Santumas Shareholdings plc

Amalgamated
with Marsascala Development Limited, Santumas Contractors Limited
and Calpabrin Properties (Investments) Limited

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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Santumas Shareholdings plc pursuant to the Malta Financial Services Authority Listing Rules.

Quote

The Board of Directors of Santumas Shareholdings plc has today, the 24th August 2015, approved the audited financial statements for the financial year ended 30th April 2015. The Board resolved that these audited financial statements be submitted for the approval of the shareholders at the forthcoming Annual General Meeting which is scheduled for Friday, 11th December 2015. A Preliminary statement of annual results is being attached herewith. The financial statements can also be viewed on the company's website www.santumasmalta.com

The Board of Directors further resolved to recommend for the approval of the Annual General Meeting:

A bonus share issue of one (1) share for every ten (10) shares held which will be allotted to shareholders on the company's share register as at close of business on Friday, 8th January 2016. The bonus issue will be funded by a capitalisation of reserves amounting to €100,744.

Application will be made for the necessary authorisations concerning the listing of the bonus share issue on the Malta Stock Exchange.

Unquote

Michael Formosa Gauci
Company Secretary

24th August 2015

Company Registration No.: C 35

SANTUMAS SHAREHOLDINGS PLC

Annual Report
and
Financial Statements

30 April 2015

CONTENTS

DIRECTORS AND COMPANY INFORMATION

REGISTRATION

Santumas Shareholdings plc was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 24 December 1997 with company registration number C35. The Company held a Collective Investment Scheme license from the Malta Financial Services Authority in terms of the Investment Services Act, 1994 until 9 October 2014. As at this date, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock exchange as a CIS. On the same date Santumas Shareholding plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS

Dr. Edward Firman, B.A., M.B.A., F.C.M.A., M.B.I.M., C.P.A.
"La Encantada," Mons. E. Debono Street, San Gwann, MALTA

Mr. Peter Paul Testaferrata Moroni Viani
Casa Testaferrata, J. Howard Street, Naxxar, MALTA

Mr. Anthony P. Demajo (Chairman)
41, G'Mangia Hill, Pieta, MALTA

Mr. Christopher Testaferrata Moroni Viani
Villa Ammermann, Mdina Road, Balzan, MALTA.

Mr. Norbert Tabone *(appointed 4 July 2014)*
"Jeanor", Nerik Xerri Street, Kirkop, MALTA.

Mr. Mario P. Galea *(appointed 6 March 2015)*
35, Triq tal-Mielah, High Ridge, St. Andrews, Swieqi, MALTA.

SECRETARY

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T6F10 Favray Court Tigne Point, Sliema, MALTA

REGISTERED OFFICE

Britannia House/1, 9 Old Bakery Street, Valletta, MALTA

AUDITOR

Ernst & Young Malta Limited
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
MALTA

DIRECTORS AND COMPANY INFORMATION - continued

LEGAL ADVISORS

Dr. Rene Frendo Randon & Associates
222, Merchants Street
Valletta,
MALTA

Camilleri Preziosi Advocates
Level 3, Valletta Buildings
South Street,
Valletta
MALTA

BANKERS

HSBC Bank Malta plc	Bank of Valletta plc
166, Archbishop Street	Republic Street
Valletta VLT 1444	Valletta
MALTA	MALTA

AUDIT COMMITTEE

Dr. Edward Firman, B.A., M.B.A., F.C.M.A., M.B.I.M., C.P.A.
"La Encantada," Mons. E. Debono Street, Kappara, MALTA

Mr. Anthony P. Demajo *(resigned 6 March 2015)*
41, G'Mangia Hill, Pieta, MALTA

Mr. Norbert Tabone
'Jeanor', Triq Nerik Xerri, Kirkop, MALTA

Mr. Mario P. Galea *(appointed 6 March 2015)*
35, Triq tal-Mielah, High Ridge, St. Andrews, Swieqi, MALTA.

BACKGROUND

The Company was formed as the Malta New Issues Investment Co. Limited on 29 April 1963. The Company's name was changed on 11 May 1965 to Malta Shareholdings Limited when the Company was converted to a public company with the objects of carrying on the business of a finance trust in all branches. The name was changed again on 29 September 1978 to Santumas Shareholdings Limited. The Company's objects also provided for property development, with the main property development being the Santumas Estate at Marsascala.

Calpabrin Properties (Investments) Limited merged into Santumas Shareholdings Limited on 2 April 1987 and Marsascala Development Limited and Santumas Contractors Limited merged into Santumas Shareholdings Limited on 15 December 1989.

On 9 May 1996, the Company was licensed as a Collective Investment Scheme under the Investment Services Act, Cap. 370 of the Laws of Malta by the Malta Financial Services Centre. The Company was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 24 December 1997, thereby changing its name to Santumas Shareholdings plc.

On 12 December 2003, the Company's shares were accepted for listing on the Malta Stock Exchange.

On 9 October 2014, the Company surrendered its license as a Collective Investment Scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholding plc was admitted to listing on the Malta Stock Exchange as a Property Company.

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 30 April 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year continued to be the carrying out of investment activities however in the form of a Property Company rather than as a licensed Collective Investment Scheme. As such the Company is no longer subject to control by a Custodian however is obliged to comply with the Code of Principles of Good Governance ("the Code") as contained in Appendix 5.1 to Chapter 5 of the Listing Rules. Although the Code does not prescribe mandatory rules it recommends principles of good practice. Compliance with the Code is considered to be in the best interests of the Company and all shareholders and the Companies activities therefore have been conducted within the outlined principles of good practice .

RESULTS AND DIVIDENDS

The Statement of Comprehensive Income is set out on page 14. The prevailing economic situation in Europe remains weak although there are tentative signs of a return to real growth aided by the quantitative easing programme implemented by the European Central Bank which appears to be producing the necessary spur to growth. Within this scenario the local economy continues to show resilience with annual real growth rates during the period under review in excess of over 3%. This positive performance has been reflected in the local equity market which has seen a rise of 9.17% in the Malta Stock Exchange Index in the year to 30th April 2015. This uplift in the MSE index has produced an increase in the value of the Company's equity portfolio yielding improved unrealised gains for the period under review.

The profit before tax for the year amounted to EUR515,545 (2014: EUR714,569). There was a tax charge of EUR70,543 (2014: EUR145,815). The net profit for the year ended 30 April 2015 was therefore EUR445,002 (2014: EUR568,754).

The Directors do not propose any dividend for the year, however, are proposing for approval at the forthcoming AGM a bonus issue of 1 for every 10 shares held which will be allotted to shareholders on the Company's share register at the close of business on Friday 8th January 2016.

REVIEW OF THE BUSINESS

With a rise in the MSE Index from 3,451.10 as at 30 April 2014 to 3,767.66 as at 30 April 2015 the local equity portfolio has seen an increase of EUR310,026 (2014: EUR134,242) in its fair value.

Dividend and interest income over the twelve months has seen a 15% decrease over the corresponding period due in the main to lower levels of interest available on the Company's term deposits and lower dividend payouts by the larger locally listed Companies . This has in part been compensated for by an increased income from the sale of rights on properties on the Santumas Estate in M'Scala.

Administrative expenses are broadly in line with those of previous years. Total expenses for the period show an increase of EUR66,161 over the previous year due in the main to the non-recurring costs associated with the de-listing and simultaneous re-listing of the Company as a Property Company.

The tax charge for the year amounted to EUR70,543 (2014: EUR145,815). The fall is in part due to a lower reported income and in part due to changes to the taxation rules on capital gains arising on the transfer of immovable property. The Company has recognised the net impact of the application of the changed tax regime on the deferred tax liability attributable to the fair valuation of the Company's property and as a consequence the amount carried forward and accrued for deferred tax has been reduced to EUR322,842 (2014: 362,418).

