EDEN LEISURE GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31st DECEMBER 2018

Company No. C- 4529

EDEN LEISURE GROUP LIMITED

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EDEN LEISURE GROUP LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2018

The directors of Eden Leisure Group Limited present their report, together with the audited financial statements of the Group and Company for the year ended 31st December 2018.

Principal Activities

The Group is Malta's leading operator in the Leisure and Hospitality industry. The establishments owned and operated by the Group include Eden Cinemas, Eden SuperBowl, Cynergi Health & Fitness Club, 89.7 Bay (Radio), InterContinental Arena Conference Centre and the Eden Car Park. The Group owns two hotel properties, the largest five star property in Malta, the InterContinental Malta and the Holiday Inn Express, both of which are operated by InterContinental Hotels Group.

Review of Business and Financial Position

In 2018 Group revenues grew by 13% reaching €41m and operating Profit increasing by 21% to €7.9m.
The Hospitality segment contributed the biggest growth with the first full year of the Holiday Inn Express which opened in late September 2017. The new hotel complemented the hospitality portfolio and increased the number of rooms under management to 645. This superior 3-star hotel has been received very well and has performed according to budget.

The InterContinental Malta performed on a similar level to 2017 and on par with the industry average which overall saw an increase in average rate for the 5star sector increasing by 8% and occupancy declining by 2%. As a result the InterContinental Malta similarly saw an increase in revenue by 2% and a slight decline of 2% in EBTDA affected by a slight increase in costs in particularly labour costs.

The Entertainment segment performed significantly above budget and against 2017 with an increase in revenue of 21% over 2017 to €10m. All business units showed growth well into the double digits Cynergi Health and Fitness Club continued to perform well and hit new records on member enrolment and service standards. This on the back of the significant investment in new equipment in 2017 which has yielded a particularly attractive ROI. Cinema saw its best year in a decade with top blockbusters performing very well. 89.7 Bay also had a great year with a 35% improvement in profitability and its status as the most listened to station continued to be confirmed throughout the year through independent surveys conducted by the Broadcasting Authority. The Eden SuperBowl also continued growing with significant improvements in revenue and GOP.

The Group's investment into Esports continued throughout 2018. Throughout the year efforts continued both on local, as well as international initiatives which have placed us in a more attractive position to start to monetize on the investment. Several online international tournaments were hosted with a significant audience and the year culminated with Eden Esports's SuperNova event at the Arena, an event that brought over 8 international teams, was broadcast in 7 languages, and generated over 9.2 million unique viewers. This final event consolidated our push into this field and has set the company up as a veritable player in the Esports space.

The Group's interest cover this year stood at 5.7 times.

The statement of profit or loss and other comprehensive income is set out on page 8.

Investments

The Group stepped up its investment into the InterContinental Malta hotel product through an aggressive refurbishment programme of its rooms, bathrooms and corridors. The project which was originally planned to be completed over a 4 year project was sped up and will be completed in 2 years nearing completion by the end of 2019. Ongoing improvements and upgrades to the hotel's F&B outlets continued throughout the year.

Outlook
Tourism in Malta continued to perform well in 2018 although a clear flattening in the growth of room occupancy in the 5 star sector has become apparent. Average Room Rate however countered the slight loss in occupancy for the sector and is expected to continue into 2019. The three star and four star sector showed growth in both occupancy and rate and we expect that positive trend to positively affect our Holiday Inn Express property in 2019 which is its second full year of operation.

In the longer term however it is not clear if tourism will continue to grow at a rate that will maintain the levels of profitability in the five star sector. As competing destinations in the southern Mediterranean regain strength and popularity, the Maltese hotel sector will see a staggering growth in rooms over the next few years, should planning applications develop into hotels. Along with this is the as yet under regulated likes of private accommodation on Air BnB and Booking.com which pose a threat to legitimate hotels as it distorts the competitive playing field. Despite this, it is expected that existing hotels that are well capitalised and are operated by international brands or teams of experienced operators will continue to operate profitably.

The Entertainment sector is expected to continue growing throughout 2019 on the back of strong economic growth for the country and higher than usual consumerism and consumption. All areas are projecting growth for the year and to date this appears to be in line with expectations.

The Esports business unit is expected to increase its activities significantly in 2019 and is predicting to breakeven this year.
The overall outlook for the Group in 2019 is very positive in terms of revenue and profitability.
Refurbishment plans in the InterContinental and in the Eden Cinemas are ongoing throughout 2019 and will result in a longer life for the product and more competitively going forward.

The Group is actively looking at opportunities for further investment particularly in its areas of competence however also in other areas which can yield synergies with existing businesses.

Going Concern
The directors reviewed the Group's and the Company's operational budgets and cash flow forecasts. In light of the current financial position and the existing banking facilities, the directors confirm that they have a reasonable expectation that the Group and the Company have adequate resources to continue in operation for the foreseeable future.

Reserves
The movements on reserves are set out in the statement of changes in equity.

Board of Directors
The directors of the Company who held office during the year were:
Ian De Cesare (Chairman and Non-Executive Director of the Board)
Kevin De Cesare (Executive Director)
Simon De Cesare (Executive Director) resigned on 5 January 2018
David Vella (Executive Director) resigned on 5 January 2018
Kevin De Cesare Jr. (Executive Director) resigned on 5 January 2018
Paul Mercieca (Non-Executive Director) appointed on 5 January 2018
Victor Spiteri (Non-Executive Director) appointed on 5 January 2018
David Zahra (Company Secretary) appointed 29 January 2018

Audit Committee
While there is no Audit Committee officially set up for the Group, it was resolved by the Board of Directors that the Audit Committee of the publicly listed Eden Finance plc would take a wider responsibility for the Group's activities as a whole. This Audit Committee is made up of only external directors and has performed this dual role since 2016.

Remuneration Committee
The committee was setup on 5th January 2018 and its main function is to propose the appointment and the remuneration of senior management of the Group. The members of the committee are Paul Mercieca acting as Chairman and Victor Spiteri as member.

Principle Risks and Uncertainties
The Group's corporate and operational performance is subject to a number of external factors which are common to the hotel industry and beyond the Group's control.

The Group is exposed to various risks arising through the use of financial instruments including market risk, credit risk and liquidity risk, which result from both its operating activities and investing activities. The most significant financial risks as well as an explanation of the risk management policies employed by the Group are included in Note 30 of the financial statements.

Post balance sheet events
With effect from 1st January 2019 the Group divested itself from the Intellectual Property and rights associated with the brands,' Cynergi' and 'Bay', to a newly formed company EIP Limited owned equally by the founding members of the Group Ian De Cesare and Kevin De Cesare for a value of €8.6m. At the same time EIP Limited licensed the brands to Eden Entertainment Limited for the sole and exclusive use of the marks.

Corporate Social Responsibility
In 2018, the Group focussed its CSR efforts on environmental issues. In the beginning of the year, the group organised a nation-wide environmental awareness building campaign, Making Malta Green & Clean. The campaign's aim was to encourage people to take pride and look after their locality and country. The multi-media campaign was heavily promoted on both radio and online – urging residents, community groups, schools and businesses to take action to make their neighbourhoods a cleaner and greener place to live or visit.

In summer the company launched its Green Committee, a voluntary group of employees who work on initiatives to make the company's practices more environmentally friendly as well as organise activities for the employees and beyond which help the environment. Projects undertaken include a proper recycling programme; procedures to decrease paper usage; fund raising activities; radio and online campaigns; innovations for energy saving; a company-wide 'green' newsletter and other activities.

