PAVI SHOPPING COMPLEX p.l.c.

Annual Report and Consolidated Financial Statements
30 April 2011

Company Registration Number: C41962

Directors' report

The directors present the annual report and the audited consolidated financial statements for the year ended 30 April 2011.

Principal activities

The group's principal activities are the management and operation of the 'PAVI Shopping Complex' situated in Qormi, Malta. This comprises the operation of supermarket activities including the management of shared activities within the retailing operations and the concessions of commercial areas that compliment the complex. Within the supermarket operations, certain bakery and confectionary activities are conducted by PAVI Bakery Limited.

Review of the business

Performance over the period under review has witnessed a constant improvement in turnover and margins when compared to the previous year's financial statements. The improvements mentioned above contributed to a group gross profit of €2,764,228 (2010: €2,273,832). Group operating profit improved substantially and totalled €2,045,530 (2010: €1,338,556). This improvement was mainly attributed to cost containment and an increase in other income as new outlets within the complex were opened during the year under review. Group results before tax totalled €1,194,806, an increase of 105% over the 2010 profits. The group earnings per share as at 30 April 2011 stood at €21.8c (2010: €10.6c).

During the year, the company acquired bonds on the market for a total nominal value of €1,327,791 in accordance with the terms and conditions set in the Company Prospectus dated 28 September 2007. These bonds have been cancelled by the company as set in the company announcement dated 14 October 2010.

Outlook for financial year ending 30 April 2012

The performance of the group after year end to the date of these financial statements continued to improve when compared with results obtained in the same period last year. The directors are confident that due to continued effective management, the company's results will continue to improve in the foreseeable future notwithstanding the increased competition within the retail sector.

Results and dividends

The statements of comprehensive income are set out on page 12. During the year, the directors declared a net interim dividend of €752,098 (2010: €45,500).

Directors

The directors of the company who held office during the period were:

Alfred Lupi – Chairman (appointed 17 March 2011)
Paul Gauci – Chairman (resigned from Chairman on 17 March 2011)
Victor Grech
David Grech
Lawrence Zammit
William Spiteri Bailey
Caroline Grech (resigned 17 March 2011)

The company's Articles of Association do not require any directors to retire.

Directors' report - continued

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the group and company as at the end of each reporting period and of the profit or loss for that period.

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

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

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Pavi Shopping Complex p.l.c. for the year ended 30 April 2011 are included in this annual report, which is published in hard-copy printed form and made available on the group's website. The directors are responsible for the maintenance and integrity of the annual report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the group's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Going concern basis

After making enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the group and the company have adequate resources to continue operating for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing these financial statements.

Directors' report - continued

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Alfred Lupi	Victor Grech	Paul Gauci
Chairman	Director	Director

Registered office:
PAVI Shopping Complex
Manuel Dimech Street
Qormi
Malta

3 August 2011

Corporate governance - Statement of compliance

Introduction

Pursuant to the requirements of the Listing Rules issued by the Malta Financial Services Authority, PAVI Shopping Complex p.l.c. (‘the company’) is hereby reporting on the extent to which it has adopted the Code of Principles of Good Corporate Governance as well as the measures taken to ensure compliance therewith. In view of the transitional period governing the coming into force of Appendix 5.1 Code of Principles of Good Corporate Governance as annexed to the Listing Authority Circular dated 16th November 2010, the amendments to the Code provisions and requirements shall only come into effect with respect to the company as from the financial year ending 30 April 2012. Accordingly this statement of compliance is being based on the Code provisions and requirements currently applicable to the reporting period ending 30 April 2011.

The company holds title to the land and buildings that constitute the PAVI Shopping Complex in Qormi, Malta. PAVI Shopping Complex p.l.c. is also the principal shareholder of PAVI Supermarkets Limited, the operator of the shopping complex which in turn is also the principal shareholder of PAVI Bakery Limited, the operator of the PAVI bakery whose sales are made to its immediate parent company, collectively referred to as the group. The group’s principal activity is the operation of the PAVI Shopping Complex, and the renting out of parts of the said property to third parties. The company therefore exercises full control over and is the beneficial owner of all the profit and net cash flow streams arising from the operation of the complex, in part by way of rental payments and in part through dividend and other transfers.

In deciding on the most appropriate manner in which to implement the Principles, the board of PAVI Shopping Complex p.l.c. (‘the board’) has taken cognisance of the size of the group which inevitably impacts on the structures required to implement the Principles without diluting the effectiveness thereof. The company does not have any employees.

The aggregate maximum amount of emoluments payable to the directors is fixed by the members as required by the company’s statute. These emoluments are being disclosed in this report in an aggregate format rather than as separate figures for each director as required by the code.

Subject to the foregoing, the board considers that the company has been in compliance with the code throughout the year.

Roles and responsibilities

The board acknowledges its statutory mandate to conduct the administration and management of the company. The board, in fulfilling this mandate and discharging its duty of stewardship of the company, assumes responsibility for:

- the group’s strategy and decisions with respect to the proper administration of its investments, and the servicing and redemption of its bonds;
- reviewing and approving of the shopping complex operational business plan and targets and implementation of such plans;
- identifying the principal business risks of the group and overseeing the implementation and monitoring of appropriate risk management systems;
- monitoring that its operations are in conformity with its commitments towards bondholders, shareholders and all relevant laws and regulations;

Corporate governance - Statement of compliance - continued

Roles and responsibilities - continued

- ensuring that the group installs and operates effective internal control and management information systems;

- assessing the performance of the group's senior officers, including monitoring the establishment of appropriate systems of succession planning and for approving the compensation levels of such officers;

- ensuring that the group has a policy in place to enable it to communicate effectively with the market.

The board delegates authority and vests accountability for the group's day to day operational business with the company's subsidiaries organisational structures. PAVI Supermarkets Limited and PAVI Bakery Limited have their own management structure, accounting systems and internal controls, and are governed by their own board, whose members include executive directors of PAVI Shopping Complex p.l.c. The supermarket and bakery management team are led by their respective directors who are involved in the day to day business operations and are supported by group officers designated to the different functional roles within the complex operations.

Board of Directors

The company has six directors who were appointed by its ultimate principal shareholders, Yvonvi Limited and PG Holdings Limited.

Four of the directors, occupy senior executive positions within the PAVI group of companies. The two other directors, Lawrence Zammit and William Spiteri Bailey, serve on the board of the company, in a non-executive capacity.

The board determines the remuneration of both executive and non-executive directors. Victor Grech, David Grech, Alfred Lupi and Paul Gauci each hold an indefinite contract of service with PAVI Supermarkets Limited. The non-executive directors receive an annual remuneration for the service rendered which is payable by the company.

In accordance with the company's articles of association, the total emoluments payable to all directors, whether as fees and/or salaries by virtue of holding employment with the group is subject to shareholder approval at the annual general meeting.