DIRECTORS' REPORT - continued

PROPERTY

There has been no movement on the property portfolio over the twelve months. The conversion works on the Paceville property have been taken in hand which will allow the premises to be split into two independent commercial outlets. Once the works are complete they will be offered for rent on the open market.

The Company's property holdings were professionally valued on 30th April 2015. The valuation of EUR2,573,700 was consistent with the value as reported on 30th April 2014 there therefore having been no change during the period under review

MALTA STOCK EXCHANGE

In line with previous years, trading in Company shares has been extremely thin throughout the twelve month period under review. As at 30 April 2015, the share price stood at EUR2.00 (2014: EUR2.00) and was at EUR2.00 as at 22 July 2015. Over the year, the share price traded at a high of EUR2.00(2014: EUR2.00) and a low of EUR1.97 (2014:EUR1.60).

NET ASSET VALUE

As at 30 April 2015, the Net Asset Value of the Company per share stood at EUR4.229 as compared to EUR4.383 at 30 April 2014. This fall is a consequence of the capitalisation of reserves during the period which involved a 1 for 10 bonus issue allocated in September 2014 thereby increasing the number of shares in issue to 1,831,716 (2014 : 1,665,176). If the net asset per share in 2014 had to be adjusted for the bonus issue it would have stood at EUR3.985 thus on a like for like basis the period under review has seen a EUR0.244 increase in its value. As in previous years the share price share stands at a significant discount to the net asset value per share (52.70%). There are no objective reasons, other than market sentiment, for this disparity between the NAV and the share price.

DIRECTORS

The directors for the year ended 30 April 2015 were listed on page 2.

DIRECTORS' INTERESTS

As at 30 April 2015, the directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding EUR	Percentage shareholding %
*Mr. P.P. Testaferrata Moroni Viani			
*Mr. C. Testaferrata Moroni Viani	693,243	381,284	37.85
Mr. A. Demajo	125,170	68,844	6.83
Mr. C. Testaferrata Moroni Viani	40,898	22,494	2.23
Mr. P.P. Testaferrata Moroni Viani	8,843	4,864	0.48
Totals	868,154	477,486	47.39

DIRECTORS' REPORT - continued

As at 30 April 2014, the directors' interests, direct and indirect, in the ordinary share capital of the Company were:

Directors	Number of Shares	Nominal value of shareholding EUR	Percentage shareholding %
*Mr. P.P. Testaferrata Moroni Viani			
*Mr. C. Testaferrata Moroni Viani	592,133	344,825	35.56
Mr. A. Demajo	113,790	66,265	6.83
Mr. C. Testaferrata Moroni Viani	37,180	21,652	2.23
Mr. P.P. Testaferrata Moroni Viani	8,039	4,681	0.48
Totals	751,142	437,423	45.10

* The indirect interests of Mr. Peter Paul Testaferrata Moroni Viani and Mr. Christopher Testaferrata Moroni Viani shown above against their joint name arise due to shareholdings in the same companies that directly or indirectly have an interest in the number of shares shown.

No director has a contract of service with the Company. The Company has not entered into any commitments on behalf of, or made any loans to, the directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgments and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements are prepared on the basis that the Company must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting year, irrespective of the date of receipt or payment.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 of the Laws of Malta. They 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.

The directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Company as at 30 April 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company face.

DIRECTORS' REPORT - continued

GOING CONCERN

The Directors, as required by Listing Rule 5.62 have considered the Company's operational performance, the statement of financial position as at year end as well as the business plans for the coming year, and that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis in preparing the financial statements.

INFORMATION PURSUANT TO LISTING RULE 5.64

Share capital information is disclosed in note 15. The issued share capital consists of one class of ordinary shares with equal voting rights attached and freely transferable. The list of shareholders holding 5% or more of the equity share capital is disclosed in this annual report.

Pursuant to the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders (in line also with general and commonly accepted practice in Malta). The appointment/removal of directors requires the majority of the members present at the annual general meeting.

The company cannot issue shares that would dilute substantial interest without the prior consent of the shareholders. The Directors are empowered to wholly allot for cash shares that does not exceed the authorised share capital of the Company.

It is hereby declared that as at 30 April 2015, information required under Listing Rules 5.64.2, 5.64.4, 5.64.5, 5.64.6, 5.64.7, 5.64.10 and 5.64.11 are not applicable to the Company.

AUDITORS

Ernst & Young Malta Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed to the Company at the forthcoming annual general meeting.

RISK WARNING

The Company is not a normal trading, manufacturing or services company but a specialized Property Company whose assets are not immediately realisable. As a consequence, the price of its shares and the income (if any) there from can go down as well as up and investors may not realize the amount of their initial investment. Past performance is no guide to future performance.

The Directors' report was approved by the board of directors and was signed on its behalf by:

Mr. Anthony P. Demajo
Director

Mr. Christopher Testaferrata Moroni Viani
Director

24 August 2015

CORPORATE GOVERNANCE STATEMENT

As a consequence of the listing of the company's securities on the Malta Sock Exchange and the subsequent admission to trading of such securities, the Company is now subject to The Code of Principles of Good Governance ("the Code") applicable to listed companies. The adoption of the Code is not mandatory but listed companies are required under the Listing Rules issued by the Listing Authority to include a Statement of Compliance with the Code in their Annual Report, accompanied by a report of the independent auditor.

The Board has considered the principles embodied in "the Code" and noted "the Code's" recommended practices. During the period under review the Company has been in compliance with "the Code" to the extent that is considered adequate bearing in mind the size and nature of the Company's operations. Instances of divergence from the code are disclosed and explained below.

PRINCIPLE 1-5: BOARD OF DIRECTORS

The Company's Board is composed of five non-executive directors and one independent non-executive director under the Chairmanship of Mr. Anthony P. Demajo. The Board is entrusted with the overall direction and management of the Company, including the establishment of strategies for future development and the approval of any proposed property acquisitions and developments. The Company is a Property Company which does not require a complex management structure, accordingly, the role of the Chairman and the chief executive officer are combined. The Board has indicated Mr. Mario P. Galea as the independent non-executive member.

Its responsibilities also involve the overseeing of the Company's internal control procedures and financial performance, and review of business risks facing the Company, ensuring that these are adequately identified , evaluated , managed and minimised. All directors have access to independent financial advice at the expense of the Company should they require.

During the year under review the Board met four times to discuss the operations and strategy of the Company. The attendance of Directors to the Board meetings is listed below.

Dr. Edward Firman	4
Mr. Peter Paul Testaferrata Moroni Viani	4
Mr. Anthony P. Demajo	2
Mr. Christopher Testaferrata Moroni Viani	3
Mr Norbert Tabone	4
Mr Mario P. Galea	- (appointed in March 2015)

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

The Company ensures that it provides Directors with relevant information to enable them to effectively contribute to Board decisions. All directors have access to independent financial advice at the expense of the Company should they require.

PRINCIPLE 8: BOARD COMMITTEES

Investment Committee

The Investment committee is responsible for overseeing the maintenance, investment and reinvestment of the Company's assets covering both the Company's property holdings and its equity and bond portfolio. Whilst actively managing the securities portfolio, any property investment decisions are referred back to the Board who always take the final decision on any property related matters. The Committee is chaired by Mr. Anthony P. Demajo and has Mr. Christopher Testaferrata Moroni Viani and Mr. Michael Formosa Gauci as members.

CORPORATE GOVERNANCE STATEMENT - continued

PRINCIPLE 8: BOARD COMMITTEES - continued

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 to oversee and review the financial reporting process, financial policies and internal control structure. The Committee also oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management and the auditors. In addition 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, which is composed of one independent non-executive director and two non-executive directors, meets regularly in terms of the "Code". During the year under review Dr. Edward Firman served as Chairman. Dr. Firman was substituted as Chairman by Mr. Mario P. Galea on 6th March 2015. Mr. Anthony P. Demajo and Mr Norbert Tabone served as members whilst Mr. Michael Formosa Gauci acted as secretary to the committee. Mr. Anthony P. Demajo resigned from the Committee on 6th March 2015. As the Company became subject to the code of the Principles of Good Governance in October 2014, the Committee did not meet during the period to 30 April 2015, however, has met on two occasions subsequent to the financial year end.