The company participated in the European Week for Waste Reduction in November where it organised the sand-sifting of the whole of Golden Bay, recruiting employees, NGOs and the general public to rid the sand of plastic. Various other activities plus a radio campaign took place at the same time to re-inforce the message to Reduce, Reuse and Recycle. This initiative was awarded the best 'Clean-up awareness campaign' and nominated for the 'Most Innovative Hazardous Waste Initiative Category and 'Best Business Practice Category'

Environmental Responsibility
The Group is fully aware of its obligation to preserve the environment and has in place a number of policies aimed at respecting the environment and reducing waste including a proper recycling programme; converting lighting to LED; paper reduction through new paperless practices and replacement of diesel delivery vehicle with electric.

During 2018 the Group generated 66,825kwh in electricity from its own solar panel installations equating to around 3% of the Group's overall electricity requirement.

Employees
The Group puts its employees as the top most valuable resource. Every year the Group prepares an extensive training programme for its employees including brand awareness, customer service, problem handling, fire, life & safety, first aid, food handling, hospitality skills and product knowledge.

Performance appraisals are done on an annual basis, out of which personal development plans are derived, with particular emphasis on High Performing individuals. Development initiatives vary but mainly focus on aspects of driving results and leadership. One key training initiative that targets this aspect is a six months programme based on six key leadership competencies.

Directors' responsibilities
The directors are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of the profit or loss for the year then ended.

In preparing the financial statements, the directors should:-

- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business as a going concern;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386), enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Group and of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors
A resolution to reappoint VCA Certified Public Accountants as auditors of the Company will be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on the 30 April 2019 and signed on its behalf by:

Mr. Ian De Cesare
Chairman of the Board

Mr. Kevin De Cesare
Managing Director

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDEN LEISURE GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eden Leisure Group Limited, set out on pages 8 to 51, which comprise the Group's and the Company's statement of financial position as at 31 December 2018, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act (Cap. 386), enacted in Malta.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover this information, including the directors' report. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDEN LEISURE GROUP LIMITED

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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EDEN LEISURE GROUP LIMITED

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

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

Report on Other Legal and Regulatory Requirements
Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

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

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

This copy of the audit report has been signed by:
MICHAEL CURMI
for and on behalf of
VCA CERTIFIED PUBLIC ACCOUNTANTS

30 April 2019

EDEN LEISURE GROUP LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	Group		Company	
		2018	*2017 (re-stated)*	**2018**	*2017 (re-stated)*
		€	*€*	**€**	*€*
Revenue	4	**41,041,241**	*36,325,749*	**12,129,313**	*10,024,558*
Costs					
Direct costs	8	**(17,903,545)**	*(15,971,524)*	**-**	*-*
Other operating expenses	8	**(6,806,888)**	*(6,280,171)*	**(227,379)**	*(220,903)*
		(24,710,433)	*(22,251,695)*	**(227,379)**	*(220,903)*
Gross profit		**16,330,808**	*14,074,054*	**11,901,934**	*9,803,655*
Other operating income	6	**868,247**	*728,823*	**868,247**	*728,823*
Administrative expenses	8	**(5,128,479)**	*(4,363,946)*	**(774,306)**	*(1,008,414)*
Depreciation and amortisation		**(4,181,882)**	*(3,928,618)*	**(4,072,639)**	*(3,822,207)*
Operating profit		**7,888,694**	*6,510,313*	**7,923,236**	*5,701,857*
Share of losses in associates		**(450)**	*(521)*	**-**	*-*
Gain on financial instruments designated at fair value through profit or loss		**12,500**	*126,873*	**12,500**	*126,873*
Finance costs	7	**(2,124,651)**	*(2,339,529)*	**(2,204,651)**	*(2,401,038)*
Fair value gains on investment property	13	**5,000,000**	*-*	**5,000,000**	*-*
Loss on sale of fixed assets		**(130,335)**	*(20,286)*	**(130,335)**	*(20,286)*
		2,757,064	*(2,233,463)*	**2,677,514**	*(2,294,451)*
Profit before taxation		**10,645,758**	*4,276,850*	**10,600,750**	*3,407,406*
Tax (expense)/ income	10	**(2,108,716)**	*(259,360)*	**(2,110,274)**	*66,084*
Profit for the year		**8,537,042**	*4,017,490*	**8,490,476**	*3,473,490*
Other comprehensive income					
Revaluation surplus net of deferred tax	25	**7,163,370**	-	**7,078,370**	-
Other comprehensive income for the year, net of tax		**7,163,370**	-	**7,078,370**	-
Total comprehensive income for the year		**15,700,412**	*4,017,490*	**15,568,846**	*3,473,490*
Attributable to:					
Equity holders of the company		**15,748,821**	*4,018,665*	**15,568,846**	*3,473,490*
Minority interest		**(48,409)**	*(1,175)*	**-**	*-*
		15,700,412	*4,017,490*	**15,568,846**	*3,473,490*

EDEN LEISURE GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2018

	Notes	Group		Company	
		2018	*2017 (re-stated)*	**2018**	*2017 (re-stated)*
ASSETS		**€**	*€*	**€**	*€*
Non-current assets					
Intangible assets	12	**2,340**	*4,680*	**2,340**	*4,680*
Property, plant and equipment	12	**154,842,947**	*147,529,518*	**148,034,650**	*140,716,895*
Investment property	14	**17,200,000**	*12,200,000*	**17,200,000**	*12,200,000*
Investment in subsidiaries	15	**-**	*-*	**2,575,950**	*2,575,950*
Investment in associates and joint ventures	14	**719,093**	*719,544*	**575,048**	*575,048*
Trade and other receivables	16	**720,924**	*798,318*	**720,924**	*798,318*
		173,485,304	*161,252,060*	**169,108,912**	*156,870,891*
Current assets					
Inventories	17	**2,195,837**	*2,105,192*	**1,881,849**	*1,858,875*
Trade and other receivables	16	**3,846,405**	*3,133,013*	**7,522,468**	*6,875,121*
Other financial assets at amortised costs	18	**150,000**	*430,000*	**150,000**	*430,000*
Financial instruments at fair value through profit or loss	19	**512,500**	*-*	**512,500**	*-*
Cash at bank and in hand		**5,526,620**	*4,177,020*	**2,966,220**	*1,410,307*
		12,231,362	*9,845,225*	**13,033,037**	*10,574,303*
Total Assets		**185,716,666**	*171,097,285*	**182,141,949**	*167,445,194*

EDEN LEISURE GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2018

	Notes	Group		Company	
		2018	*2017 (re-stated)*	**2018**	*2017 (re-stated)*
		€	*€*	**€**	*€*
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**60,000,000**	*60,000,000*	**60,000,000**	*60,000,000*
Revaluation reserve	25	**33,558,948**	*26,395,578*	**30,453,543**	*23,375,173*
Fair value gain reserve	26	**4,989,734**	*489,734*	**4,989,734**	*489,734*
Retained earnings		**5,011,165**	*4,437,750*	**12,186,743**	*11,708,303*
Total Equity attributable to holders of the company		**103,559,847**	*91,323,062*	**107,630,020**	*95,573,210*
Non-controlling interest		**(49,224)**	*(815)*	-	-
Total Equity		**103,510,623**	*91,322,247*	**107,630,020**	*95,573,210*
Non-current liabilities					
Trade and other payables	21	**816,316**	*1,380,267*	**384,614**	*423,076*
Borrowings	23	**51,567,061**	*53,298,473*	**51,567,061**	*53,298,473*
Deferred tax liabilities	20	**14,542,685**	*10,829,205*	**13,889,623**	*10,177,715*
		66,926,062	*65,507,945*	**65,841,298**	*63,899,264*
Current liabilities					
Trade and other payables	21	**12,955,232**	*11,507,976*	**6,348,511**	*5,213,603*
Current income tax liability	22	**49,502**	*2,141*	**46,874**	*2,141*
Borrowings	23	**2,275,246**	*2,756,976*	**2,275,246**	*2,756,976*
		15,279,980	*14,267,093*	**8,670,631**	*7,972,720*
Total Liabilities		**82,206,043**	*79,775,038*	**74,511,929**	*71,871,984*
Total Equity and Liabilities		**185,716,666**	*171,097,285*	**182,141,949**	*167,445,194*