The aggregate annual emoluments of the directors for the financial year ended 30 April 2011 on a group basis amounted to €279,682 (2010: €254,426).

The exercise of the role of the board

The activities of the board are exercised in a manner designed to ensure that it can function independently of management and effectively supervise the operations of the group and protect the interests of bondholders and shareholders.

Meetings of the board, chaired by Alfred Lupi, are held regularly. Individual directors, apart from attendance at formal board meetings, participate in other informal meetings during the year as may be required, either to assure good corporate governance, or to contribute more effectively to the decision making process. The board members are notified of forthcoming meetings by the company secretary with the issue of an agenda and supporting documents as necessary.

Corporate governance - Statement of compliance - continued

The exercise of the role of the board - continued

Apart from setting the strategy and direction of the group, the board retains direct responsibility for approving and monitoring:

- direct supervision, supported by expert professional advice as appropriate, on the issue and listing of bonds;
- that the proceeds of the bonds are applied for the purposes for which they were sanctioned for as specified in the prospectus dated 28 September 2007;
- proper utilisation of the group's resources, and financing opportunities, through budgets and annual plans for the supermarket operations and property rentals;
- approval of the annual report and financial statements and of relevant public announcements and for the company's compliance with its continuing listing obligations.

The group has been effectively constituted since the commencement of the retailing operation and proper reporting structures are now defined. Monthly operational review board meetings are held whereby management present the board with performance reviews on supermarket and complex operations.

The company has instituted a remuneration committee and an audit committee. The board does not consider it necessary to institute further separate committees as would be appropriate in a larger corporate set-up.

Audit Committee

The audit committee assists the directors in conducting their role effectively so that the company's decision making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. The audit committee is responsible, amongst others, for reviewing the company's internal procedures, assessing the effectiveness of the group's internal control and risk management systems and monitoring the integrity and effectiveness of the group's financial reporting. During the year under review the audit committee met every quarter. Meetings may be convened at the request of any of its members or at the request of the external auditors. The group's external auditors may be invited to attend meetings of the audit committee on a regular basis. The members of the audit committee are William Spiteri Bailey as chairman and Lawrence Zammit and Alfred Lupi as members. William Spiteri Bailey was appointed by the board in terms of Listing Rule 5.115 in view that he is a Certified Public Accountant and holder of a practising certificate in auditing.

Remuneration Committee

The remuneration committee has as its primary purpose the functions of devising the appropriate packages needed to attract, retain and motivate executive directors and senior employees with the right qualities and skills for the proper management of the group. The remuneration committee makes proposals to the directors on the remuneration policy of executive directors and senior management and reviews the ongoing appropriateness and relevance of the group's remuneration policy. It is also responsible for reviewing the wider remuneration policy across the PAVI group and to make recommendations to the directors on any changes it considers appropriate in employee remuneration and benefit structures throughout the PAVI group.

Corporate governance - Statement of compliance - continued

The members of the remuneration committee are Lawrence Zammit as chairman and William Spiteri Bailey and David Grech as members and meetings are held on an adhoc basis. During the financial year ended 30 April 2011 the committee proposed a revision of the directors' and senior management salary structure as from the start of the calendar year ending 2010. This proposal was approved by the board.

As required by the Maltese Companies Act, 1995 and the Malta Financial Services Authority Listing Rules, the financial statements of PAVI Shopping Complex p.l.c. are subject to annual audit by its external auditors. Moreover, the board has direct access to the external auditors of the group, who attend board meetings at which the group's and company's financial statements are approved. Moreover, in ensuring compliance with other statutory requirements and with continuing listing obligations, the board is advised directly, as appropriate, by its appointed broker, legal advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the group's expense.

Relations with bondholders and the market

Pursuant to the company's statutory obligations in terms of the Maltese Companies Act, 1995 and the Malta Financial Services Authority Listing Rules, 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 company communicates with its bondholders by way of the Annual Report and Financial Statements. The board publishes its results every six months through its interim and annual reports. The board feels that it is providing the market with adequate information about its activities through these channels.

The board considers that the company has been in compliance with the principles throughout the year as befits a company of this size and nature.

Approved by the board on 3 August 2011 and signed on its behalf by:

Alfred Lupi Chairman	Victor Grech Director	Paul Gauci Director

Independent auditor's report

To the Shareholders of PAVI Shopping Complex p.l.c.

Report on the Financial Statements for the year ended

We have audited the consolidated and stand-alone parent company financial statements of PAVI Shopping Complex p.l.c. on pages 10 to 44 which comprise the consolidated and parent company statements of financial position as at 30 April 2011, and the consolidated and parent company statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
As explained more comprehensively in the Statement of directors' responsibilities for the financial statements on page 2, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements

- give a true and fair view of the financial position of the group and the company as at 30 April 2011, and of their financial performance and their cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

Report on Other Legal and Regulatory Requirements

The Listing Rules issued by the Malta Listing Authority require the directors to prepare and include in their annual report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

Independent auditor's report - continued

Report on Other Legal and Regulatory Requirements - continued

The Listing Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and considered the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the annual report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the annual report.

We are not required to, and we do not, consider whether the board's statements on internal control included in the Statement of Compliance 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 Statement of Compliance set out on pages 4 to 7 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

We also read other information contained in the annual report and considered whether it is consistent with the audited financial statements. The other information comprises only the Directors' report. Our responsibilities do not extend to any other information.

We also have responsibilities:

- Under the Maltese Companies Act, 1995 to report to you if, in our opinion:
    - The information given in the Directors' report is not consistent with the financial statements.
    - Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
    - The financial statements are not in agreement with the accounting records and returns.
    - We have not received all the information and explanations we require for our audit.
    - Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.
- Under the Listing Rules, to review the statement made by the directors, set out on page 4, that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

PricewaterhouseCoopers

167 Merchants Street
Valletta
Malta

Simon Flynn
Partner

3 August 2011

Statements of financial position

		As at 30 April			
		Group		Company	
		2011	2010	**2011**	2010
	Notes	**€**	€	**€**	€
ASSETS					
Non-current assets					
Property, plant and equipment	4	**20,227,657**	20,702,487	**-**	-
Investment property	5	**-**	-	**19,408,703**	19,374,028
Investments in subsidiaries	6	**-**	-	**1,863,499**	1,863,499
Total non-current assets		**20,227,657**	20,702,487	**21,272,202**	21,237,527
Current assets					
Inventories	7	**1,940,266**	2,112,283	**-**	-
Trade and other receivables	8	**5,609,170**	5,226,887	**67,145**	862,186
Current tax asset		**-**	-	**5,048**	1,301
Bond redemption fund	9	**25,261**	25,207	**25,261**	25,207
Cash and cash equivalents	9	**52,264**	47,991	**8,138**	717
Total current assets		**7,626,961**	7,412,368	**105,592**	889,411
Total assets		**27,854,618**	28,114,855	**21,377,794**	22,126,938