The Board, in terms of Listing Rule 5.118, has indicated Mr. Mario P. Galea as the independent non-executive member of the audit committee who is considered to be competent in accounting and auditing in view of his considerable experience at a senior level in the audit and advisory field.

PRINCIPLE 9 AND 10: RELATIONS WITH SHAREHOLDERS

The Directors consider that the Board properly serves the legitimate interests of all stakeholders in the Company through representation of the shareholders on the Board. Shareholders are also given the opportunity to ask questions at the AGM or submit written questions in advance The Chairman makes arrangements for the chairmen of the Audit Committee to be available to answer questions, if necessary.

The Board ensures that there is sufficient communication with all stake holders through regular statements on the MSE website and information on areas such as corporate governance and financial statements to be found on the Company website at www.santumasmalta.com.

PRINCIPLE 11: CONFLICTS OF INTEREST

The Directors, members of the Board sub-committee of the Company are or may be involved as directors or shareholders of or consultants to other companies which deal in similar investments as the Company. Should an actual or potential conflict arise during the tenure of the directorship, a Director will disclose and record the conflict in full and in time to the Board of Directors. Such Director will not participate in discussions concerning matters in which he has a conflict of interest unless the Board finds no objection to the presence of such Director. In any event, the Director will refrain from voting on the matter.

The Audit Committee of the Company has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Company and according to law. The independent Non-executive Director on the Audit Committee provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

PRINCIPLE 12: CORPORATE SOCIAL RESPONSIBILITY

The Company seeks to adhere to sound principles of corporate social responsibility by conducting its operations in an ethical manner. The Board is mindful of the environment and its responsibility within the community in which it operates.

CORPORATE GOVERNANCE STATEMENT - continued

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

This information is being provided in terms of Listing Rule 5.97.4.

The Company is a Property company which does not require an elaborate management structure. The Board of Directors is responsible for the day to day management of the Company although certain functions have been delegated to the Company Secretary and the Board sub-committees. The Directors believe that the current organisational structures are adequate for the current activities of the Company. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business.

GENERAL MEETINGS

This information is being provided in terms of Listing Rule 5.97.6.

The manner in which the general meeting is conducted is outlined in Articles of the company's Articles of Association, subject to the provisions of the Companies Act, Cap.386 of the Laws of Malta.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Listing Rules, have the right to attend, participate and vote in the general meeting. A shareholder or shareholders holding not less than 5% in nominal value of all the shares entitled to vote at the general meeting may request the Company to include items on the agenda of a general meeting and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or such persons as the Directors may delegate for that purpose.

NON-COMPLIANCE WITH THE CODE

PRINCIPLE 1-5: BOARD OF DIRECTORS

The Company is a Property company which does not require an elaborate management structure. The Board of Directors is responsible for the day to day management of the Company although certain functions have been delegated to the Company Secretary and the Board sub-committees. The Directors believe that the current organisational structures are adequate for the current activities of the Company. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business.

PRINCIPLE 6: INFORMATION AND PROFESSIONAL DEVELOPMENT

Full adherence by the Company with the provisions of Principle 6 of the Code is not deemed necessary taking into account the size, nature and operations of the Company. The Company does not feel the need to establish and/or implement a succession plan for senior management in light of its existing organisational structures though such structure will be kept under continuous review so as to meet the changing demands of the business.

PRINCIPLE 7: EVALUATION OF THE BOARD'S PERFORMANCE

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role as the Board's performance is always under the scrutiny of the shareholders.

CORPORATE GOVERNANCE STATEMENT – continued

NON-COMPLIANCE WITH THE CODE - continued

PRINCIPLE 8: COMMITTEES

The Company does not have a Remuneration Committee as recommended by Principle 8. The Company does not have any employees other than the Company Secretary and a part time employee engaged to carry out general secretarial duties. In such circumstances it is felt that any remuneration related matters are best dealt with by the Board.

The Company does not have a Nomination Committee as recommended by Principle 8. Appointments to the Board of Directors of the Company are determined by shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the code.

Approved by the Board of Directors on 24th August 2015 and signed on its behalf by:

Mr. Anthony P. Demajo
Company Chairman

Mr. Mario P. Galea
Director and Chairman of Audit Committee

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANTUMAS SHAREHOLDINGS PLC

We have audited the financial statements of Santumas Shareholdings plc ("the Company") set out on pages 14 to 41 which comprise the statement of financial position as at 30 April 2015 and the statement of comprehensive income, statement of changes in equity and statement of 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 described in the statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Act, Cap. 386 of the Laws of Malta, and for such internal control as the Directors determines 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 from 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 for 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 Company as at 30 April 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANTUMAS SHAREHOLDINGS PLC- continued

Report on Corporate Governance

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.

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 consider the implication 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 governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement set out on pages 8 to 11 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

Report on other Legal and Regulatory Requirements

- We also have responsibilities under the Companies Act, Cap. 386 of the Laws of Malta 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.
    - The financial statements are not in agreement with the accounting records.
    - 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 7, 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.

This copy of the audit report has been signed by Shawn Falzon for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

24 August 2015

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 April 2015

	Notes	2015 EUR	2014 EUR
REVENUE			
Investment income	4	**379,202**	360,650
Increase in fair values of financial assets	12	**310,026**	134,242
Increase in fair value of investment properties	10	**-**	327,364
Total revenue		**689,228**	822,256
EXPENSES			
Administrative expenses	6	**173,401**	107,240
Finance costs	5	**282**	447
Total expenses		**173,683**	107,687
Profit before tax		**515,545**	714,569
Income tax expense	8	**(70,543)**	(145,815)
Profit for the year		**445,002**	568,754
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Revaluation of property, net of tax		**-**	1,127
Changes in tax rate		**1,655**	-
Total comprehensive income for the year		**446,657**	569,881
Profit per share	9	**0.2523**	0.3225

The accounting policies and explanatory notes on pages 14 to 41 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 April 2015

	Notes	2015 EUR	2014 EUR
ASSETS			
Non-current assets			
Investment properties	10	**3,090,592**	3,097,200
Property, plant and equipment	11	**91,130**	95,800
Financial assets at fair value through profit or loss	12	**4,404,832**	3,918,368
		7,586,554	7,111,368
Current assets			
Receivables	13	**59,972**	61,608
Income tax recoverable		-	-
Cash at bank	14	**597,179**	681,486
		657,151	743,094
TOTAL ASSETS		**8,243,705**	7,854,462
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	15	**1,007,444**	969,704
Share premium	16	**262,746**	262,746
Revaluation reserve	16	**51,500**	51,213
Other reserves	16	**2,925,789**	2,672,324
Retained earnings	16	**3,498,176**	3,343,011
		7,745,655	7,298,998
Non-current liabilities			
Deferred tax liability	17	**322,842**	362,418
Current liabilities			
Interest-bearing borrowings	18	-	19,491
Payables	19	**169,633**	163,133
Income tax payable		**5,575**	10,422
		175,208	193,046
Total liabilities		**498,050**	555,464
Total equity and liabilities		**8,243,705**	7,854,462
Net asset value per share	20	**4.229**	4.383

The accounting policies and explanatory notes on pages 18 to 41 form an integral part of the financial statements.