These financial statements were approved and authorised for issue by the Board of Directors on the 30 April 2019 and signed on its behalf by:-

Mr. Ian De Cesare - ***Chairman***

Mr. Kevin De Cesare - ***Managing Director***

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2018

Group

	Share Capital	Revaluation Reserve (*re-stated*)	Fair value gains reserve	Retained earnings	Total	Non-Controlling Interest	Total
	€	€	€	€	€	€	€
Balance at 31st December 2016	**60,000,000**	**26,395,578**	**489,734**	**5,734,582**	**92,619,894**	**-**	**92,619,894**
Profit for the year	-	-	-	*4,018,665*	*4,018,665*	*(1,175)*	*4,017,490*
Dividends	-	-	-	*(5,315,497)*	*(5,315,497)*	-	*(5,315,497)*
Issue of share capital	-	-	-	-	-	*360*	*360*
Balance at 31st December 2017	**60,000,000**	**26,395,578**	**489,734**	**4,437,750**	**91,323,062**	**(815)**	**91,322,247**
Profit for the year	-	-	-	8,585,451	8,585,451	(48,409)	8,537,042
Revaluation surplus net of deferred tax	-	7,163,370	-	-	7,163,370	-	7,163,370
Net transfers of FV gains on IP	-	-	4,500,000	(4,500,000)	-	-	-
Dividends	-	-	-	(3,512,036)	(3,512,036)	-	(3,512,036)
Balance at 31st December 2018	**60,000,000**	**33,558,948**	**4,989,734**	**5,011,165**	**103,559,847**	**(49,224)**	**103,510,623**

Company

	Share Capital	Revaluation Reserve (*re-stated*)	Fair value gains reserve	Retained earnings	Total
	€	€	€	€	€
Balance at 31st December 2016	**60,000,000**	**23,375,173**	**489,734**	**11,708,303**	**95,573,210**
Profit for the year	-	-	-	3,473,490	3,473,490
Dividends	-	-	-	(5,315,497)	(5,315,497)
Balance at 31st December 2017	**60,000,000**	**23,375,173**	**489,734**	**11,708,303**	**95,573,210**
Profit for the year	-	-	-	8,490,476	8,490,476
Revaluation surplus net of deferred tax	-	7,078,370	-	-	7,078,370
Net transfers of FV gains on IP	-	-	4,500,000	(4,500,000)	-
Dividends	-	-	-	(3,512,036)	(3,512,036)
Balance at 31st December 2018	**60,000,000**	**30,453,543**	**4,989,734**	**12,186,743**	**107,630,020**

EDEN LEISURE GROUP LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Note	Group		Company	
		2018	*2017 (re-stated)*	**2018**	*2017 (re-stated)*
		€	*€*	**€**	*€*
Cashflow from operating activities					
Profit before taxation		**10,645,758**	*4,276,850*	**10,600,750**	*2,299,927*
Adjustments for:					
Depreciation and amortisation		**4,181,882**	*3,928,618*	**4,072,639**	*4,929,686*
Finance costs		**2,077,525**	*2,167,353*	**2,157,525**	*2,228,862*
Amortisation of finance issue costs		**47,126**	*172,176*	**47,126**	*172,176*
Loss on disposal of fixed assets		**130,335**	*20,286*	**130,335**	*20,286*
Fair value movement in financial instruments		**(12,500)**	*(126,873)*	**(12,500)**	*(126,873)*
Movement in provision for doubtful debts		**12,458**	*(9,718)*	**-**	*-*
Movement in share of assets in associates		**450**	*521*	**-**	*-*
Difference on exchange		**(319)**	*(7,145)*	**(319)**	*(9,524)*
Fair value movement on investment property		**(5,000,000)**	*-*	**(5,000,000)**	*-*
Operating profit before working capital changes		**12,082,715**	*10,422,068*	**11,995,556**	*9,514,540*
Movement in stocks		**(90,645)**	*(301,518)*	**(22,974)**	*(243,817)*
Movement in receivables / Group company balances		**(648,456)**	*186,367*	**(661,563)**	*(2,328,171)*
Movement in payables / advance deposits		**876,892**	*533,089*	**1,181,640**	*(481,969)*
Cash generated from operations		**12,220,506**	*10,840,006*	**12,492,659**	*6,460,583*
Interest paid		**(2,089,735)**	*(2,289,322)*	**(2,169,735)**	*(2,274,491)*
Income tax paid		**(30,835)**	*(25,260)*	**(30,835)**	*(25,260)*
Net cash flows from operating activities		**10,099,936**	*8,525,424*	**10,292,089**	*4,160,832*
Cashflow from investing activities					
Payments to acquire tangible fixed assets		**(2,776,976)**	*(5,932,146)*	**(2,762,816)**	*(5,932,146)*
Payments to acquire investments		**(500,000)**	*-*	**(500,000)**	*(840)*
Amounts received from other related undertakings		**280,000**	*300,000*	**280,000**	*300,000*
Net cash flows used in investing activities		**(2,996,976)**	*(5,632,146)*	**(2,982,816)**	*(5,632,986)*
Cashflow from financing activities					
Repayment of bank borrowings		**(2,260,268)**	*(15,565,441)*	**(2,260,268)**	*(15,133,201)*
Cash issue of shares		**-**	*360*	**-**	*-*
Debt securities in issue		**-**	*25,544,742*	**-**	*25,688,069*
Dividends		**(3,512,036)**	*(6,315,497)*	**(3,512,036)**	*(6,315,497)*
Receipts from distributor agreement		**-**	*703,918*	**-**	*-*
Movement in other related party balances		**18,944**	*13,409*	**18,944**	*13,409*
Net cash flows from financing activities		**(5,753,360)**	*4,381,491*	**(5,753,360)**	*4,252,780*
Net movement in cash and cash equivalents		**1,349,600**	*7,274,769*	**1,555,913**	*2,780,626*
Cash and cash equivalents at the beginning of the year		**4,177,020**	*(3,097,749)*	**1,410,307**	*(1,370,319)*
Cash and cash equivalents at the end of the year	28	**5,526,620**	*4,177,020*	**2,966,220**	*1,410,307*

1. **Basis of preparation**

The financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with the requirements of the Companies Act, 1995.

These financial statements have been prepared under the historical cost convention as modified by the fair valuation of the non-current asset categories of property, plant and equipment and investment property.

The Entertainment segment performed significantly above budget and against 2017 with an increase in revenue of 21% over 2017 to €10m. All business units showed growth well into the double digits Cynergi Health and Fitness Club continued to perform well and hit new records on member enrolment and service standards. This on the back of the significant investment in new equipment in 2017 which has yielded a particularly attractive ROI. Cinema saw its best year in a decade with top blockbusters performing very well. 89.7 Bay also had a great year with a 35% improvement in profitability and its status as the most listened to station continued to be confirmed throughout the year through independent surveys conducted by the Broadcasting Authority. The Eden SuperBowl also continued growing with significant improvements in revenue and GOP.

