080,216	1,132,460

As at 30 April 2021, the amounts held with a security trustee as included with cash at bank amounted to *EUR4,362,503* (2020 – *nil)* and amounts held as fixed term deposit.

Cash at bank earns interest at floating rates based on bank deposit rates. The interest rate on the cash at bank in 2021 was 0.0925% per annum (2020 – 0.0925%) and the interest rate on the fixed term deposit was 0.55% (2020 – *nil*) for a three-month period.

21. Significant non-cash transactions

In the previous year, lease liabilities for the amount of *EUR13,000,000* were transferred to equity as a result of the settlement of such liabilities by way of an increase in share capital.

Also in the previous year, shareholders' contributions amounting to *EUR1,246,312* were capitalised into shares.

As further disclosed in note 15, during the year under review, a novation agreement was entered into with a related party covering an amount of *EUR1,780,000.*

22. Related party disclosures

The parent and ultimate parent companies of Shoreline Mall plc are Shoreline Holdings Limited and Jade Property Investments Ltd respectively, which are both incorporated in Malta. The registered office of Shoreline Holdings Limited is Suite 407, Level 4, Block SC, Smart City Malta, Ricasoli, whilst the registred address of Jade Property Investments Limited is The Hub Annex, St. Andrew Street, San Gwann.

As from the financial year ended 30 April 2021, Shoreline Holdings Limited, the immediate parent, will prepare consolidated financial statements. Copies of the consolidated financial statements may be obtained from the Malta Business Registry. No consolidated financial statements were prepared by the parent in the prior year.

22. Related party disclosures (continued)

The directors consider the ultimate controlling party to be Ryan Edward Otto who, indirectly, owns 61.82% (2020 – 61.82%) of the issued share capital of the immediate parent company.

As disclosed in note 16, during the previous year, the company entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis. Further details are provided in this note.

As further disclosed in note 21, in the prior year, lease liabilities for the amount of *EUR13,000,000* were transferred to equity as a result of the settlement of such liabilities by way of an increase in share capital.

During the current period, fellow subsidiaries and related parties have transferred to Shoreline Mall p.l.c, the costs incurred in connection with the development of the Mall project (notes 9 and 12). The total cost of acquiring such assets amounted to *EUR4,389,609* (2020 – *EUR3,719,832*).

A Contract of works agreement was signed with Shoreline Contracting Ltd, a related party, for the value of *EUR55,765,921*. Shoreline Contracting Ltd enters into agreements directly with contractors for the development and construction of the project for which deposits and advance payments were required. Shoreline Contracting Ltd has obtained a performance security guarantee and advance payment guarantee from its main third-party contractors. These amounted to *EUR10,490,000* and *EUR7,867,500* respectively as at 30 April 2021.

Other related party transactions are described in notes 13 and 15.

Key management personnel compensation is disclosed in note 8.

The terms and conditions of the amounts due from/to related parties at year end are disclosed in note 13 and 15. The terms and conditions in respect of the related party balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received, except as described above.

23. Capital commitments

	2021 EUR	2020 EUR
Investment property under construction	**41,669,407**	47,588,940
Inventory under construction	**5,661,876**	6,111,060
Contracted but not provided for	**47,331,283**	53,700,000
Investment property under construction	**978,291**	-
Inventory under construction	**1,450,000**	-
Authorised but not contracted for	**2,428,291**	-

23. Capital commitments (continued)

This represents the total estimated capital expenditure, construction, development and other directly attributable costs to complete the Shoreline Mall Project.

24. Financial risk management

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

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

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

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

Credit risk

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

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of cash at bank including the amounts held by a security trustee and amounts due from group companies.

Cash at bank is placed with reliable financial institutions with a credit rating of BBB (12m ECL) and B+ (3m ECL). The directors have assessed and concluded that impact of any expected credit losses are not material.

Financial assets measured at amortised cost are presented net of an allowance for doubtful debts. In relation to the amounts due from related parties, with a particular focus on balances due from Shoreline Contracting Ltd of *EUR15,561,506,* the intermediate parent company, Shoreline Holdings Limited, provided an undertaking to the Company whereby it confirms that in the event that Shoreline Contracting Ltd is not a position to settle the amount due to the Company when called upon to do so, the immediate parent will settle either directly or through other related parties within its control, the corresponding amounts due to the company as at that date.

24. Financial risk management (continued)

Liquidity risk (continued)

Credit risk rating grades

The Company's management estimated that as at 30 April 2021, amounts due from related parties are considered to have a low risk of default and do not have any past due amounts. The provision for loss allowance (12m ECL) is therefore deemed to be not material.