The financial statements on pages 14 to 41 were authorised for issue by the Board of Directors on 24 August 2015 and signed on its behalf by:

Mr. Anthony P. Demajo
Director

Mr. Christopher Testaferrata Moroni Viani
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 April 2015

	Issued capital EUR	Share premium EUR	Revaluation reserve EUR	Other reserves EUR	Dividend reserve EUR	Retained earnings EUR	Total EUR
FINANCIAL YEAR ENDED 30 APRIL 2015							
At 1 May 2014	969,704	262,746	51,213	2,672,324	-	3,343,011	7,298,998
Profit for the year	-	-	-	-	-	445,002	445,002
Other comprehensive income	-	-	1,655	-	-	-	1,655
Total comprehensive income	-	-	1,655	-	-	445,002	446,657
Re-domination of shares (Note 15)	(53,857)	-	91,597	-	-	(37,740)	-
Bonus shares (Note 15)	91,597	-	(91,597)	-	-	-	-
Depreciation transfer for land and building, net of tax	-	-	(1,368)	-	-	1,368	-
Changes in tax rates (Note 8)	-	-	-	36,246	-	(36,246)	-
Decrease in fair value of ground rents, net of tax	-	-	-	(5,605)	-	5,605	-
Increase in fair value of financial assets	-	-	-	222,824	-	(222,824)	-
At 30 April 2015	**1,007,444**	**262,746**	**51,500**	**2,925,789**	**-**	**3,498,176**	**7,745,655**
FINANCIAL YEAR ENDED 30 APRIL 2014							
At 1 May 2013	969,704	262,746	51,356	2,288,451	100,000	3,149,339	6,821,596
Profit for the year	-	-	-	-	-	568,754	568,754
Other comprehensive income	-	-	1,127	-	-	-	1,127
Total comprehensive income	-	-	1,127	-	-	568,754	569,881
Equity dividends paid (note 16)	-	-	-	-	(100,000)	-	(100,000)
Unclaimed dividend forfeited (note 19)	-	-	-	-	-	7,521	7,521
Depreciation transfer for land and building, net of deferred tax	-	-	(1,270)	-	-	1,270	-
Increase in fair value of investment property, net of deferred tax	-	-	-	288,321	-	(288,321)	-
Decrease in fair value of ground rents	-	-	-	(240)	-	240	-
Increase in fair value of financial assets	-	-	-	95,792	-	(95,792)	-
At 30 April 2014	**969,704**	**262,746**	**51,213**	**2,672,324**	**-**	**3,343,011**	**7,298,998**

The accounting policies and explanatory notes on pages 18 to 41 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 April 2015

	Notes	2015 EUR	2014 EUR
Operating activities			
Profit before tax		**515,545**	714,569
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation of property, plant and equipment	11	**4,670**	4,638
Increase in fair value of financial assets	12	**(310,026)**	(134,242)
Increase in fair value of investment properties	10	**-**	(327,364)
Finance costs	5	**282**	447
Interest income	4	**(30,290)**	(55,332)
Dividend income	4	**(249,862)**	(275,075)
Working capital adjustments:			
Increase in receivables		**(251)**	(2,686)
Increase in payables		**6,500**	14,578
Income tax refund		**-**	57,158
Income tax paid		**(113,096)**	(107,773)
Net cash flows used in operating activities		**(176,528)**	(111,082)
Investing activities			
Purchase of financial assets		**(176,438)**	(148,500)
Acquisition of investment property	10	**-**	(313,676)
Redemption of ground rents	10	**6,608**	-
Interest income received		**33,326**	55,628
Dividend income received		**248,498**	275,033
Net cash flows from/(used in) investing activities		**111,994**	(131,515)
Financing activities			
Dividend paid		**-**	(100,000)
Interest paid	5	**(282)**	(447)
Net cash flows used in financing activities		**(282)**	(100,447)
Net decrease in cash and cash equivalents		**(64,816)**	(343,044)
Cash and cash equivalents at 1 May		**661,995**	1,005,039
Cash and cash equivalents at 30 April	14	**597,179**	661,995

The accounting policies and explanatory notes on pages 18 to 41 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Santumas Shareholdings PLC (the "Company") is a public limited company incorporated and domiciled in Malta whose shares are publicly traded. The registered office is located at Britannia House /1, 9 Old Bakery Street, Valletta VLT 1450, Malta.

The principal activity of the Company was to carry out investment activities as a Collective Investment Scheme as licensed by the Malta Financial Services Authority.

On 9 October 2014, the Company has surrendered its license as a collective investment scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholding plc was admitted to listing on the Malta Stock Exchange as a Property Company.

2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements are prepared under the historical cost convention, except for leasehold property under property, plant and equipment, investment properties and financial assets at fair value through profit and loss that have been measured at fair value. The financial statements are presented in euros (EUR).

Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year

The Company has adopted the following new and amended IFRS and IFRIC interpretations:

- IFRS 10 - Consolidated financial statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosures of interests in other entities
- IAS 27 Revised - Separate financial statements
- IAS 28 Revised - Investments in associates and joint ventures
- IAS 32 (Amendments) – Financial instruments: Presentation: Offsetting financial assets and financial liabilities
- IAS 36 Amendments – Recoverable Amount Disclosures for Non-Financial assets
- IAS 39 Amendments – Novation of Derivatives and Continuation of Hedge Accounting
- IFRS 10, IFRS 12, and IAS27 (Amendments) Investment Entities
- IFRS 10, IFRS 11, and IFRS 12 (Amendments) Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance
- IFRIC 21 – Levies

The adoption of these standards did not have a material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – continued

Standards, interpretations and amendments to published standards as adopted by the European Union that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Improvements to IFRSs 2010-2012 (effective for financial years beginning on or after 1 July 2014)
- Improvements to IFRSs 2011-2013 (effective for financial years beginning on or after 1 July 2014)
- IAS 19 Amendment – Defined benefit plans: employee contributions (effective for financial years beginning on or after 1 July 2014)

The changes resulting from these standards are not expected to have a material effect on the financial statements of the Company.

Standards, interpretations and amendments that are not yet adopted by the European Union

The following standards, interpretations and amendments have been issued by the IASB but not yet endorsed by the EU:

- IFRS 9 - Financial instruments (effective for financial years beginning on or after 1 January 2018)
- IFRS 14 - Regulatory deferral accounts (effective for financial years beginning on or after 1 January 2016)
- IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortization (effective for financial years on or after 1 January 2016)
- IFRS 11 (Amendments) Accounting for acquisitions of interests in joint operations (effective for financial years on or after 1 January 2016)
- IFRS 15 - Revenue from contracts with customers (effective for financial years beginning on or after 1 January 2017)
- IAS 27 (Amendments) - Equity method in separate financial statements (effective for financial years on or after 1 January 2016)
- IAS 16 and IAS 41 - Bearer Plants (effective for financial years on or after 1 January 2016)
- IFRS 10 and IAS 28 (Amendments) Sale or contributions of assets between an investor and its associate or joint venture (effective for financial years beginning 1 January 2016)
- IFRS 10, IFRS 12 and IAS 28 (Amendments) Investment Entities: Applying the consolidation exception (effective for financial years beginning 1 January 2016)
- IAS 1 (Amendments) Disclosure initiative (effective for financial years beginning 1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle

Except as explained below, the changes resulting from these standards are not expected to have a material effect on the financial statements of the Company:

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES – continued

Standards, interpretations and amendments that are not yet adopted by the European Union – continued

IFRS 9, 'Financial Instruments' introduces a logical approach for the classification of financial assets driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments. As part of IFRS 9 the IASB has introduced a new, expected loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and it lowers the threshold for recognition of full lifetime expected losses. IFRS 9 also introduces a substantially-reformed model for hedge accounting with enhanced disclosures about risk management activity. The new model represents a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities. The standard is effective for periods beginning on or after 1 January 2018. The Company will assess the effect that the standard will have on the financial statements in due course.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is reliably measured. The following specific revenue criteria must also be met before revenue is recognised:

Interest income

Interest income is included in the statement of comprehensive income on an accruals basis using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Investment income

Ground rents and other rents are included in the statement of comprehensive income on an accrual basis.

Dividend income is included in the statement of comprehensive income when the right to receive the payment is established.