The Hospitality segment contributed the biggest growth with the first full year of the Holiday Inn Express which opened in late September 2017. The new hotel complemented the hospitality portfolio and increased the number of rooms under management to 645. This superior 3-star hotel has been received very well and has performed according to budget.

The Esports business continued throughout 2018. Throughout the year efforts continued both on local, as well as international initiatives which have placed us in a more attractive position to start to monetize on the investment. Several online international tournaments were hosted with a significant audience and the year culminated with Eden Esports's SuperNova event at the Arena, an event that brought over 8 international teams, was broadcast in 7 languages, and generated over 9.2 million unique viewers..

The Entertainment sector is expected to continue growing throughout 2019 on the back of strong economic growth for the country and higher than usual consumerism and consumption. All areas are projecting growth for the year and to date this appears to be in line with expectations.

The Esports business unit is expected to increase its activities significantly in 2019 and is predicting to breakeven this year. The overall outlook for the Group in 2019 is very positive in terms of revenue and profitability.
Refurbishment plans in the InterContinental and in the Eden Cinemas are ongoing throughout 2019 and will result in a longer life for the product and more competitively going forward.

The directors are satisfied that the Group has sufficient funds in order to meet its commitments in the foreseeable future and it is therefore appropriate to continue to adopt the going concern assumption in the preparation of these financial statements. These financial statements do not include any adjustments should the above strategies not materialise.

Standards, interpretations and amendments to published standards effective in 2018
In 2018, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2018. Other than changing its accounting policies for financial instruments as a result of adopting IFRS 9 'Financial Instruments', the adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's accounting policies.

IFRS 9 – Financial Instruments
The transitional requirements of IFRS 9 adopted on 1 January 2018, the date of the initial application of the standard, resulted in a change in the accounting policies related to the classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The Group has taken advantage of the exemption in IFRS 9 allowing it not to restate comparative information for prior periods with respect to classification and measurement, impairment changes and hedge accounting.

1. Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2018 (continued)

i) Hedge Accounting
The Group does not designate any of its assets, liabilities and other items in a hedge relationship for accounting purposes and accordingly the change introduced by IFRS 9 in this respect does not affect these financial statements.

ii) Classification and measurement of financial assets under IFRS 9
Financial assets are required to be classified into three measurements categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit and loss (FVPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

In accordance with the transitional provisions of IFRS 9, the Group and the Company assessed the business model in which the financial assets are held on the basis of the facts and circumstances at 1 January 2018 and the resulting classification is being applied retrospectively irrespective of the Company's business model in prior reporting periods. Accordingly, there was no change in the carrying amount of these instruments at 1 January 2018 as a result of the new classification in terms of IFRS 9.

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

Group

	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39 and new carrying amount under IFRS 9
			€
Loans and receivables	Loans and receivables	Financial asset measured at amortised Cost	430,000
Trade and other receivables	Loans and receivables	Financial asset measured at amortised Cost	3,931,331
Cash and cash equivalents	Loans and receivables	Financial asset measured at amortised Cost	4,177,020

Company

	Original measurement category under IAS 39	**New measurement category under IFRS 9**	**Original carrying amount under IAS 39 and new carrying amount under IFRS 9**
			€
Loans and receivables	Loans and receivables	Financial asset measured at amortised Cost	430,000
Trade and other receivables	Loans and receivables	Financial asset measured at amortised Cost	7,673,439
Cash and cash equivalents	Loans and receivables	Financial asset measured at amortised Cost	1,410,307

1. Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2018 (continued)

iii) Classification and measurement of financial liabilities under IFRS 9
The Group and the Company do not designate any of its financial liabilities at fair value through profit and loss upon initial recognition and accordingly the change introduced by IFRS 9 in this respect does not affect these financial statements.

The table below illustrates the classification and measurement of financial liabilities under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

Group

	Original measurement category under IAS 39	**New measurement category under IFRS 9**	**Original carrying amount under IAS 39 and new carrying amount under IFRS 9**
			€
Trade and other payables	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	12,888,243
Bank loans	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	15,495,290
Debt Securities	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	39,560,159
Third party loans	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	1,000,000

Company

	Original measurement category under IAS 39	**New measurement category under IFRS 9**	**Original carrying amount under IAS 39 and new carrying amount under IFRS 9**
			€
Trade and other payables	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	5,636,679
Bank loans	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	15,495,290
Related company loans	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	39,560,159
Third party loans	Financial liabilities measured at amortised cost	Financial liabilities measured at amortised cost	1,000,000

1. Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in 2018 (continued)

IFRS 15 – Revenue from Contracts with customers
IFRS 15 – 'Revenue from Contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 introduces a five-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. IFRS 15 supersedes the following revenue standards and interpretations upon its effective date: IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

After taking into consideration the nature of the Group's and Company's contracts with customers, it was concluded that the transition of IFRS 15 has not had a significant impact on the financial position and financial performance of the Group and the Company and no adjustments were made to the results.

Standards, interpretations and amendments to published standards that are not yet effective
Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1st January 2019. The Group has not early adopted these revisions to the requirements of IFRS's as adopted by the EU and the Company's directors are of the opinion that with the exception of IFRS 16 'Leases' there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

IFRS 16 – Leases
IFRS 16 'Leases' has an effective date for annual periods beginning on or after 1 January 2019. IFRS 16 results in lessees accounting for most leases within the scope of the standard in a manner similar to the way in which finance leases are currently accounted for under International Accounting Standard ('IAS') 17 'Leases'. Lessees will recognise a right of use ('ROU') asset and a corresponding financial liability on the balance sheet. The asset will be amortised over the length of the lease, and the financial liability measured at amortised cost. Lessor accounting remains substantially the same as under IAS 17. The Group will apply the standard from its mandatory adoption date of 1 January 2019 and will apply the modified transition approach. As a result, the Group will not restate comparative amounts for the prior year to first adoption. Under this approach, the lease liability is measured at the present value of the remaining lease payments as at 1 January 2019, which the directors have estimated to amount to €1,529,180. Right of Use assets at that date will be measured at an amount equivalent to this lease liability, adjusted for any prepaid or accrued operating lease expenses with no adjustment to equity.

The adoption of IFRS 16 will also result in the replacement of operating lease rental expenditure by amortisation of the right-of-use asset, and an interest cost on the lease liability. On the basis of the lease arrangements in place at 1 January 2019, the directors estimate that rental costs of €134,843 for the year ending 31 December 2019 will be replaced by a notional interest charge that is estimated to be approximately €60,988 and an annual amortisation charge of €93,098. This will therefore result in a decrease in profits of approximately €19,243 for the year ending 31 December 2019.

Rental payments under IFRS 16 are allocated between interest payments and reduction in the lease liability, with a corresponding impact on the Group's statement of cashflows. The Group's policy is to present interest payments as operating cashflows. Accordingly, lease payments of €134,843 for the year ending 31 December 2019, representing rental payments allocated to a reduction in the lease liability, will be reported as a financing cashflow instead of an operating cashflow.

1. **Basis of preparation (continued)**

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

IAS 12 – 'Income Taxes'
An amendment to IAS 12 was issued in December 2017 as part of the annual improvement cycle. The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. The amendment is effective for annual periods beginning on or after 1 January 2019. The implication of this standard is not expected to have a material impact on the Group and Company results.