Statements of financial position - continued

		As at 30 April			
		Group		**Company**	
		2011	2010	**2011**	2010
	Notes	**€**	€	**€**	€
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	10	**8,386,908**	8,386,908	**8,386,908**	8,386,908
Retained earnings		**767,804**	733,643	**299,810**	552,889
Total equity		**9,154,712**	9,120,551	**8,686,718**	8,939,797
Non-current liabilities					
Borrowings	13	**10,118,382**	11,422,899	**10,118,382**	11,422,899
Trade and other payables	12	**-**	150,350	**-**	-
Deferred tax liabilities	11	**1,312,137**	1,318,008	**1,257,862**	1,257,862
Total non-current liabilities		**11,430,519**	12,891,257	**11,376,244**	12,680,761
Current liabilities					
Trade and other payables	12	**5,034,922**	4,805,672	**1,314,832**	506,380
Borrowings	13	**1,816,249**	1,152,017	**-**	-
Current tax liabilities		**418,216**	145,358	**-**	-
Total current liabilities		**7,269,387**	6,103,047	**1,314,832**	506,380
Total liabilities		**18,699,906**	18,994,304	**12,691,076**	13,187,141
Total equity and liabilities		**27,854,618**	28,114,855	**21,377,794**	22,126,938

The notes on pages 15 to 44 are an integral part of these financial statements.

The financial statements on pages 10 to 44 were authorised for issue by the board on 3 August 2011 and were signed on its behalf by:

Alfred Lupi
Chairman

Victor Grech
Director

Paul Gauci
Director

Statements of comprehensive income

		Year ended 30 April			
		Group		Company	
		2011	2010	**2011**	2010
	Notes	**€**	€	**€**	€
Revenue	14	**28,832,151**	27,665,279	**1,060,000**	1,025,000
Cost of sales	15	**(26,067,923)**	(25,391,447)	**-**	-
Gross profit		**2,764,228**	2,273,832	**1,060,000**	1,025,000
Selling and distribution expenses	15	**(274,268)**	(348,231)	**-**	-
Administrative expenses	15	**(971,725)**	(1,033,523)	**(40,446)**	(35,467)
Other income	17	**527,295**	446,478	**-**	-
Operating profit		**2,045,530**	1,338,556	**1,019,554**	989,533
Investment income	18	**-**	-	**450,000**	-
Finance income	19	**8,914**	112,162	**64**	47,375
Finance costs	20	**(859,638)**	(869,129)	**(812,300)**	(837,133)
Profit before tax		**1,194,806**	581,589	**657,318**	199,775
Tax expense	21	**(408,547)**	(198,886)	**(158,299)**	(573)
Profit for the year - total comprehensive income		**786,259**	382,703	**499,019**	199,202
Earnings per share (cents)	23	**21.8**	10.6	**13.9**	5.5

The notes on pages 15 to 44 are an integral part of these financial statements.

Statements of changes in equity

	Note	Share capital €	Retained earnings €	Total €
Group				
Balance at 1 May 2009		8,386,908	396,440	8,783,348
Comprehensive income				
Profit for the year		-	382,703	382,703
Transactions with owners				
Dividends for 2010	24	-	(45,500)	(45,500)
Balance at 30 April 2010		8,386,908	733,643	9,120,551
Balance at 1 May 2010		8,386,908	733,643	9,120,551
Comprehensive income				
Profit for the year		-	786,259	786,259
Transactions with owners				
Dividends for 2011	24	-	(752,098)	(752,098)
Balance at 30 April 2011		**8,386,908**	**767,804**	**9,154,712**
Company				
Balance at 1 May 2009		8,386,908	399,187	8,786,095
Comprehensive income				
Profit for the year		-	199,202	199,202
Transactions with owners				
Dividends for 2010	24	-	(45,500)	(45,500)
Balance at 30 April 2010		8,386,908	552,889	8,939,797
Balance at 1 May 2010		8,386,908	552,889	8,939,797
Comprehensive income				
Profit for the year		-	499,019	499,019
Transactions with owners				
Dividends for 2011	24	-	(752,098)	(752,098)
Balance at 30 April 2011		**8,386,908**	**299,810**	**8,686,718**

The notes on pages 15 to 44 are an integral part of these financial statements.

Statements of cash flows

		Year ended 30 April			
		Group		Company	
		2011	2010	**2011**	2010
	Notes	**€**	€	**€**	€
Cash flows from operating activities					
Cash generated from operations	25	**2,529,227**	1,347,117	**2,623,047**	891,607
Interest received		**8,914**	112,162	**64**	47,375
Interest paid		**(836,364)**	(847,446)	**(789,026)**	(815,450)
Tax paid		**(141,560)**	(17,915)	**(4,546)**	(2,554)
Net cash generated from operating activities		**1,560,217**	593,918	**1,829,539**	120,978
Cash flows from investing activities					
Proceeds from disposal of property plant and equipment		**2,795**	-	**-**	-
Payments for property, plant and equipment		**(143,028)**	(406,168)	**(34,675)**	(52,159)
Dividend received		**-**	-	**292,500**	-
Net cash (used in)/generated from investing activities		**(140,233)**	(406,168)	**257,825**	(52,159)
Cash flows from financing activities					
Redemption of bonds		**(1,327,791)**	-	**(1,327,791)**	-
Contribution to bond redemption fund		**(54)**	(25,207)	**(54)**	(25,207)
Dividends paid		**(752,098)**	(45,500)	**(752,098)**	(45,500)
Net cash used in financing activities		**(2,079,943)**	(70,707)	**(2,079,943)**	(70,707)
Net movement in cash and cash equivalents		**(659,959)**	117,043	**7,421**	(1,888)
Cash and cash equivalents at beginning of the year		**(1,104,026)**	(1,221,069)	**717**	2,605
Cash and cash equivalents at end of the year	9	**(1,763,985)**	(1,104,026)	**8,138**	717

The notes on pages 15 to 44 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

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

1.1 Basis of preparation

The consolidated financial statements include the financial statements of PAVI Shopping Complex p.l.c. and its subsidiaries. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and with the requirements of the Maltese Companies Act, 1995. The financial statements are prepared under the historical cost convention as modified by the fair valuation of property, plant and equipment and investment property except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the group's and company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

Standards, interpretations and amendments to published standards effective in 2011

In 2011, the group adopted new standards, amendments and interpretations to existing standards that are mandatory for the group's accounting period beginning on 1 May 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the group's accounting policies.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the group's accounting periods beginning after 1 May 2010. The group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the group's financial statements in the period of initial application.