Upon disposal of investment properties consisting of land, leasehold property and ground rents capitalised, the difference between the proceeds from disposal and the carrying amount is recognised as a gain or loss through the statement of comprehensive income.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxes - continued

Deferred income tax

Deferred taxation is provided using the liability method, on temporary differences, at the reporting date, arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current assets. Such deferred tax is charged or credited directly to the statement of comprehensive income, and is charged or credited directly to equity if the tax relates to items that are credited or charged in the same or a different period, directly to equity.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

Foreign currency translation

The financial statements are presented in Euro, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year-end date. All differences are taken to the statement of comprehensive income. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fair value measurement

The Company measures financial instruments, such as such as investment properties, leasehold properties under property and equipment and financial assets at fair value through profit or loss at fair value at each balance sheet date.

Fair value 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are Categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is unobservable

For assets that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of investment properties and leasehold properties at least every two years.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investment properties consisting of land, buildings and leasehold property

Investment properties, consisting of properties not occupied by the Company and held to earn rentals and for capital appreciation, are regarded as long term investments. All investments are measured initially at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the year-end date. This is based on market valuations performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date. Gains or losses on changes in the fair values of investment properties are taken to the statement of comprehensive income in accordance with IAS 40 "Investment Properties". Unrealised gains are subsequently transferred to other reserves in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

Investment properties consisting of ground rents capitalised

On 30 April 1990, the directors capitalised ground rent. The value of this asset was included with long term assets with a resultant increase in the capitalisation reserve included within other reserves. Up to 30 April 2001, ground rents were revalued in the financial statements after capitalising the net annual amount receivable at 8% per annum. As from the year ended 30 April 2002, the capitalisation rate was changed to 5% per annum. The capitalisation rate reflects the fair value of the capitalised ground rent.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Leasehold property is subsequently measured at revalued amount, being its fair value at the date of revaluation less depreciation and impairment. All other property, plant and equipment, are subsequently stated at cost amounts less accumulated depreciation and accumulated impairment in value, if any.

Leasehold premises consists of property that is occupied by the Company as its offices.

It is Company policy to carry out a professional market valuation of leasehold every two years which is frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. To the extent that a revaluation results in an increase in the carrying amount of the asset, the increase is credited to the revaluation reserve within equity. To the extent that a revaluation results in a decrease in the carrying amount of the asset, the decrease is charged against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; any excess of the decrease is taken to the statement of comprehensive income. The accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Depreciation of property, plant and equipment

Depreciation is provided on property, plant and equipment, other than leasehold property, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight line basis over the expected useful life.

The annual rates used for this purpose are:

	%
Fixtures and fittings	15.0
Equipment	33.3
Improvements to premises	10.0

Depreciation is provided on leasehold property to write off the valuation on a straight line basis over the remaining period of the lease.

Each year, the difference between the depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost, is transferred from the revaluation reserve to retained earnings.

Impairment of non-financial assets

The Company assesses at each reporting date whether there are indications of impairment for all non-financial assets. If any such amount exists, or when impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. The Company classifies its financial assets as fair value through profit or loss and loans and receivables. The Company does not hold financial assets classified as held-to-maturity and available-for-sale.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

The Company assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments and other financial assets - continued

Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Receivables are recognized and carried at cost.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost 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 (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS – continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of financial assets - continued

In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Cash and cash equivalents

Cash and cash equivalents are composed of cash at bank and short term deposits. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is currently 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.

Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date," that is, the date the Company commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made.

Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Borrowing costs

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

Employee benefits

The Company contributes towards the State pension in accordance with local legislation. Short-term employee benefit obligations are measured on undiscounted basis and recognised as an expense in the statement of comprehensive income in the period they are incurred.

Events after the reporting date

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Adjusting events require the Company to adjust the amounts recognised in its financial statements while non-adjusting events do not require any adjustments to the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – continued

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the directors are required to make judgments, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known. The most significant judgements and estimates are as follows:

Revaluation of property, plant and equipment and fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. In addition, it measures land and buildings, including leasehold properties, at revalued amounts with changes in fair value being recognised in other comprehensive income. This is based on market valuations performed by independent professional architects at least every two years. In a year when market valuations are not performed by the independent professional architect, an assessment of the fair value of investment properties consisting of land and building is performed to reflect market conditions at the year-end date.

The last market valuation was performed in April 2014 and the Company recognised fair values of investment properties and revaluations of property, plant and equipment (notes 10 and 11).

In the opinion of the management, except for the above, the accounting estimates, assumptions and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised)-'Presentation of Financial Statements'.

4. INVESTMENT INCOME

	2015 EUR	2014 EUR
Dividends income	**249,862**	275,075
Interest income	**30,290**	55,332
Ground rents	**28,759**	30,243
Other income	**70,291**	-
	379,202	360,650

Other income includes income from the sale of rights on properties.

5. FINANCE COSTS

	2015 EUR	2014 EUR
Interest on bank overdrafts	**282**	447

NOTES TO THE FINANCIAL STATEMENTS - continued

6. EXPENSES BY NATURE

	2015 EUR	2014 EUR
Staff costs (note 7a)	**38,762**	38,205
Auditor's remuneration	**12,144**	14,154
Depreciation of property, plant and equipment (note 11)	**4,670**	4,638
Registration fees	**8,319**	8,045
Custodian fees	**3,483**	6,988
Professional and legal fees (note i)	**77,867**	13,795
Other administrative expenses	**28,156**	21,415
Total administrative expenses	**173,401**	107,240

i. Professional fees include costs relating to the surrender of the collective investment scheme (CIS) licence, the de-listing from a CIS and listing as a property company.

Professional fees included remuneration payable to the Company's auditors as follows:

	2015 EUR	2014 EUR
Tax compliance	**858**	856
Other non-audit services	**5,328**	413

7. EMPLOYEE INFORMATION

a. Staff costs

The total employment costs were as follows:

	2015 EUR	2014 EUR
Salaries	**36,297**	35,756
Social security costs	**2,465**	2,449
	38,762	38,205

b. Staff numbers

The average number of persons employed by the Company during the year was as follows:

	2015 Number	2014 Number
Administration	**2**	2

NOTES TO THE FINANCIAL STATEMENTS - continued

8. INCOME TAX EXPENSE

The components of income tax expense for the years ended 30 April are:

	2015 EUR	2014 EUR
Income tax expense		
Current income tax charge	**108,249**	106,826
Deferred tax charge (note 17)	**(37,706)**	38,989
Income tax expense	**70,543**	145,815

The income tax on profit differs from the theoretical income tax expense that would apply on the Company's profit before tax using the applicable tax rate in Malta of 35% (2014: 35%) as follows:

	2015 EUR	2014 EUR
Profit before tax	**515,545**	714,569
Theoretical tax expense at 35%	**180,441**	250,099
Tax effect of		
- income subject to lower tax rate	**(22,159)**	(82,499)
- gains not subject to tax	**(109,520)**	(46,985)
- expenses not deductible for tax purposes	**60,651**	28,929
- investment income not subject to further tax	**(2,624)**	(3,729)
- changes in tax rates	**(36,246)**	-
Income tax expense	**70,543**	145,815

As at 30 April 2015, a different tax treatment on the transfer of immovable property started to be applied. The system consisting of both a 12% final withholding tax on the transfer value and 35% tax on the profit or gain was replaced by one final withholding tax of 8%/10% on the value of the property transferred.

NOTES TO THE FINANCIAL STATEMENTS – continued

9. PROFIT PER SHARE

The profit per share of EUR0.2523 (2014: EUR0.3225) is calculated on the profit for the year attributable to the ordinary shareholders, divided by the average number of ordinary shares in issue and ranking for dividend during the year.

	2015 EUR	2014 EUR
Profit for the year	**445,002**	568,754

	2015 Number	2014 Number*
Average number of ordinary shares in issue	**1,763,731**	1,763,731

	2015 EUR	2014 EUR
Profit per share	**0.2523**	0.3225

* The average number of ordinary shares and the profit per share were revised in line with the increase in share capital by way of a bonus issue (note 15).