2. **Principal accounting policies**

A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of consolidation

(i) Subsidiaries
A subsidiary is an entity that is controlled by the company. The company controls an investee when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group financial statements include the financial statements of the parent Company and all its subsidiaries. The results of the subsidiaries acquired or disposed of during the period are included in the Group statement of profit or loss and other comprehensive income from the date of their acquisition or up to date of their disposal.

In the Company financial statements investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

(ii) Associates
An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's share of profits of associates is included in the Group statement of profit or loss and other comprehensive income, whilst the Group's share of post acquisition reserves is added to the cost of the investments in the Group statement of financial position. The Group's share of losses in associates is only included in the Group's financial statements up to the par value of the shares held by the investing Company in the associates. The financial results of associates are taken from the latest audited financial statements.

In the Company financial statements investments in associates are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

(iii) Joint ventures
A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

2. Principal accounting policies

Basis of consolidation (continued)

(iii) Joint ventures (continued)

The Group's share of profits of the joint ventures is included in the Group statement of profit or loss and other comprehensive income, whilst the Group's share of post-acquisition reserves is added to the cost of the investments in the Group statement of financial position. The Group's share of losses in jointly controlled entities is only included in the Group's financial statements up to the par value of the shares held by the investing Company in the jointly controlled entity. The financial results of jointly controlled entities are taken from the latest audited financial statements.

In the Company financial statements investments in associates are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

(iv) Eliminations on consolidation

Intra-Group balances and transactions, and any unrealised gains arising from the intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprise, against the investment in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant & equipment

Property, plant and equipment are initially measured at cost and subsequently, property is stated at market value, based on valuations by external independent valuers, less depreciation. Revaluations are carried out at regular intervals, but at least every five years, unless the directors consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not defer materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and equipment are stated at historical cost less depreciation. Assets in the course of construction for production, supply or administrative purposes are classified as property, plant and equipment under development and are carried at cost, less any identified impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy on borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for use.
Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Any revaluation increase arising on the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus unless it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset. Every year, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings. When the asset is derecognised, the attributable revaluation remaining in the revaluation surplus is transferred to retained earnings.

Property, plant & equipment (continued)

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

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

Land	0%
Freehold buildings	2%
Motor vehicles	20%
Furniture, fixtures and fittings	10%
Computer equipment	25%
Equipment	7%-20%
Other fixed assets	7%

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property comprises freehold and leasehold land and buildings, and land and buildings held under long term operating leases.

Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of the reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise. Fair value is based on active market prices, adjusted, if necessary, for difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discontinued cash flow projections.
These valuations are reviewed periodically by the Group directors.

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

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit loss account during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and is stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

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

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

Financial instruments
In the comparative information provided in these financial statements continues to be accounted for in accordance with the Group's previous year accounting policy.

Financial assets – Accounting policy applied as from 1 January 2018
The Group's financial assets are measured in their entirety at either amortised cost or FVTPL.

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

Regular way purchases or sales of financial assets are recognised and derecognised on trade date.

The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis. The information considered includes: (a) the stated policies and objectives for the portfolio and the operation of those policies in practice; (b) how the performance of the portfolio is evaluated and reported to the Company's management; (c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; (d) how managers of the business are compensated; and (e) the frequency, value and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Group's accounting policy on ECLs. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss. On derecognition, any difference between the carrying amount and the consideration received is recognised in profit or loss and is presented separately in the line item 'Gains and losses arising from the derecognition of financial assets measured at amortised cost'.

Financial assets measured at FVTPL

Debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets measured at FVTPL are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses including foreign exchange gains and losses, recognised in profit or loss.

Financial instruments (continued)
Financial liabilities – Accounting policy applied as from 1 January 2018 (continued)
Financial liabilities
The Group recognizes a financial liability on its statement of financial position when it becomes a party to the contractual provision of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss. These financial liabilities are recognized initially at fair value, being the fair value of consideration received, net of transactions costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognizes a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

Financial Instruments – Accounting policy applied until 31 December 2017
Financial assets and financial liabilities are recognized when the Group companies become a party to contractual provisions of the instrument. Financial assets and financial liabilities are initially recognized at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when the Group companies have a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

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

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when the Group companies have a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

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

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

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

(i) Investments
The company's investments are classified into the following categories – financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the company may not recover substantially all of its initial investment other than because of credit deterioration.

(ii) Trade and other receivables
As from 1 January 2018:
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in policy 'Impairment of financial assets'.

(ii) Trade and other receivables (continued)
Until 31 December 2017:
Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

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

(iv) Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method, unless the effect of discounting is immaterial.

Borrowings are classified as current liabilities unless the companies within the Group have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

(v) Ordinary shares issued by the Company
Ordinary shares issued by the Company are classified as equity instruments.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which stocks can be sold in the course of business less anticipated costs of selling. Provision is made where necessary for obsolete, slow moving and defective stocks.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

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

Impairment of financial assets
In terms of IFRS 9, the Group and Company applies an ECL model as opposed to an incurred credit loss model under IAS 39. As from 1 January 2018 the Group and the Company has to assess on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. In accordance with the transitional provisions of IFRS 9, where possible, the Group and Company used reasonable and supportable information that was available without undue cost or effort to determine the credit risk of the debt instruments at the date these were initially recognised and compared that to the credit risk at 1 January 2018.

For trade and other receivables, the Group and Company applies the simplified approach and recognises lifetime ECL. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience based on the past due status of the debtors, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The impact on the Group and the Company of this change in the impairment model is not significant in view of the high quality of the counterparties to which the Group and Company is exposed to credit risk, and the loss allowance is not material.

For all other financial instruments, the Company uses the general approach. The credit risk on the financial instrument has not increased significantly since initial recognition and consequently the Group and the Company measures the loss allowance at an amount equal to 12-month ECL ('12m ECL'). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Impairment of non financial assets
All non-financial assets are tested for impairment except for investment property measured at fair value. At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated. Impairment losses are recognized immediately in the income statement, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts where applicable. Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Group and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognized:

- Sales from operations of the hotel and entertainment establishments are recognised upon the performance of services and supply of goods, net of sales taxes and discounts.
- Rental income relating to operating leases is recognised as it accrues, unless collectability is in doubt.
- Finance income is recognised as it accrued, on a time-proportion basis using the effective interest method, unless collectability is in doubt.

Borrowing costs

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

Operating leases

(i) Where a Group company is a lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

(ii) Where a Group company is a lessor

Assets leased out under operating leases are included in investment property in the balance sheet. These assets are fair valued annually on a basis consistent with similarly owned investment property.

Taxation

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

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

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

Under this method the Group companies are required to make a provision for deferred income taxes on the revaluation of certain fixed assets. Such deferred tax is charged or credited directly to the revaluation reserve. Deferred income tax on the difference between the actual depreciation on the property and the equivalent depreciation based on the historical cost of the property is realised through the income statement.

Under this method the Group companies are required to make a provision for deferred income taxes of the fair valuation of investment property.

Taxation (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for unused tax losses and unused tax credits carried forward, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted by the balance sheet date. Deferred tax assets and liabilities are offset when the Group companies have a legally enforceable right to settle its current tax assets and liabilities on a net basis.

Currency translation

The financial statements of the Group and of the Company are presented in their functional currency, the Euro, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period.

Segment reporting

A business segment is a Group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segmental reporting is restricted when it is considered arbitrary or difficult to segment an entities assets and liabilities.

Related parties

Related parties are those persons or bodies of persons having relationships with the Company as defined in International Accounting Standard No. 24.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the period in which they are declared.

Government grants

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants related to income are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Such grants are presented as part of profit or loss.

Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised as income over the life of the depreciable asset by way of a reduced depreciation charge.