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

Liquidity risk

The company is exposed to liquidity risk in relation to meeting future obligations associated with their financial liabilities, which comprise principally of other payables, amounts due to related parties, lease liabilities and debt securities in issue as disclosed in notes 14, 15, 16 and 17, respectively.

The company monitors and manages its risk to a shortage of funds by monitoring the availability of raising funds to meet commitments associated with the development of the Shoreline site. The company enjoys the support of its immediate parent and the ultimate shareholders and the company's related party balances' are expected to continue to form part of the company's effective financing structures. The company is therefore confident that it will be in a position to continue to meet its commitments as and when they fall due.

Liquidity is largely managed at group level whereby funds are transferred within the group as the need arises. During the prior financial year, the Shoreline Group commenced the process of reviewing its financing arrangements to ensure that it is in a position to meet its short-term operational and cash flow commitments. As disclosed in notes 17, the company raised funds through an issue of bonds on the Maltese Stock Exchange.

24. Financial risk management (continued)

Liquidity risk

The following maturity analysis shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the company can be required to pay. The analysis includes both interest and principal cash flows.

	On demand or within Total Total	2 years	3 years	4 years	5 years and over	
	Eur	Eur	Eur	Eur	Eur	Eur
2021						
Non-derivatives financial liabilities						
Non-interest bearing	**189,347**	**-**	**-**	**-**	**-**	
Fixed rate instruments	**1,393,480**	**1,730,000**	**1,730,000**	**1,730,000**	**52,820,000**	**59,403,480**
Lease liability	**415**	**431**	**432**	**146,588**	**-**	**147,867**
	1,583,241	**1,730,431**	**1,730,432**	**1,876,588**	**52,820,000**	**59,740,693**
2020						
Non-derivatives financial liabilities						
Non-interest bearing	2,102,218	-	-	-	-	2,102,218
Lease liability	399	415	431	432	146,588	148,265
	2,102,617	415	431	432	146,588	2,250,483

Interest rate risk

The company has issued debt securities to finance its operations as disclosed in note 17. The interest rates thereon and the terms of such borrowings are disclosed accordingly. The effective interest rate on cash and cash equivalents is disclosed in Note 20.

The company is exposed to cash flow interest rate risk on financial instruments carrying a floating interest rate. The company is not exposed to fair value interest rate risk as none of its financial instruments with a fixed coupon are measured at fair value.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

Where applicable, interest is capitalised in accordance with the Company's accounting policy on borrowing costs.

24. Financial risk management (continued)

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of debt, which includes the other borrowings disclosed in note 13 and the debt securities disclosed in note 17, cash and cash equivalents as disclosed in note 20 and items presented within equity in the Statement of financial position.

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

25. Contingent liability

As is expected from a project of this size, the company is involved in the normal course of business in discussions with sub-contractors on the resolution of claims by the latter against the company. The outcome and financial impact of ongoing negotiations is unable to be ascertained reliably, however the directors believe that adequate provision has been made in these financial statements for amounts considered probable to be settled, if any. This information is commercially sensitive and accordingly full disclosures are not being made in these financial statements as permitted by the relevant provisions of International Accounting Standard 37 – *Provisions, Contingent Liabilities and Contingent Assets.*

26. Segment information

The Shoreline Mall is located in Malta and accordingly revenues from the above activities will be attributed to Malta. As outlined in note 1, the company's principal activities is to develop and manage the Shoreline Mall and to develop 7 residential terraced houses for resale. On completion of the Shoreline project, the company's main business will consist of:

a. The sale of immovable property within the Shoreline Mall site, mainly consisting of 7 residential units and the residential carpark; and

b. The development of the Shoreline Mall and the generation of rental income from the operation of the commercial units and carpark.

The completion of the above properties are classified with inventories and investment properties respectively in note 12 and note 9. Since the project is managed centrally the above activities are considered to be one operating segment as at the year end.

27. Events after the end of the reporting year

No subsequent events have been reported.