10. INVESTMENT PROPERTIES

	Land and buildings EUR	**Ground rents capitalisation EUR**	**Total EUR**
At 30 April 2013	1,836,586	619,574	2,456,160
Addition	313,676	-	313,676
Changes in fair value	327,638	(274)	327,364
At 30 April 2014	2,477,900	619,300	3,097,200
Redemptions	-	(6,608)	(6,608)
At 30 April 2015	**2,477,900**	**612,692**	**3,090,592**

Land and Buildings include leasehold properties with a carrying amount of EUR63k. Leasehold property is classified as investment properties when the property is held for capital appreciation and for which a market exists.

NOTES TO THE FINANCIAL STATEMENTS – continued

10. INVESTMENT PROPERTIES - CONTINUED

a. Land and building

Fair value

An independent valuation of the Company's investment property land and buildings was performed by valuers to determine the fair value as at 30 April 2014. The fair value movements were credited to profit and loss and subsequently transferred to other reserves under equity. As at 30 April 2015, management also assessed whether there are any significant changes to the significant inputs of the valuation.

The Company's investment property land and buildings consists mainly of plots of land with a carrying amount of EUR2,075,100 together with other commercial buildings with a carrying amount of EUR402,800. The investment property has been categorised to fall within level 2 of the fair valuation hierarchy. The different levels in the fair value hierarchy have been defined in Note 12.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year. For all properties, their current use equates to the highest and best use.

Valuation techniques and inputs

For level 2 fair value of the investment property land and buildings, the valuation was determined primarily by the comparable method together with the capitalisation method which are based on directly or indirectly observable inputs which do not require a significant level of adjustments.

	Comparable method EUR 2015	Capitalisation method EUR 2015	Total EUR 2015
Plots of land	2,075,100	-	2,075,100
Commercial buildings	62,800	340,000	402,800
	2,137,900	**340,000**	**2,477,900**

Comparable method:	
Market prices	based on database of valuations and sales of properties in the relevant area;
Capitalisation method:	
Future rental cash inflows	based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;
Capitalisation rates	based on actual location, size and quality of the properties and taking into account market data at the valuation date.

b. Ground rents

Ground rents on property are received annually into perpetuity. Property, on which ground rent is receivable, may also have ground rent payable. Ground rent income relates to ground rent capitalisation.

These ground rents are redeemable and the ground rent capitalisation represents the redemption amount. The valuation of ground rents is determined by the capitalisation method, as explained for land and buildings. The capitalisation rate is however determined by reference to local legislation.

NOTES TO THE FINANCIAL STATEMENTS - continued

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and improvements EUR	Fixtures fittings & equipment EUR	Total EUR
Cost or valuation			
At 1 May 2013	109,043	35,479	144,522
Revaluation	1,280	-	1,280
Transfer*	(2,089)	-	(2,089)
At 30 April 2014/2015	**108,234**	**35,479**	**143,713**
Depreciation			
At 1 May 2013	9,885	35,479	45,364
Charge for the year	4,638	-	4,638
Transfer*	(2,089)	-	(2,089)
At 30 April 2014	12,434	35,479	47,913
Charge for the year	4,670	-	4,670
At 30 April 2015	**17,104**	**35,479**	**52,583**
Net book value			
At 30 April 2015	**91,130**	**-**	**91,130**
At 30 April 2014	95,800	-	95,800

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Leasehold buildings were acquired in the financial year ended 30 April 1993 at a cost of EUR34,097. The remaining life of the lease is 39 years. The Company uses the revaluation model for leasehold buildings.

These leasehold buildings were last revalued in April 2014 at EUR95,800. An independent valuation of the leasehold buildings was performed by same valuers for investment property land and building. The valuation for this commercial building was determined by the comparable method. It has been categorised to fall within level 2 of the fair valuation hierarchy. There were no transfers between levels during the year. The different levels in the fair value hierarchy have been defined in Note 12.

Had leasehold buildings not been included in the financial statements at revaluation less accumulated depreciation, the carrying amount at 30 April 2015, based on cost less accumulated depreciation charged on cost, would have been EUR21,033 (2014: EUR21,601).

Fully depreciated fixtures, fittings and equipment are still in use.

NOTES TO THE FINANCIAL STATEMENTS - continued

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss is made up of financial assets designated as such upon initial recognition. This designation results in more relevant information because this group of financial assets is managed and its performance is evaluated on a fair value basis.

	2015 EUR	2014 EUR
Non-current	**4,404,832**	3,918,368

The table below analyses the nature of the financial assets:

	2015 EUR	2014 EUR
Equity securities	**2,477,507**	1,987,449
Bonds	**550,680**	471,108
Managed funds	**1,376,645**	1,459,811
	4,404,832	3,918,368

a) Fair values:

	2015 EUR	2014 EUR
Local		
Quoted on the Malta Stock Exchange	**4,373,050**	3,888,929
Unquoted	**31,782**	29,439
	4,404,832	3,918,368

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
Fair value as at 30 April 2015	**4,404,832**	**2,996,405**	**1,376,645**	**31,782**
Fair value as at 30 April 2014	3,918,368	3,888,929	-	29,439

Included with the financial assets classified as Level 2, is a Professional Investor Fund, the price of which started being quoted annually as from October 2014. Observable inputs that may otherwise be a Level 1 input will be rendered Level 2 if the information relates to a market that is not active. Accordingly, this investment was transferred from Level 1 in the fair value hierarchy to Level 2 in 2015.

NOTES TO THE FINANCIAL STATEMENTS - continued

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - continued

The fair value of financial assets classified as level 3 was determined by reference to the net asset value of Companies. During the year the company recognised fair value gains of EUR2,342 (2013: EUR587) with respect to financial assets classified as Level 3 in the fair value hierarchy. No dividend income was received during 2015 and 2014 from these investments. There were no movements in the holding of these investments during 2015 and 2014.

b) Acquisition cost:

	2015 EUR	2014 EUR
Local		
Quoted on the Malta Stock Exchange	**4,073,903**	3,897,466
Unquoted	**16,894**	16,894
	4,090,797	3,914,360

c) Fair values movements:

	2015 EUR	2014 EUR
Local		
Quoted on the Malta Stock Exchange	**307,684**	133,655
Unquoted	**2,342**	587
	310,026	134,242

13. RECEIVABLES

	2015 EUR	2014 EUR
Ground rent receivables (note i)	**28,751**	27,542
Dividends receivable	**17,840**	16,476
Accrued income	**2,675**	5,711
Other receivables	**10,706**	11,879
	59,972	61,608

i. Ground rents are received annually and are non-interest bearing. Ground rents receivable are past due but not impaired. The ageing analysis is as follows:

		Past due but not impaired			
Total		**<1 year**	**1-2 years**	**2-5 years**	**>5 years**
2015	**28,751**	**5,634**	**3,849**	**13,491**	**5,777**
2014	27,542	7,849	4,437	9,327	5,929

NOTES TO THE FINANCIAL STATEMENTS – continued

14. CASH AND CASH EQUIVALENTS

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

	2015 EUR	2014 EUR
Cash at bank	597,179	681,486
Bank overdrafts (note 18)	-	(19,491)
	597,179	661,995

15. SHARE CAPITAL

	2015 EUR	2014 EUR
Authorised		
4,235,222 (April 2014: 4,000,000) ordinary shares of EUR0.55 (April 2014: EUR0,582343) each	2,329,372	2,329,372
Issued, called up and fully paid		
1,831,716 (April 2014: 1,665,176) ordinary shares of EUR0.55 (April 2014: EUR0.58.2343) each	1,007,444	969,704

On 24 September 2014, the shareholders resolved to approve the re-denomination of the nominal value of the share capital from EUR0.582343 to EUR0.55 per share resulting in a reduction in share capital of EUR53,857. The company also issued 166,540 ordinary shares of EUR0.55 by way of a bonus issue resulting in an increase of EUR91,597.