3. Critical accounting estimates and judgements

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

In the opinion of the Group's directors, except as follows, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1 (revised).

Fair value of property, plant and equipment

Determining the fair value of property, plant and equipment requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of property, plant and equipment of the Group at the end of the reporting period was €154,842,947 (2017: €147,529,518 *re-stated*).

Expected credit loss allowances on loans and advances

Credit loss allowance represent management's best estimate of expected credit losses in the financial assets subject to IFRS 9 impairment requirements at the balance sheet date. In this respect the directors are required to exercise judgement in defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. The Group and Company use the PD, LGD and EAD models in assessing loans and receivable and the provision matrix model for trade receivables to support the measurement of ECL. Under both methods the ECL were deemed to be immaterial and hence no adjustments were made to these financial statements.

4. Restatement of error – change in classification

The Group and the Company revalued its land and buildings in the years 2008, 2012, 2015 and 2016. These revaluations were allocated between land and buildings with most of the increase in value being allocated to the buildings. During the current financial year, the directors have re-assessed the allocation of the valuation between land and buildings and have reclassification an amount of €66,044,298 for the group and €62,979,108 for the company, from buildings to land.

The reclassification is being applied retrospectively, and the comparative financial statements for 2017 have been restated.

The Group and the Company had last revalued its land and buildings in 2016. On revaluation the depreciation incurred on buildings till 31 December 2016 had been eliminated against the gross carrying amount of the asset. Also, every year the additional depreciation incurred on the revalued buildings was being transferred from the revaluation surplus to retained earnings in line with the accounting policy. Therefore, the reclassification from buildings to land does not have an effect on the statement of financial position of the Group or the Company for the year ended 31 December 2016.

The Group's and the Company's accounting policy for property, plant and equipment applies a 2% depreciation charge on buildings and 0% depreciation on land. The reclassification has therefore resulted in a decrease in depreciation charge in the year 2018 of €1,160,793 (2017: €1,160,793) for the Group, and €1,107,479 (2017: €1,107,479) for the Company.

The effect of the reclassification on the statement of financial position of 2017 is tabulated below

	Group	Company
	€	€
Property, plant and equipment NBV as previously presented	146,368,725	139,609,416
Reduction in depreciation charge	1,160,793	1,107,479
Property, plant and equipment NBV as restated	**147,529,518**	**140,716,895**

	Group	Company
	€	€
Revaluation reserve as previously presented	25,234,785	22,267,267
Reduction in depreciation charge	1,160,793	1,107,479
Property, plant and equipment NBV as restated	**26,395,578**	**23,375,173**

5. Business segments

For management purposes the Group is organised in two operating divisions – hospitality, entertainment and other related operations. These divisions are the basis of which the Group reports its primary segment information.

2018	**Entertainment & other related operations**	**Hospitality operations**	**Total**
	€	**€**	**€**
Revenue	*10,385,214*	*31,033,718*	**41,418,932**
Less inter-segmental sales	*(349,999)*	*(27,692)*	**(377,691)**
	10,035,215	*31,006,026*	**41,041,241**
Segment results from operations	**2,970,395**	**9,100,181**	**12,070,576**
Depreciation and amortisation	*(742,436)*	*(3,439,446)*	*(4,181,882)*
Share of losses of associates			*(450)*
Gain on FI instrument at FVTPL			*12,500*
Fair value gains on investment property			5,000,000
Finance costs			*(2,124,651)*
Loss on sale of fixed assets			*(130,335)*
Profit before taxation			**10,645,758**
Tax expense			*(2,108,716)*
Profit for the year			**9,037,042**
Other comprehensive income			
Revaluation surplus net of deferred tax			**7,163,370**
Other comprehensive income for the year, net of tax			**7,163,370**
Total comprehensive income for the year			**15,700,412**
Segment assets	*61,250,682*	*124,465,984*	**185,716,666**
Total assets			**185,716,666**
Segment liabilities	*5,513,442*	*8,258,108*	**13,771,550**
Unallocated liabilities			*68,434,494*
Total liabilities			**82,206,044**

5. Business segments (continued)

2017	Entertainment & other related operations	Hospitality operations	Total
	€	€	€
Revenue	*8,677,484*	*28,030,228*	**36,707,712**
Less inter-segmental sales	*(371,903)*	*(10,060)*	**(381,963)**
	8,305,581	*28,020,168*	**36,325,749**
Segment results from operations	**2,580,897**	**7,858,034**	**10,438,931**
Depreciation and amortisation	*(625,144)*	*(3,303,474)*	*(3,928,618)*
Share of losses of associates			*(521)*
Gain on financial instruments designated at fair value through profit or loss			*126,873*
Finance costs			*(2,339,529)*
Loss on sale of fixed assets			*(20,286)*
Profit before taxation			**4,276,850**
Tax expense			*(259,360)*
Profit for the year			**4,017,490**
Total comprehensive income for the year			**4,017,490**
Segment assets	*50,592,452*	*120,504,833*	**171,097,285**
Total assets			**171,097,285**
Segment liabilities	*5,541,556*	*7,346,682*	**12,888,238**
Unallocated liabilities			*66,886,800*
Total liabilities			**79,775,038**

6. Other operating income

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Rental income	**860,564**	*728,823*	**860,564**	*728,823*
Interest receivable	**7,683**	-	**7,683**	-
	868,247	*728,823*	**868,247**	*728,823*

7. Finance costs

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Interest on bank overdraft and borrowings	**477,525**	*822,400*	**477,525**	*807,569*
Interest on other loans	**1,600,000**	*1,451,259*	**1,680,000**	*1,527,599*
Borrowing transaction costs	**47,126**	*172,176*	**47,126**	*172,176*
	2,124,651	*2,445,835*	**2,204,651**	*2,507,344*
Amounts included in the cost of qualifying assets	-	*(106,306)*	-	*(106,306)*
	2,124,651	*2,339,529*	**2,204,651**	*2,401,038*

8. Expenses by nature

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Entertainment and operations direct costs	**1,601,111**	*1,181,757*	-	-
Hospitality operations direct costs	**6,645,631**	*6,089,488*	-	-
Wages and Salaries	**11,106,013**	*10,231,365*	-	-
Director's remuneration	**1,058,488**	*508,910*	**351,448**	*499,018*
Utility expenses	**1,745,071**	*1,687,503*	**224,462**	*245,789*
Advertising and promotion	**1,914,780**	*1,948,321*	**152**	*3,411*
Repairs & Maintenance	**1,842,622**	*1,617,338*	**69,242**	*45,941*
Other expenses	**3,558,340**	*3,255,624*	**356,381**	*435,158*
	29,472,056	*26,520,306*	**1,001,685**	*1,229,317*

Profit before tax for the Group is stated after charging the following fees in relation to services provided by the external auditors of the Group.