1.2 Consolidation

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

1. Summary of significant accounting policies - continued

1.2 Consolidation - continued

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the group undertaking acquired, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

A listing of the group's principal subsidiaries is set out in Note 6 to these financial statements.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the group's and company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

1.4 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

Land and buildings are subsequently shown at market value, based on valuations made by directors, less subsequent depreciation. Valuations are carried out periodically unless the directors consider it appropriate to have an earlier revaluation such that the carrying amount of property does not differ materially from that which would be determined using fair values at the statement of financial position date. Plant, machinery and equipment, and furniture and fittings are stated at historical cost less depreciation

1. Summary of significant accounting policies - continued

1.4 Property, plant and equipment - continued

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

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to profit or loss. Each year the differences between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost, net of any related deferred income taxes, is transferred from the revaluation reserve to retained earnings.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation is calculated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Land	Nil
Buildings	2
Plant, machinery and catering equipment	6.67 – 25
Furniture, fixtures and fittings	10 – 25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In particular, the group assesses on a periodic basis the economic useful lives of integral and movable assets directly related to the retailing sector.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Note 1.7).

1.5 Investment property

The company owns investment property, principally comprising the PAVI Shopping Complex, which is held for long-term rental yields and is not occupied by the company but rented out to its subsidiary.

Investment property is measured initially at its historical cost, including related transaction costs and borrowing costs. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value.

1. Summary of significant accounting policies - continued

1.5 Investment property - continued

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed periodically by the group directors.

The fair value of investment property reflects, among other factors, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred. Changes in fair values are recorded in the statement of comprehensive income.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

1.6 Investments in subsidiaries

In the company's financial statements, investments in subsidiaries, which represent shares in subsidiaries, are accounted for by the cost method of accounting. The dividend income from such investments is included in profit or loss in the accounting year in which the company's rights to receive payment of any dividend is established. The company gathers objective evidence that an investment is impaired using the same process disclosed in Note 1.8.3. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1. Summary of significant accounting policies - continued

1.7 Impairment of non-financial assets

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

1.8 Financial assets

1.8.1 Classification

The group classifies its financial assets in the loans and receivables category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 1.10 and 1.11).

1.8.2 Recognition and measurement

The group recognises a financial instrument in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Loans and receivables are initially recognised at fair value plus transaction costs. All regular way transactions in assets classified in the loans and receivables category are accounted for using settlement date accounting, i.e. on the date an asset is delivered to or by the entity. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership or has not retained control of the financial asset.

1.8.3 Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Impairment testing of trade receivables is described in Note 1.10.

1. Summary of significant accounting policies - continued

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of inventories comprises the invoiced value of goods and, in general, includes transport and handling costs. Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

1.10 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the trade and other receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within 'selling and distribution expenses'. When a trade debt is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and distribution expenses' in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdraft. In the statement of financial position, the bank overdraft is included within borrowings in non-current and current liabilities.

1.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

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

1. Summary of significant accounting policies - continued

1.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred taxation is recognised using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the unutilised investment tax credits, tax losses and unabsorbed capital allowances can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.14 Trade and other payables

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

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

1.15 Borrowings

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

Issue costs incurred in connection with the issue of the secured bonds include professional fees, publicity, advertising, printing, listing, registration, underwriting, management fees, trustee fees and other miscellaneous costs.

Borrowings are classified as current liabilities unless the group and company have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1. **Summary of significant accounting policies** - continued

1.16 Offsetting financial instruments

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

1.17 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below.

(a) Sales of goods - retail

Sales of goods are recognised when the group sells a product to the customer. Retail sales are usually in cash or by credit card. The recorded revenue includes credit card fees payable for the transaction. Such fees are included in 'direct operating expenses'.

It is the group's policy to sell its products to the end customer with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Sales of goods - wholesale

Sales of goods are recognised when a subsidiary has delivered products to the customer, the customer has accepted the products and collectability of the related trade and other receivables is reasonably assured. Products are often sold with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

(c) Sales of services

Revenue from services is generally recognised in the period the services are provided, based on the services performed to date as a percentage of the total servies to be performed. Accordingly, revenue is recognised by reference to the stage of completion of the transaction under the percentage of completion.

1. Summary of significant accounting policies - continued

1.18 Revenue recognition - continued

(d) Property related income

Rentals receivable, short-term lets receivable and premia charged to tenants of immovable property are recognised in the period when the property is occupied. Premia are taken to profit or loss over the period of the leases to which they relate.

1.19 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

1.20 Borrowings costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying non-current assets or property inventories are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the group's interest-bearing borrowings.

1.21 Earnings per share

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

2. Financial risk management

2.1 Financial risk factors

The group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group does not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

2. Financial risk management - continued

2.1 Financial risk factors - continued

The board provides policies for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the respective group's functional currency. The group is not exposed to foreign exchange risk as its purchases are primarily in euro. Management does not consider foreign exchange risk attributable to recognised liabilities arising from other purchase transactions to be significant since balances are settled within very short periods in accordance with the negotiated credit terms. Also foreign exchange risk attributable to future transactions is not deemed to be material since the group manages the risk by reflecting, as far as is practicable, the impact of exchange rate movements registered with respect to purchases in the respective sales prices.

All the group's loans and receivables, cash and cash equivalents, borrowings and payables are denominated in euro.

Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The group's income and operating cash flows are substantially independent of changes in market interest rates. The group's interest rate risk arises from borrowings. Borrowings issued at variable rates, comprising bank borrowings (refer to Note 13), expose the group to cash flow interest rate risk. The group's borrowings are subject to an interest rate that varies according to revisions made to the Bank's Base Rate. Management monitors the level of floating rate borrowings as a measure of cash flow risk taken on. Interest rates on these financial instruments are linked with the Central Intervention Rate issued by the European Central bank. Borrowings issued at fixed rates, consist primarily of secured bonds which are carried at amortised cost (refer to Note 13), and do not expose the group to cash flow and fair value interest rate risk.

Based on the above, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial. Up to the end of the reporting period the group did not have any hedging arrangements with respect to the exposure of floating interest rate risk.

(iii) Price risk

The group is exposed to commodity price risk in relation to purchases of certain goods. The company enters into contractual arrangements for the procurement of these goods and products at variable market prices but at the end of the reporting period, there were no outstanding contractual commitments in this respect. Management does not consider the potential impact of a defined shift in commodity prices on profit or loss to be significant, particularly in view of the weighting of purchases of such products in relation to the group's total purchases.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, loans and receivables, intra-group receivables as well as credit exposures to customers, including outstanding receivables and committed transactions. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Carrying amounts				
Trade and other receivables (Note 8)	**5,609,170**	5,226,887	**67,145**	862,186
Cash and cash equivalents (Note 9)	**52,264**	47,991	**8,138**	717
	5,661,434	5,274,878	**100,544**	888,110

The group banks only with local financial institutions with high quality standing or rating. The group's operations are carried out in Malta. The group has no concentration of credit risk that could materially impact the sustainability of its operations.