16. RESERVES

Share premium

The share premium account represents the excess over the nominal value of proceeds from the issue of shares in the Company's capital at a value above nominal value. This reserve is not available for distribution.

Revaluation reserve

This reserve arises from the revaluation of leasehold property. This reserve is not available for distribution.

Other reserves

Other reserves represent unrealised gains on investment properties, and fair value gains on financial assets that are not available for distribution.

NOTES TO THE FINANCIAL STATEMENTS - continued

16. RESERVES - continued

Retained earnings

In accordance with the Company's articles of association applicable until 9 October 2014, unclaimed dividends shall be forfeited in favour of the Company after the lapse of twelve years. Unclaimed dividends that have been forfeited are being transferred to retained earnings.

Dividend reserve

The dividend reserve represents dividends proposed which have not been recognised as a liability as at 30 April 2013. Total dividend reserve was, however, fully paid to shareholders as at 30 April 2014.

The Directors propose a bonus issue of 1 share for every 10 shares held at the nominal value of EUR0.55 each amounting to EUR100,744.

17. DEFERRED TAX LIABILITY

The liability for deferred taxation for the year is analysed as follows:

	2015 EUR	2014 EUR
At beginning of the year	**362,418**	323,275
Charged to statement of comprehensive income (note 8)	**(37,706)**	38,989
Charged to statement of changes in equity	**(1,870)**	154
At end of year	**322,842**	362,418

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35%, capital gains tax of 10% or 8% (2014: 12%), and withholding tax of 15%. Deferred income tax as at 30 April relates to the following:

	2015 EUR	2014 EUR
Revaluation of leasehold property	**8,059**	9,929
Fair value of investment properties	**314,382**	351,632
Interest receivable	**401**	857
	322,842	362,418

As at 30 April 2015, a different tax treatment on the transfer of immovable property started to be applied. The system consisting of both a 12% final withholding tax on the transfer value and 35% tax on the profit or gain was replaced by one final withholding tax of 8% or 10% on the value of the property transferred.

NOTES TO THE FINANCIAL STATEMENTS – continued

18. INTEREST-BEARING BORROWINGS

	2015 EUR	2014 EUR
Bank overdraft (note 14)	-	19,491

As at end of April 2014, the Company had a bank overdraft facility amounting to EUR427,000 for the purposes of working capital finance, including portfolio investment, and small autonomous disbursements. The bank finance was secured by a cash pledge of EUR444,580 held with the same bank. Upon the surrender of the Collective Investment Scheme license, the company did not renew the banking facility.

Interest was charged at the rate of 1.25% per annum over the banks' base rate. The average rates of interest on the Company's borrowings were 3.5%

19. PAYABLES

	2015 EUR	2014 EUR
Ground rent payables (note i & note ii)	93,665	88,006
Accruals and deferred income	18,017	17,174
Other payables (note ii)	57,951	57,953
	169,633	163,133

i. Ground rents are paid annually and are non-interest bearing. Ground rents are settled upon receipt of claim.

ii. Ground rents payables and other payables are repayable on demand.

20. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue. During the year under review, the net asset value per share has decreased from EUR4.383 to EUR4.229. The reduction was the result of the issue of shares by way of bonus issue (note 15). If the net asset value per share in 2014 had to be adjusted for the bonus issue, it would have stood at EUR3.985.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities are composed of interest-bearing borrowings payables and payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as financial assets at fair value through profit and loss, receivables and cash at bank, which arise directly from its operations.

The Company did not enter into derivative transactions. It is, and has been throughout the year, the Company's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (which is composed of foreign exchange currency risk, interest rate risk and equity price risk). The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

NOTES TO THE FINANCIAL STATEMENTS - continued

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from investments classified as fair value through profit or loss, receivables and deposits with banks.

The Company trades only with recognised and creditworthy third parties. Credit risk relating to financial assets is addressed through careful selection of the issuers of securities bought by the Company. The Company obtains expert technical advice from its stockbrokers and monitors the markets for changes in the credit status of companies in which securities are held.

The maximum exposure to credit risk at the reporting date is the carrying value of bonds as disclosed in notes 12 and each class of financial assets as disclosed in notes 13 and 14. The directors are of the opinion that these amounts are recoverable in full. Cash at bank are placed with quality financial institutions. Other than ground rents receivable, mentioned in the following paragraph, none of the financial assets are neither past due nor impaired. Therefore, the Company has no significant concentration of credit risk.

No provisions have been made against ground rent receivables since the Company is entitled to enforce these amounts on the basis of contracts on which the property giving rise to the ground rents is available as a security.

The Company's exposure to concentration of risk as at 30 April 2015, arising from financial instruments exceeding 10% of the Net Asset Value of the Company with the same counterparty, amounted to EUR1,376,645 (17.8% of NAV) and EUR1,312,046 (16.9% of NAV) and EUR980,413 (12.7% of NAV). As at 30 April 2014 these exposures amounted to EUR1,459,811 (20.0% of NAV) and EUR1,108,901 (15.2% of NAV) and EUR1,025,779 (14.1% of NAV).

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial liabilities and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings and payables.

Market risk

Market risk is the risk that the fair value of financial assets will fluctuate due to changes in the market variables such as exchange rates, interest rates and equity prices.

Foreign exchange currency risk

The Company has sterling denominated cash in bank equivalent to EUR2,643 (2014: EUR2,334) and transactional currency exposures arising from its US dollar denominated financial assets at fair value through profit or loss with a carrying amount equivalent EUR53,572 (2014: EUR43,401). The Company monitors movements in the currencies in which these assets are held although they do not significantly affect the Company's statement of financial position.

Interest rate risk

The bank overdrafts are subject to rates of interest determined by the banks, which may be revised at the banks' discretion depending on movements in banks' base rates. The Company's favourable bank balances earn interest at rates determined by the banks. In view of the Company's marginal net cash and cash equivalents, the amount of interest rates risk is not considered to be significant.

NOTES TO THE FINANCIAL STATEMENTS - continued

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Market risk - continued

Interest rate risk - continued

The Company's financial assets are not significantly influenced by changes in interest rates since most holdings are equity and managed funds. A reasonably possible change in interest rates is not expected to have a significant effect on the fair value of fixed interest rate bonds.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks.

The effect on the statement of comprehensive income (as a result of a change in the fair value of equity instruments held at fair value through profit or loss at 30 April) due to a reasonably possible change in the Malta Stock Exchange index, with all other variables held constant is as follows:

	Change in equity price %	Effect on profit before tax EUR'000
2015	**4/-4**	**176/-176**
2014	3/-3	134/-134

Fair value measurement

At 30 April 2015 and 2014, the carrying amounts of receivables, cash at bank, interest-bearing borrowings and payables approximated their fair values. These are measured using a level 2 valuation technique. Refer to Notes 10, 11 and 12 for fair value techniques and the following fair value measurement hierarchy of investment property, property plant and equipment, and financial assets at fair value through profit or loss.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year ended 30 April 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS - continued

22. SHAREHOLDINGS

2015

a. Substantial direct interests

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	649,696	357,333	35.5%
Mr. Anthony Demajo	125,170	68,844	6.8%
Archdiocese of Malta	120,846	66,465	6.6%
Ms. Fabrizia Frendo Randon	95,888	52,738	5.2%
	991,600	545,380	54.1%

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	76	32.2%	17,572	1.0%
501 - 1,000	35	14.8%	24,608	1.3%
1,001 - 5,000	87	36.9%	189,594	10.4%
5,001 and over	38	16.1%	1,599,942	87.3%
	236	100%	1,831,716	100%

2014

a. Substantial direct interests

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury plc	590,633	343,951	35.5%
The heirs of Mr. I. J. Burridge	109,860	63,976	6.6%
One Sixth (Investments) Limited	96,665	56,292	5.8%
Ms. Fabrizia Frendo Randon	87,171	50,763	5.2%
	884,329	514,982	53.1%

Size of Shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	83	34.3%	19,458	1.2%
501 - 1,000	41	16.9%	32,012	1.9%
1,001 - 5,000	84	34.7%	194,155	11.7%
5,001 and over	34	14.1%	1,419,551	85.2%
	242	100.0%	1,665,176	100.0%

NOTES TO THE FINANCIAL STATEMENTS - continued

23. RELATED PARTY TRANSACTIONS

The Company did not enter into any material transactions with related parties.