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Total remuneration payable to the company's auditors for:				
- the audit of the Group's financial statements	**34,786**	*32,786*	**8,153**	*8,153*
- tax compliance and other non-assurance services	**5,400**	*5,400*	**2,250**	*2,250*
	40,186	*38,186*	**10,403**	*10,403*

9. Staff costs and employee information

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Wages and salaries	**10,999,659**	*9,524,757*	**3,020,969**	*2,301,928*
Taxes and other benefits	**1,164,842**	*1,215,518*	**141,800**	*121,485*
	12,164,501	*10,740,275*	**3,162,769**	*2,423,413*
Recharged to subsidiaries	**-**	*-*	**(2,811,321)**	*(1,924,395)*
	12,164,501	*10,740,275*	**351,448**	*499,018*

The average number of persons employed during the year, including executive directors, was made up as follows:

	Group		Company	
	2018 Number	*2017 Number*	**2018 Number**	*2017 Number*
Administrative	**65**	*51*	**18**	*13*
Operational	**486**	*455*	**87**	*87*
Directors' remuneration	**9**	*4*	**4**	*4*
	560	*510*	**109**	*104*

10. Tax expense/(income)

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Group undertakings:				
Deferred tax charge/(credit)	**2,030,520**	*257,219*	**2,034,706**	*(68,225)*
Tax charge	**78,196**	*2,141*	**75,568**	*2,141*
	2,108,716	*259,360*	**2,110,274**	*(66,084)*
Associated undertakings:				
Tax charge	**-**	*-*	**-**	*-*
	2,108,716	*259,360*	**2,110,274**	*(66,084)*

10. Tax expense/(income) (continued)

The tax expense and the tax charge using the statutory income tax rate of 35% are reconciled as follows	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Profit before taxation	**10,645,488**	*3,116,057*	**10,600,750**	*2,299,927*
Tax charge at 35%	**3,726,015**	*1,090,620*	**3,710,263**	*804,974*
Depreciation charges not deductible for tax purposes by way of capital allowances	**134,104**	*133,945*	**89,487**	*89,327*
Expenditure disallowed for tax purposes	**2,621**	*12,004*	**2,445**	*11,825*
Tax effect of non-taxable income	**(7,064)**	*(44,406)*	**(7,064)**	*(44,406)*
Unutilized tax credits carried forward	**-**	*(867,658)*	**-**	*(867,658)*
Deferred tax movement not recognised in prior year	**(346,830)**	*(4,096)*	**(331,701)**	*(4,096)*
Income taxed at a reduced tax rate	**(66,002)**	*(2,855)*	**(62,498)**	*(2,855)*
Additional allowable deductions	**(84,128)**	*(58,194)*	**(40,658)**	*(53,195)*
Deferred tax liability at reduced rate	**(1,250,000)**	*-*	**(1,250,000)**	*-*
Tax expense/(income)	**2,108,716**	*259,360*	**2,110,274**	*(66,084)*

11. Earnings per share

Earnings per share are based on the net profit for the year divided by the weighted average number of ordinary shares in issue during the year.

	Group 2018 €	Group 2017 €
Profit attributable to owners of the Company	**2,924,658**	*2,857,872*
Number of ordinary shares in issue (Note 23)	**24,000,000**	*24,000,000*
Basic and diluted earnings per share attributable to owners of the Company (€)	**12.2c**	*11.9c*

12. Intangible assets

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Licences				
Cost				
As at 1st January	**23,400**	*23,400*	**23,400**	*23,400*
Movement	**-**	*-*	**-**	*-*
As at 31st December	**23,400**	*23,400*	**23,400**	*23,400*
Amortisation				
As at 1st January	**18,720**	*16,380*	**18,720**	*16,380*
Provision for the year	**2,340**	*2,340*	**2,340**	*2,340*
As at 31st December	**21,060**	*18,720*	**21,060**	*18,720*
Carrying amount as at 31st December	**2,340**	*4,680*	**2,340**	*4,680*

13. Property, plant and equipment
Group

	Land and Buildings €	Furniture Fixtures & Fittings €	Equipment €	Computer Equipment €	Motor Vehicles €	Other Fixed Assets €	Total €
Cost/Valuation							
As at 1st January 2017	*121,341,256*	*16,123,122*	*14,888,511*	*1,831,649*	*323,381*	*13,009,841*	*167,517,760*
Additions	*337,115*	*804,863*	*542,083*	*182,008*	*20,885*	*32,608*	*1,919,562*
Reallocation from property, plant and equipment under development	*8,961,968*	*1,909,956*	*1,334,789*	*1,522*	-	*307,633*	*12,515,868*
Disposals	-	*(132,482)*	*(35,760)*	*(76,453)*	*(22,991)*	-	*(267,686)*
As at 1st January 2018	*130,640,339*	*18,705,459*	*16,729,623*	*1,938,726*	*321,275*	*13,350,082*	*181,685,504*
Additions	*125,727*	*1,884,973*	*623,123*	*57,579*	*14,160*	*71,414*	*2,776,976*
Disposals	*(29,443)*	*(977,570)*	*(124,738)*	*(590)*	-	*(22,646)*	*(1,154,987)*
Revaluation	*8,846,330*	-	-	-	-	-	*8,846,330*
As at 31st December 2018	*139,582,953*	*19,612,862*	*17,228,008*	*1,995,715*	*335,435*	*13,398,850*	*192,153,823*
Depreciation							
As at 1st January 2017	20,476	*10,095,318*	*10,092,747*	*1,595,100*	*323,381*	*8,350,086*	*30,477,108*
Depreciation charge	*770,993*	*1,258,370*	*1,098,182*	*157,415*	*4,177*	*637,141*	*5,087,071*
Eliminated on disposals	-	*(118,982)*	*(31,935)*	*(73,492)*	*(22,991)*	-	*(247,400)*
As at 1st January 2018	*791,469*	*11,234,706*	*11,158,994*	*1,679,023*	*304,567*	*8,987,227*	*34,155,986*
Depreciation charge	*793,488*	*1,428,823*	*1,170,598*	*136,759*	*7,009*	*642,865*	*5,340,335*
Eliminated on disposals	*(7,156)*	*(876,632)*	*(123,725)*	*(590)*	-	*(16,549)*	*(1,024,652)*
As at 31st December 2018	*1,577,801*	*11,786,897*	*12,205,867*	*1,815,192*	*311,576*	*9,613,543*	*37,310,876*
Net Book Value							
As at 31st December 2018	**138,005,152**	**7,825,965**	**5,022,141**	**180,523**	**23,859**	**3,785,307**	**154,842,947**
As at 1st January 2018	*129,848,870*	*7,470,753*	*5,570,629*	*259,703*	*16,708*	*4,362,855*	*147,529,518*

13. Property, plant and equipment (continued)
Company

	Land and Buildings €	Furniture Fixtures & Fittings €	Equipment €	Computer Equipment €	Motor Vehicles €	Other Fixed Assets €	Total €
Cost/Valuation							
As at 1st January 2017	*114,516,068*	*15,265,869*	*14,551,502*	*1,770,934*	*316,568*	*13,005,367*	*159,426,308*
Additions	*337,115*	*804,863*	*542,083*	*182,008*	*20,885*	*32,608*	*1,919,562*
Reallocation from property, plant and equipment under development	*8,961,968*	*1,909,956*	*1,334,789*	*1,522*	-	*307,633*	*12,515,868*
Disposals	-	*(132,482)*	*(35,760)*	*(76,453)*	*(22,991)*	-	*(267,686)*
As at 1st January 2018	*123,815,151*	*17,848,206*	*16,392,614*	*1,878,011*	*314,462*	*13,345,608*	*173,594,052*
Additions	*125,727*	*1,884,973*	*623,123*	*57,579*	-	*71,414*	*2,762,816*
Disposals	*(29,443)*	*(977,570)*	*(124,738)*	*(590)*	-	*(22,646)*	*(1,154,987)*
Revaluation	*8,755,573*	-	-	-	-	-	*8,755,573*
As at 31st December 2018	*132,667,008*	*18,755,609*	*16,890,999*	*1,935,000*	*314,462*	*13,394,376*	*183,957,454*
Depreciation							
As at 1st January 2017	-	*9,303,493*	*9,803,787*	*1,534,224*	*316,568*	*8,346,618*	*29,304,690*
Depreciation charge	*691,709*	*1,236,563*	*1,092,862*	*157,415*	*4,177*	*637,141*	*3,819,867*
Eliminated on disposals	-	*(118,982)*	*(31,935)*	*(73,492)*	*(22,991)*	-	*(247,400)*
As at 1st January 2018	*691,709*	*10,421,074*	*10,864,714*	*1,618,147*	*297,754*	*8,983,759*	*32,877,157*
Depreciation charge	*694,359*	*1,426,861*	*1,165,278*	*136,759*	*4,177*	*642,865*	*4,070,299*
Eliminated on disposals	*(7,156)*	*(876,632)*	*(123,725)*	*(590)*	-	*(16,549)*	*(1,024,652)*
As at 31st December 2018	*1,378,912*	*10,971,303*	*11,906,267*	*1,754,316*	*301,931*	*9,610,075*	*37,030,283*
Net Book Value							
As at 31st December 2018	**131,288,096**	**7,784,306**	**4,984,732**	**180,684**	**12,531**	**3,784,301**	**148,034,650**
As at 1st January 2018	*123,123,442*	*7,427,132*	*5,527,900*	*259,864*	*16,708*	*4,361,849*	*140,716,895*