The group sales are mainly generated from retail customers and are made in cash or via major credit cards. Despite credit sales are limited, the group has policies in place to ensure that sales of products and services on credit are effected to customers with an appropriate credit history.

As of 30 April 2011, trade receivables of €118,406 (2010: €148,024) were fully performing.

Impairment provisions of €9,036 (2010: €8,135) were present at year end in respect of trade and other receivables that were overdue and that were not expected to be recovered. Other overdue trade debts that were not impaired amounted to €111,817 (2010: €71,019). The group holds no security against these debts. The unsecured overdue amounts consisted of €79,547 (2010: €48,088) that were less than three months overdue and €32,270 (2010: €22,931) that were greater than three months.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Group	
	2011	2010
	€	€
At beginning of year	**8,135**	8,600
Increase/(decrease) in impairment provision for the year	**901**	(465)
At 30 April	**9,036**	8,135

The allowance accounts in respect of trade receivables are used to record impairment losses unless the group is satisfied that no recovery of the amount owing is possible; at the point the amounts are considered irrecoverable these are written off against trade receivables directly.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The group's receivables include significant amounts due from related parties forming part of groups owned by the ultimate shareholders of the companies including its ultimate shareholding companies (refer to Note 8). The group's treasury monitors related party credit exposures at individual entity level on a regular basis and ensures timely performance of these assets in the context of overall group liquidity management. The group assesses the credit quality of all the related parties taking into account financial position, performance and other factors. The group takes cognisance of the related party relationship with these entities and management does not expect any losses from non-performance or default.

(c) Liquidity risk

The group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and borrowings (refer to Notes 12 and 13). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the group's obligations.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period detailed by the group's operations to ensure that no additional financing facilities are expected to be required over the coming year.

Moreover, annual cash flow projections are prepared to assess the matching of cash inflows and outflows arising from expected maturities of financial instruments. The group manages its liquidity risk through this continuous assessment, coupled with the group's committed borrowing facilities (that it can access) to meet liquidity needs as referred to previously.

The following tables analyse the group's and company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

2. **Financial risk management** - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

Group

	Carrying Amount €	Contractual cash flows €	Within one year €	One to five years €	Over five years €
30 April 2011					
Borrowings	1,816,249	1,816,249	1,816,249	-	-
Secured bond 2014 – 2017	10,118,382	16,335,119	722,335	2,889,341	12,723,443
Trade and other payables	5,034,922	5,034,922	5,034,922	-	-
	16,969,553	**23,186,290**	**7,573,506**	**2,889,341**	**12,723,443**
30 April 2010					
Borrowings	1,152,017	1,152,017	1,152,017	-	-
Secured bond 2014 – 2017	11,422,899	17,753,656	815,281	3,261,124	13,677,251
Trade and other payables	4,956,022	4,956,022	4,805,672	150,350	-
	17,530,938	**23,861,695**	**6,772,970**	**3,411,474**	**13,677,251**

Company

	Carrying amount €	Contractual cash flows €	Within one year €	One to five years €	Over five years €
30 April 2011					
Secured bond 2014 - 2017	10,118,382	16,335,119	722,335	2,889,341	12,723,443
Trade and other payables	1,314,832	1,314,832	1,314,832	-	-
	11,433,214	**17,649,951**	**2,037,167**	**2,889,341**	**12,723,443**
30 April 2010					
Secured bond 2014 - 2017	11,422,899	17,753,656	815,281	3,261,124	13,677,251
Trade and other payables	506,380	506,380	506,380	-	-
	11,929,279	**18,260,036**	**1,321,661**	**3,261,124**	**13,677,251**

2.2 Fair values of financial instruments

The carrying amounts of trade receivables (net of impairment provisions) and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments. As at the end of the reporting period, the fair values of financial assets and liabilities, approximate the carrying amounts shown in the statement of financial position.

2. Financial risk management - continued

2.3 Capital risk management

The capital of the group is managed with a view of maintaining a controlled relationship between capital and structural borrowings in order to maintain an optimal capital structure which reduces the cost of capital. To maintain or adjust its capital structure, the group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Structural borrowings include all borrowings, less cash and cash equivalents. Borrowings include secured bonds issued by the group.

The gearing ratios at 30 April 2011 and 2010 were as follows:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Total borrowings (Note 13)	**11,934,631**	12,574,916	**10,118,382**	11,422,899
Less: Cash and cash equivalents	**(77,525)**	(73,198)	**(33,399)**	(25,924)
Net borrowings	**11,857,106**	12,501,718	**10,084,983**	11,396,975
Total equity	**9,143,165**	9,120,551	**8,686,718**	8,939,797
Total capital	**21,000,271**	21,622,269	**18,771,701**	20,336,772
Gearing	**56.5%**	57.8%	**53.7%**	56.0%

3. Critical accounting estimates and judgements

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

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

4. Property, plant and equipment

	Land and buildings €	Plant, machinery and catering equipment €	Furniture, fixtures and fittings €	Total €
Group				
At 1 May 2009				
Cost	19,321,869	2,974,938	355,407	22,652,214
Accumulated depreciation	(353,139)	(1,018,229)	(73,903)	(1,445,271)
Net book amount	18,968,730	1,956,709	281,504	21,206,943
Year ended 30 April 2010				
Opening net book amount	18,968,730	1,956,709	281,504	21,206,943
Additions	52,159	47,839	46,283	146,281
Depreciation charge	(177,837)	(429,550)	(43,350)	(650,737)
Closing net book amount	18,843,052	1,574,998	284,437	20,702,487
At 30 April 2010				
Cost	19,374,028	3,022,777	401,690	22,798,495
Accumulated depreciation	(530,976)	(1,447,779)	(117,253)	(2,096,008)
Net book amount	18,843,052	1,574,998	284,437	20,702,487
Year ended 30 April 2011				
Opening net book amount	18,843,052	1,574,998	284,437	20,702,487
Additions	34,675	21,228	81,956	137,859
Disposals	-	(4,887)	-	(4,887)
Depreciation charge	(178,530)	(382,856)	(49,837)	(611,223)
Depreciation released on disposal	-	3,421	-	3,421
Closing net book amount	**18,699,197**	**1,211,904**	**316,556**	**20,227,657**
At 30 April 2011				
Cost	19,408,703	3,039,118	483,646	22,931,467
Accumulated depreciation	(709,506)	(1,827,214)	(167,090)	(2,703,810)
Net book amount	**18,699,197**	**1,211,904**	**316,556**	**20,227,657**

The group's land and buildings are presented and disclosed as investment property in the company's financial statements (refer to Note 5).