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Exemption number: EXO2155

Independent auditor's report

to the members of
Shoreline Mall p.l.c

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shoreline Mall p.l.c. (the Company), set out on pages 16 to 51, which comprise the Statement of Financial Position of the Company as at 30 April 2021, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company 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 30 April 2021, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act (Cap.386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and have not provided any of the non-audit services prohibited by article 18A(1) of the Accountancy Profession Act (Cap. 281).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Investment property under construction – fair value disclosures

The Company holds investment property under construction amounting to *EUR15,817,799* as at 30 April 2021 (*2020 – EUR11,385,805*) as measured at cost less any accumulated impairment losses. The investment property represents capital expenditure incurred by the Company that is directly attributable to a portion of land pertaining to the Shoreline project that is designated for the development of a mall and car park to be held by the company to earn rentals. Although the company applies the cost model, as an accounting policy choice as disclosed in the company's accounting policies, fair value disclosure is required under IAS 40 – Investment Property. The fair value disclosure of the investment property is significant to our audit since the amounts are quantitatively and qualitatively material to the financial statements.

The directors' fair value assessment is based on an external architect's valuation, and is based on a market comparable approach where certain key assumptions were applied as further described in note 9.

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Independent auditor's report

to the members of
Shoreline Mall p.l.c

Our audit response in respect of the directors' disclosure of the fair value of the Company's investment property included the following:

- Involving internal valuation specialists to review the external architect's valuation of fair value as at 30 April 2021 in order to determine if the external architect's assessment fall within an acceptable range which included reviewing the appropriateness of of the methodology and key assumptions applied in arriving at the fair value in the architect's valuation;

- Obtaining and reviewing available supporting evidence to evaluate the data and key assumptions applied in the valuation

- Assessing the competency, capability and objectivity of the independent external valuation experts appointed by the directors;

The Company's disclosures about fair value are included in Note 8, which explains the basis on which the fair value disclosures for the investment property under construction was determined by the directors.

Information Other than the Financial Statements and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Directors, officers and other information page, the Directors' Report, the Statement of Directors' responsibilities and the Corporate Governance Statement of Compliance, which we obtained prior to the date of this auditor's report.
However, the other information does not include the financial statements and our auditor's report thereon.

Except for our opinions on the Directors' Report in accordance with the Companies Act (Cap. 386) and on the Corporate Governance Statement of Compliance in accordance with the Listing Rules issued by the Maltese Listing Authority, our opinion on the financial statements does not cover the other 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 identified above 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386), and the statement required by Listing Rule 5.62 on the Company's ability to continue as a going concern.

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 2 to 4, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors and the Audit Committee for the Financial Statements
As explained more fully in the Statement of Directors' responsibilities on page 4, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European

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Union and the requirements of the Companies Act (Cap.386), and for such internal control as they 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 have no realistic alternative but to do so.

The directors have delegated the responsibility for overseeing the Company's financial reporting process to the Audit Committee.

Auditor's Responsibilities for the Audit of the Financial Statements

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

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 opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). 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.

In terms of article 179A(4) of the Maltese Companies Act (Cap.386), the scope of our audit does not include assurance on the future viability of the Company or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company. The financial position of the Company may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and to identify any facts or circumstances that may be materially relevant thereto.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

- 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, future events or conditions may cause the Company to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's ability to continue as a going concern.

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

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Corporate Governance Statement of Compliance
Pursuant to Listing Rule 5.94 issued by the Malta Financial Services Authority, in its capacity as the Listing Authority in Malta, the directors are required to include in the Company's annual financial report a Corporate Governance Statement of Compliance explaining the extent to which they have adopted the Code of Principles of Good Corporate Governance set out in Appendix 5.1 to Chapter 5 of the Listing Rules, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement of Compliance is to contain at least the information set out in Listing Rule 5.97.

Our responsibility is laid down by Listing Rule 5.98, which requires us to include a report to shareholders on the Corporate Governance Statement of Compliance in the Company's annual financial report.

We read the Corporate Governance Statement of Compliance and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated. We also review whether the Corporate Governance Statement of Compliance contains at least the information set out in Listing Rule 5.97.

Deloitte.

Independent auditor's report

to the members of
Shoreline Mall p.l.c

We are not required to, and we do not, consider whether the directors' statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement of Compliance set out on pages 6 to 15 has been properly prepared in accordance with the requirements of Listing Rules 5.94 and 5.97.

Matters on which we are required to report by exception under the Companies Act
Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper 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; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

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

Auditor tenure
We were first appointed by the members of the Company to act as statutory auditor of the Company by the members of the Company on 27 August 2020 for the financial year ended 30 April 2021, during which the Company became a Public Interest Entity through its debt listing. The period of total uninterrupted engagement as statutory auditor covers 1 financial period.

Consistency of the audit report with the additional report to the Audit Committee
Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

A. Carabott

Antoine Carabott as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta.

26 August 2021