24. CONTINGENT LIABILITY

The Company has received a notice from the Commissioner of Inland Revenue pursuant to the exemption order of 4 September 2010, in which notice it is allegedly indicated that a tax balance of EUR155,156 is due. According to the Company's records, the amount claimed is under dispute in its entirety.

SUPPLEMENTARY STATEMENTS

SANTUMAS SHAREHOLDINGS PLC
Supplementary Statements for the year ended 30 April 2015

Statement I

OPERATING ACCOUNT

	2015 EUR	2014 EUR
INVESTMENT INCOME		
Dividends income	**249,862**	275,075
Interest income	**30,290**	55,332
Ground rents	**28,759**	30,243
Other interest and income	**70,291**	-
	379,202	360,650
ADMINISTRATIVE EXPENSES		
Salary and NI contribution	**38,762**	38,205
Loss on exchange	**(188)**	(7,179)
MFSA Collective Investment Scheme fees	**3,000**	2,500
Custodian fees	**3,483**	6,988
Malta Stock Exchange costs	**4,119**	4,345
Advertising and promotional expenses	**6,070**	6,974
Telecommunications	**2,337**	2,028
Water and electricity	**1,630**	1,211
Stationery and postages	**2,730**	2,444
Insurances	**380**	316
Professional and legal fees	**77,867**	13,795
Auditor's remuneration	**12,144**	14,154
Travelling expenses	**6,448**	6,318
Computer operating and leasing expenses	**1,080**	2,040
Annual registration fee	**1,200**	1,200
Sundry expenses	**7,669**	7,263
Depreciation of property, plant and equipment	**4,670**	4,638
	(173,401)	(107,240)
FINANCE COSTS	**(282)**	(447)
OPERATING PROFIT	**205,519**	252,963

INVESTMENTS

LOCAL QUOTED

Banks
Bank of Valletta Plc
HSBC Bank Malta Plc
FIMBank Plc

Investment funds
Amalgamated Investments Sicav Plc

Government
Malta Government Stocks

Telecommunications
Loqus Holdings Plc
GO Plc

Breweries and beverages
Simonds Farsons Cisk Plc

Insurance
Middlesea Insurance Plc

Marina services
Grand Harbour Marina Plc

Airlines and airports
Malta Int. Airport Plc

Postal services
MaltaPost Plc

LOCAL UNQUOTED

Investment funds
The Malta Development Fund Limited

Insurance
Citadel Insurance Plc

ANALYSIS OF COMPANY PORTFOLIO

	2015 Market value EUR	2015 % of total	2014 Market value EUR	2014 % of total	2013 Market value EUR	2013 % of total
FINANCIAL ASSETS						
Included under Financial assets at fair value through profit and loss						
Banks	**1,748,853**	**23.05**	1,496,594	21.04	1,507,325	24.35
Investment funds	**1,392,985**	**18.36**	1,476,151	20.76	1,389,878	22.45
Government stocks	**343,090**	**4.63**	270,000	3.80	156,550	2.53
Telecommunication services	**351,001**	**4.52**	247,149	3.48	196,867	3.18
Breweries and beverages	**109,113**	**1.44**	98,218	1.38	84,224	1.36
Insurance	**180,141**	**2.37**	139,999	1.97	133,924	2.16
Marine Services	**13,300**	**0.18**	12,740	0.18	13,020	0.21
Airlines and airports	**207,600**	**2.74**	134,520	1.89	115,200	1.86
Postal services	**58,749**	**0.77**	42,997	0.60	38,638	0.62
Total financial assets	**4,404,832**	**58.06**	3,918,368	55.10	3,635,626	58.72
PROPERTY						
Included under Investment Properties and Property, plant and equipment						
Development land	**1,966,700**	**25.92**	1,966,700	27.66	1,361,928	22.0
Land	**448,400**	**5.91**	448,400	6.31	417,205	6.74
Leasehold properties	**62,800**	**0.83**	62,800	0.88	57,453	0.93
Ground rents	**612,692**	**8.08**	619,300	8.71	619,574	10.01
Office	**91,098**	**1.20**	95,800	1.34	99,158	1.60
Total property	**3,181,690**	**41.94**	3,193,000	44.90	2,555,318	41.28
TOTAL PORTFOLIO	**7,586,522**	**100**	7,111,368	100.00	6,190,944	100.0

	2015 % of total	2014 % of total	2013 % of total
GEOGRAPHICAL DISTRIBUTION OF FINANCIAL ASSETS			
Malta	**100.00**	100.00	100.00

FIVE YEAR STATEMENTS
FOR THE YEARS ENDED 30 APRIL 2011 TO 30 APRIL 2015

INCOME STATEMENTS

	2015 EUR	2014 EUR	2013 EUR	2012 EUR	2011 EUR
Investments and similar income	**379,202**	360,650	242,586	256,626	226,959
Profit/(loss) before taxation	**517,200**	714,569	593,175	(202,336)	21,611
Taxation	**(70,543)**	(145,815)	(78,200)	(88,349)	(77,575)
Profit/(loss) for the year	**446,657**	568,754	514,975	(290,685)	(55,964)

STATEMENTS OF FINANCIAL POSITION

	2015 EUR	2014 EUR	2013 EUR	2012 EUR	2011 EUR
Non-current assets					
Investment properties	**3,090,592**	3,097,200	2,456,160	2,429,086	2,349,529
Property, plant and equipment	**91,130**	95,800	99,158	93,313	97,693
Financial assets at fair value through profit and loss	**4,404,832**	3,918,368	3,635,626	2,416,066	2,394,537
	7,586,554	7,111,368	6,190,944	4,938,465	4,841,759
Current assets					
Financial assets at fair value through profit and loss	**-**	-	-	-	-
Other current assets	**657,151**	743,094	1,125,253	2,125,486	2,206,383
	657,151	743,094	1,125,253	2,125,486	2,206,383
Current liabilities	**(175,208)**	(193,046)	(171,326)	(458,157)	(167,961)
Net current assets	**481,943**	550,048	953,927	1,667,329	2,038,422
Non-current liabilities	**(322,842)**	(362,418)	(323,275)	(318,825)	(310,201)
Total equity	**7,745,655**	7,298,998	6,821,596	6,286,969	6,569,980

FIVE YEAR KEY FIGURES AND RATIOS FOR THE YEARS ENDED 30 APRIL 2011 TO 30 APRIL 2015

KEY FIGURES AND RATIOS

	2015	2014	2013	2012	2011
Average number of shares in issue[1]	1,763,731	1,665,176	1,665,176	1,665,176	1,665,176
Earnings / (loss) per share (cents)[2]	25.32	34.16	30.93	(17.5)	(3.40)
Return on capital employed (%)[3]	5.77	7.79	7.55	(4.62)	(0.85)
Dividend cover (times)[4]	-	-	-	-	(0.73)
Net asset value per share (EUR)[5]	4.23	4.38	4.10	3.78	3.95

Notes

1 Actual number of shares in issue.
2 Earnings per share is computed by dividing the profit/(loss) for the year by the average number of shares in issue.
3 Return on capital employed is calculated by dividing the profit/(loss) for the year by the shareholders' funds at the end of the year.
4 Dividend cover is calculated by dividing the profit/(loss) for the year by the gross dividends for the year.
5 Net asset value per share is computed by dividing the net assets by the average number of shares in issue.