4. Property, plant and equipment - continued

The directors assessed the valuation in respect of the group's land and buildings on 27 September 2007 based on valuation reports from a professionally qualified valuer. Valuations were made on the basis of open market value after considering the returns being attained by the property and its intrinsic value.

During 2011, the directors reassessed this valuation and in their opinion the carrying amount of property, plant and equipment as at year end does not differ materially from that which would be determined using fair values.

Bank borrowings are secured by the group's property, plant and equipment (Note 13).

The charge for depreciation of property, plant and equipment is included in profit or loss as follows:

	Group	
	2011	2010
	€	€
Direct operating expenses	**428,954**	418,351
Selling and distribution expenses	**14,620**	15,598
Administrative expenses	**167,649**	216,788
Total depreciation charge (Note 15)	**611,223**	650,737

5. Investment property

	Company	
	2011	2010
	€	€
Opening net book amount	**19,374,028**	19,321,869
Additions	**34,675**	52,159
Closing net book amount	**19,408,703**	19,374,028

In accordance with the group's accounting policy, investment property is valued annually on 30 April at fair value, comprising open market value, determined by the directors on the basis of professional assessments including valuations prepared by the group's architect.

The above property has been leased out by the company under an operating lease to its subsidiary undertaking in accordance with the operating lease agreement. Consequently, as disclosed in Note 4, this property is classified and measured in the group financial statements as property, plant and equipment in accordance with the requirements of IAS 16.

5. Investment property - continued

If the investment property were stated at the historical cost basis, the amounts would be as follows:

	Company 2011 €	Company 2010 €
At 30 April		
Cost	**19,408,703**	19,374,028
Accumulated depreciation	**(709,506)**	(530,976)
Net book amount	**18,699,197**	18,843,052

Borrowings are secured by the company's investment property (Note 13).

6. Investments in subsidiaries

	Company 2011 €	Company 2010 €
Closing cost and net book amount	**1,863,499**	1,863,499

The subsidiaries at 30 April, all of which are unlisted, are shown below:

	Registered office	Class of shares held	Effective percentage of shares held 2011	Effective percentage of shares held 2010
PAVI Supermarkets Limited	PAVI Supermarkets Manuel Dimech Street Qormi	Ordinary	**100**	100
PAVI Bakery Limited	PAVI Supermarkets Manuel Dimech Street Qormi	Ordinary	**100**	100

7. Inventories

	Group 2011 €	Group 2010 €
Goods held for resale	**1,796,240**	1,968,879
Raw materials	**50,485**	38,338
Finished goods	**22,416**	28,293
Other inventories	**6,000**	8,805
Other consumables	**65,125**	67,968
	1,940,266	2,112,283

The amount of inventory write-downs recognised as an expense by the group during the period are included under cost of sales totalling €74,242 (2010: €53,553).

8. Trade and other receivables

	Group 2011 €	Group 2010 €	Company 2011 €	Company 2010 €
Current				
Trade receivables	**230,223**	219,043	**-**	-
Amounts owed by shareholders	**1,177,351**	817,167	**67,145**	817,167
Amounts owed by subsidiaries	**-**	-	**-**	45,019
Amounts owed by related parties	**3,959,543**	3,994,333	**-**	-
Other receivables	**-**	12,669	**-**	-
Prepayments and accrued income	**242,053**	183,675	**-**	-
	5,609,170	5,226,887	**67,145**	862,186

Amounts owed by shareholders, subsidiaries and related parties are unsecured, interest free and repayable on demand. In 2010, the Group had an amount owed by a related party of €1,863,499 bearing interest at 6% per annum. In addition, during 2010, the company had an amount of €841,623 due by a subsidiary bearing interest of 5.6%. As at 30 April 2011 and 2010, these amounts were fully performing and hence do not contain impaired assets. The company does not hold any collateral as security.

Trade and other receivables are stated net of provision for impairment charges as follows:

	Group 2011 €	Group 2010 €	Company 2011 €	Company 2010 €
Trade receivables	**9,036**	8,135	**-**	-

Charges to the provision for impairment of trade and other receivables are disclosed in Note 15 and are included in profit or loss under ‘selling and distribution expenses’.

8. Trade and other receivables - continued

The group's and company's exposure to credit and currency risks and impairment losses relating to trade and other receivables is disclosed in Note 2. The other classes within trade and other receivables do not contain impaired assets.

9. Cash and cash equivalents

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

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Cash at bank and in hand	**52,264**	47,991	**8,138**	717
Bank overdraft	**(1,816,249)**	(1,152,017)	**-**	-
	(1,763,985)	(1,104,026)	**8,138**	717

The bond redemption fund comprises contributions amounting to €25,261 (2010: €25,207) which use is restricted pursuit to the terms and conditions stated in the prospectus dated 28 September 2007.

10. Share capital

	Company	
	2011	2010
	€	€
Authorised		
5,000,000 ordinary 'A' shares of €2.329373 each	**11,646,865**	11,646,865
5,000,000 ordinary 'B' shares of €2.329373 each	**11,646,865**	11,646,865
	23,293,730	23,293,730
Issued and fully paid		
1,800,250 ordinary 'A' shares of €2.329373 each	**4,193,454**	4,193,454
1,800,250 ordinary 'B' shares of €2.329373 each	**4,193,454**	4,193,454
	8,386,908	8,386,908

11. Deferred tax

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
At beginning of year	**1,318,008**	1,267,836	**1,257,862**	1,257,862
Deferred tax on temporary differences arising on:				
depreciation of property, plant and equipment (Note 21)	**(17,085)**	713	**-**	-
unabsorbed capital and investment allowances (Note 21)	**-**	49,296	**-**	-
provision for impairment of receivables (Note 21)	**(316)**	163	**-**	-
Movement in unabsorbed tax credits (Note 21)	**11,530**	-	**-**	-
At 30 April	**1,312,137**	1,318,008	**1,257,862**	1,257,862

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2010: 35%), except for temporary differences on immovable property that are calculated under the liability method using a principal tax rate of 12% (2010: 12%) on the carrying amounts of property.

Deferred taxation is principally composed of deferred tax liabilities which are to be settled after more than twelve months.

The balance at 30 April represents temporary differences on or attributable to:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Provision for impairment of receivables	**(3,163)**	(2,847)	**-**	-
Depreciation on property, plant and equipment	**57,438**	74,523	**-**	-
Transactions with related parties	**1,257,862**	1,257,862	**1,257,862**	1,257,862
Tax credits issued by the Malta Enterprise	-	(11,530)	**-**	-
	1,312,137	1,318,008	**1,257,862**	1,257,862

12. Trade and other payables

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Non-current				
Capital creditors	**-**	3,600	**-**	-
Other payables	**-**	146,750	**-**	-
	-	150,350	**-**	-
Current				
Trade payables	**3,272,101**	3,256,360	**-**	-
Amounts owed to subsidiaries	**-**	-	**853,666**	-
Capital creditors	**16,064**	17,633	**-**	-
Other payables	**185,958**	63,603	**27,184**	23,239
Other taxation and social security	**127,638**	157,144	**45,402**	59,533
Accruals and deferred income	**1,433,161**	1,310,932	**388,580**	423,608
	5,034,922	4,805,672	**1,314,832**	506,380
Trade and other payables	**5,034,922**	4,956,022	**1,314,832**	506,380

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand. Other payables relate to deposit liabilities refundable to tenants in profit sharing departments of the retailing operations, in accordance with the related contractual agreements.

The group's and company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 2.

13. Borrowings

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Non-current				
50,000 7% secured bonds	**10,118,382**	11,422,899	**10,118,382**	11,422,899
Current				
Bank overdraft	**1,816,249**	1,152,017	**-**	-
Total borrowings	**11,934,631**	12,574,916	**10,118,382**	11,422,899

The group's banking facility as at 30 April 2011 and 2010 amounted to €2,800,000 and €2,800,000 respectively.

13. **Borrowings** - continued

The group's bank borrowings are secured by:

(a) a general hypothec over the group's assets;
(b) a general hypothec over the assets of the company;
(c) guarantees provided by parent and related parties;

The secured bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective yield method as follows:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Face value of the secured bonds	**10,319,076**	11,646,867	**10,319,076**	11,646,867
Issue costs	**275,391**	275,391	**275,391**	275,391
Accumulated amortisation	**(74,697)**	(51,423)	**(74,697)**	(51,423)
Closing net book amount	**200,694**	223,968	**200,694**	223,968
Amortised cost	**10,118,382**	11,422,899	**10,118,382**	11,422,899

By virtue of a prospectus dated 28 September 2007, on 15 October 2007, the company issued 50,000 secured bonds with a face value of Lm100 each. The secured bonds are redeemable at par (€232.937 for each bond) and are due for redemption on 26 October 2017 but are redeemable in whole or in part, at the option of the company on each of 26 October 2014, 26 October 2015 and 26 October 2016 (the optional redemption dates). The bonds are secured by a first special hypothec over the company's property, namely the 'PAVI Shopping Complex', pursuant to and subject to the terms and conditions in the prospectus.

The secured bonds have been admitted on the Alternative Company Listing of the Malta Stock Exchange on 29 October 2007. The quoted market price as at 30 April 2011 for the secured bonds was 100 (2010: 100), which in the opinion of the directors fairly represents the fair value of these financial liabilities.

During the year, the company acquired bonds on the market for a total nominal value of €1,327,791 in accordance with the terms and conditions set in the Company Prospectus dated 28 September 2007. These bonds have been cancelled by the company as set in the company announcement dated 14 October 2010.

The interest rate exposure of the borrowings of the group and company were as follows:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Total borrowings:				
At fixed rates	**10,118,382**	11,422,899	**10,118,382**	11,422,899
At floating rates	**1,816,249**	1,152,017	**-**	-
	11,934,631	12,574,916	**10,118,382**	11,422,899

13. **Borrowings** - continued

Effective interest rates as at the end of the reporting period:

	Group		Company	
	2011	2010	**2011**	2010
	%	%	**%**	%
Bank overdraft	**4.45**	4.45	**-**	-
50,000 secured bonds 2014 - 2017	**7.00**	7.00	**7.00**	7.00

This note provides information about the contractual terms of the group's and company's borrowings. For more information about the group and company's exposure to interest rate, foreign currency and liquidity risk refer to Note 2.

14. Revenue

The group's revenue principally arises from the management of the 'PAVI Shopping Complex', which is engaged in supermarket operations including the management of shared activities and the concessions of commercial areas within the complex. Certain bakery and confectionary activities are performed by PAVI Bakery Limited. All the activities are conducted locally. To this effect, the directors consider the group's operation as one business segment.

The company's revenue is derived from the renting of the PAVI shopping complex land and buildings and integral property to PAVI Supermarkets Limited, in accordance with the lease agreement concluded by the latter party with Castellana (Malta) Limited on 26 April 2007.

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
By category:				
Rental income	**-**	-	**1,025,000**	990,000
Retail sales	**28,832,151**	27,665,279	**-**	-
Management fee	**-**	-	**35,000**	35,000
	28,832,151	27,665,279	**1,060,000**	1,025,000

15. Expenses by nature

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Employee benefit expense (Note 16)	**2,178,794**	2,184,022	**7,804**	7,804
Depreciation of property, plant and equipment (Note 4)	**611,223**	650,737	**-**	-
Purchases of goods and consumables	**22,687,395**	22,313,705	**-**	-
Movement in inventories of finished goods	**169,212**	(92,122)	**-**	-
Utilities costs	**509,910**	404,027	**-**	-
Bank transactions and card charges	**179,632**	167,424	**-**	-
Advertising and promotion costs	**179,239**	237,015	**-**	-
Commissions payable	**256,809**	306,795	**-**	-
Increase/(decrease) in provision for impairment of trade receivables	**901**	(465)	**-**	-
Operating leases on equipment	**69,882**	69,882	**-**	-
Gain on disposal of property, plant and equipment	**(1,329)**	-	**-**	-
Operating leases on property	**6,056**	1,514	**-**	-
Differences on exchange	**(2,277)**	(54)	**-**	-
Other expenses	**468,469**	530,721	**32,642**	27,663
Total cost of sales, selling and distribution and administrative expenses	**27,313,916**	26,773,201	**40,446**	35,467

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 30 April 2011 and 2010 relate to the following:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Annual statutory audit	**22,400**	22,400	**5,900**	5,042
Other assurance services	**2,950**	2,950	**2,250**	3,083
Tax advisory and compliance services	**500**	1,000	**100**	-
	25,850	26,350	**8,250**	8,125

16. Employee benefit expense

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Wages and salaries (including directors' salaries)	**2,059,954**	2,060,180	**-**	-
Social security costs	**118,840**	123,842	**-**	-
	2,178,794	2,184,022	**-**	-
Recharged from subsidiary	**-**	-	**7,804**	7,804
	2,178,794	2,184,022	**7,804**	7,804

The average number of persons employed by the group and company during the year are analysed as follows:

	Group		Company	
	2011	2010	**2011**	2010
Operational	**117**	137	**-**	-
Selling and distribution	**7**	8	**-**	-
Administration	**16**	17	**-**	-
	140	162	**-**	-

17. Other income

	Group	
	2011	2010
	€	€
Concession fees and marketing contribution	**274,373**	265,324
Recharges of expenses to retail operators	**252,922**	181,154
	527,295	446,478

18. Investment income

	Company	
	2011	2010
	€	€
Dividends received	**450,000**	-

19. Finance income

	Group 2011 €	Group 2010 €	Company 2011 €	Company 2010 €
Bank interest receivable	**247**	352	**64**	244
Interest on amounts due by related shareholder	**8,667**	-	**-**	-
Interest on amounts due by related parties	**-**	111,810	**-**	-
Interest on amounts due by subsidiary	**-**	-	**-**	47,131
	8,914	112,162	**64**	47,375

20. Finance costs

	Group 2011 €	Group 2010 €	Company 2011 €	Company 2010 €
Coupon interest payable on secured bonds	**788,713**	815,312	**788,713**	815,312
Amortisation of bond issue costs (Note 13)	**23,274**	21,683	**23,274**	21,683
Bank interest payable	**43,218**	12,350	**121**	-
Other finance charges	**4,433**	19,784	**192**	138
	859,638	869,129	**812,300**	837,133

Interest costs have been charged against income without restriction. No borrowing costs have been capitalised.

21. Tax expense

	Group 2011 €	Group 2010 €	Company 2011 €	Company 2010 €
Current tax expense:				
on taxable profit subject to tax at 15%	**-**	37	**-**	37
on taxable profit subject to tax at 35%	**414,418**	148,677	**158,299**	536
Deferred tax (income)/charge (Note 11)	**(5,871)**	50,172	**-**	-
Tax expense	**408,547**	198,886	**158,299**	573

21. **Tax expense** - continued

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

	Group		**Company**	
	2011	2010	**2011**	2010
	€	€	**€**	€
Profit before tax	**1,194,806**	581,589	**657,318**	199,775
Tax on profit at 35%	**418,182**	203,556	**230,061**	69,921
Tax effect of:				
maintenance allowance on rental income	**(71,750)**	(69,299)	**(71,750)**	(69,299)
expenses not deductible for tax purposes	**67,413**	65,463	**-**	-
income subject to a reduced rate of tax	**(12)**	(49)	**(12)**	(49)
year	**11,442**	(784)	**-**	-
over provision of current tax in prior year	**(14,506)**	-	**-**	-
other	**(2,222)**	(1)	**-**	-
Tax expense	**408,547**	198,886	**158,299**	573

22. **Directors' remuneration**

	Group		**Company**	
	2011	2010	**2011**	2010
	€	€	**€**	€
Directors' salaries and remuneration	**279,682**	254,426	**-**	-
Recharged emoluments	**-**	-	**7,804**	7,804
	279,682	254,426	**7,804**	7,804

The company's directors' remuneration attributable to the non-executive directors was recharged from PAVI Supermarkets Limited (a subsidiary). The company's executive directors are not remunerated by the company but by PAVI Supermarkets Limited. Directors' salaries and remuneration are included within employee benefit expense in Note 16.

23. Earnings per share

Earnings per share is based on the profit after taxation attributable to the owners of the company divided by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2011	2010	**2011**	2010
Net profit attributable to shareholders	**€786,259**	€382,703	**€499,019**	€199,202
Weighted average number of ordinary shares in issue (Note 10)	**3,600,500**	3,600,500	**3,600,500**	3,600,500
Earnings per share (cents)	**21.8**	10.6	**13.9**	5.5

24. Dividends

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Interim dividends paid on ordinary shares:				
Gross	**909,598**	70,000	**909,598**	70,000
Tax at source	**(157,500)**	(24,500)	**(157,500)**	(24,500)
Net	**752,098**	45,500	**752,098**	45,500
Dividends per share (cents)	**20.9**	1.26	**20.9**	1.26

25. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Operating profit	**2,045,530**	1,338,556	**1,019,554**	989,533
Adjustments for:				
Depreciation charge (Note 4)	**611,223**	650,737	**-**	-
Provision for impairment of trade and other receivables	**901**	(465)	**-**	-
Gain on disposal of property, plant and equipment	**(1,329)**	-	**-**	-
Changes in working capital:				
Inventories	**172,017**	(92,122)	**-**	-
Trade and other receivables	**(383,184)**	(193,504)	**795,041**	2,167,960
Trade and other payables	**84,069**	(356,085)	**808,452**	(2,265,886)
Cash generated from operations	**2,529,227**	1,347,117	**2,623,047**	891,607

26. Commitments

Operating lease commitments - where the company is the lessee

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group	
	2011	2010
	€	€
Not later than 1 year	**69,882**	69,882
Later than 1 year and not later than 5 years	**279,525**	279,525
Later than 5 years	**98,996**	168,878
	448,403	518,285

27. Contingencies

At 30 April 2011, the group had contingent liabilities mainly relating to guarantees and letters of credit amounting to €535,180 (2010: €513,980) issued by the bank on behalf of a subsidiary, in favour of third parties in the ordinary course of business.

27. Contingencies - continued

At 30 April 2011, the company had contingent liabilities mainly relating to guarantees of €2,831,614 (2010: €1,991,614) given by the company to local banks in respect of a subsidiary's banking facilities. The guarantees are supported by various hypothecs over the company's assets.

28. Related party transactions

The directors consider all companies ultimately controlled by the shareholders, together with their holding companies, subsidiaries and associated undertakings to be related parties. Trading transactions during the year with these related parties included:

	Group		Company	
	2011	2010	**2011**	2010
	€	€	**€**	€
Management fees	**-**	-	**35,000**	35,000
Rental income	**-**	-	**1,025,000**	990,000
Recharged directors' emoluments payable	**-**	-	**(7,804)**	(7,804)
Interest income	**8,667**	-	**-**	47,131

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in Note 22.

Amounts receivable from and payable to shareholders, subsidiaries and related parties are disclosed accordingly in Notes 8 and 12 to the financial statements.

29. Statutory information

PAVI Shopping Complex p.l.c is a public company and is incorporated in Malta.

The ultimate controlling companies of PAVI Shopping Complex p.l.c. are PG Holdings Limited, a company registered in Malta, with its registered address at 'Ta Clara Farmhouse', Ramla Road, Maghtab, Malta and Yvonvi Limited, a company registered in Malta, with its registered address at 'Yvonne', il-Prinjoli Road, Iklin, Malta. PG Holdings Limited is ultimately controlled by Paul Gauci, while Yvonvi Limited is ultimately controlled by the Grech family.

In total both shareholders hold 100% of the equity of the group and company as at 30 April 2011 and 2010. As at 30 April 2011, individuals within the Gauci and Grech families whose members are the shareholders of the ultimate controlling companies of the group, held 0.45% (2010: 2.9%) of the bonds in issue.

30. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's disclosure format for the purpose of fairer presentation.