Fair value of land and buildings

The Company's property (land and buildings together with all other integral assets) was revalued on 31 December 2018 by independent professional qualified valuers. The land and buildings together with all other integral assets has been valued by Perit Ivan Muscat (a firm of architects and civil engineers). This valuation was based on future discounted cashflows prepared by management of the Company.

The property fair value measurement at 31 December 2018 in relation to the Company's property (land and buildings together with all other integral assets) uses Level 3 of the fair value valuation hierarchy.

As at 31 December 2017 the directors updated the discounted cashflows and the resultant fair value did not defer materially from the book values of the property.

13. Property, plant and equipment (continued)

Valuation processes

The valuation of the property is performed regularly on the basis of discounted forecasts. At the end of every reporting period, the directors assess whether any significant changes in actual circumstances, projected and registered income streams, results and developments have been experienced since the last valuation.

When an external valuation report is prepared, the information provided to the valuers, and the assumptions and the valuation models used by the valuers, are reviewed by the directors. This includes a review of the fair value movement over the period. The directors consider whether the valuation report is appropriate in order to revalue the Company's property.

Valuation techniques

The valuation techniques used by Perit Ivan Muscat use significant unobservable inputs and are categorised within level 3 of the fair value valuation hierarchy.

The directors assessed and approved the valuation using future discounted cash flows ("DCF") that are expected to be derived from operations of the property excluding the property that is still under construction.

The determination of the fair value of €138 million using future discounted cash flows ("DCF") projections is based on significant unobservable inputs. These inputs include:

Earnings before interest, tax, depreciation and amortization (EBITDA)	Based on projected income streams taking into consideration historical results and market expectations;
Growth rate	Based on management's estimated average growth of the company's EBITDA, mainly determined by projected growth in income streams;
Discount rate	Reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available to a Reasonably Efficient Operator (REO) for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

The significant unobservable inputs applied in the property valuation are the following:

-Growth rate ranging between 2% and 4% reflecting principally the estimated projected growth of the Company's income streams.
-A discount rate of 7.54% applied in estimating the net present value of the projected future cash flows.
-An increase in the projected levels of EBITDA and growth rate would result in an increased fair value of the property, whereas a higher discount rate would give rise to a lower fair value.

On 31 December 2018, the directors approved revaluations of the property owned by the Group and classified under land and buildings to € 138 million.

14. Investment property

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
As at 1st January	**12,200,000**	*12,200,000*	**12,200,000**	*12,200,000*
Revaluation	**5,000,000**	-	**5,000,000**	-
As at 31st December	**17,200,000**	*12,200,000*	**17,200,000**	*12,200,000*

Investment property is valued annually on 31 December at fair value comprising open market value approved by the Directors on the basis of an independent professional valuation prepared by the Group's architect.

15. Financial assets

Company	**Shares in subsidiaries**	**Shares in associates and joint ventures**	**Total**
	€	**€**	**€**
At 1st January 2017	*2,575,110*	*575,048*	*3,150,158*
Additions	*840*	-	*840*
Impairment	-	-	-
At 31st December 2017	*2,575,950*	*575,048*	*3,150,998*
Additions	-	-	-
Impairment	-	-	-
At 31st December 2018	*2,575,950*	*575,048*	*3,150,998*

15. Financial assets (continued)

Shares in Group and associated undertakings represent the following investments:

	Registered Address	Principal Activity	2018 % holding	2017 % holding
Group				
Eden Finance p.l.c.	Eden Place St. Augustine Street St. George's Bay	Finance company	99.99	99.99
Eden Entertainment Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.99	99.99
Eden Super Bowl Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	99.99	99.99
Eden Hospitality Limited	Eden Place St. Augustine Street St. George's Bay	Hotel management company	99.99	99.99
Eden Esports Limited	Eden Place St. Augustine Street St. George's Bay	Entertainment operating company	70.00	70.00
Associates				
Axis Limited	St. George's Road, St. Julians	Management property company	50.00	50.00
Sunny Resorts Limited	Eden Place St. Augustine Street St. George's Bay	Management property company	33.33	33.33
CLL Limited	5, Birbal Street, Balzan	In Liquidation	25.00	25.00

Summarised financial information in respect of the Group's associates is set out below:

	Group 2018 €	Group *2017 €*
Opening net book value	**719,544**	*720,065*
Additions	-	-
Impairment	-	-
Share of losses of Associated undertakings (after tax)	**(450)**	*(521)*
Closing net book value	**719,093**	*719,544*
Net assets	**2,157,302**	*2,158,653*
Group share of net assets	**719,093**	*719,544*

16. Trade and other receivables

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Non-current				
Amounts owed by related/Group undertakings (i)	**720,924**	*798,318*	**720,924**	*798,318*
Current				
Trade receivables	**2,346,279**	*1,866,956*	**96,156**	*191,237*
Amounts owed by related/Group undertakings (i)	**682,480**	*648,264*	**6,843,780**	*6,425,345*
Other financial assets at amortised cost	**474,562**	*221,991*	**370,587**	*79,171*
Prepayments and accrued income	**343,084**	*395,802*	**211,945**	*179,368*
	3,846,405	*3,133,013*	**7,522,468**	*6,875,121*

(i) Amounts due by related and Group undertakings are unsecured, interest free and are repayable on demand. During current financial year, the Group and Company were required to revise its impairment methodology under IFRS 9 for all classes of assets. No loss allowance has been recognised based on 12-month expected credit loss as any such impairment would be insignificant.

17. Inventories

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Food, beverage and consumables	**302,110**	*234,439*	**-**	*-*
Crockery and linen	**1,715,987**	*1,692,418*	**1,704,109**	*1,680,540*
Other inventories	**177,740**	*178,335*	**177,740**	*178,335*
	2,195,837	*2,105,192*	**1,881,849**	*1,858,875*

18. Other financial assets at amortised cost

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Current				
Amounts owed by other related undertakings (i)	**150,000**	*430,000*	**150,000**	*430,000*

(i) This represents an interest free and unsecured loan granted to a related undertaking. This loan is repayable in full and on demand by giving three months' notice at the discretion of the Company with the final and full repayment to be not later than the 31st December 2019.

19. Financial assets at fair value through profit or loss

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Current Assets				
At 1 January 2018	-	-	-	-
Additions	500,000	-	500,000	-
Fair value gains on FI instruments at FVPL	12,500	-	12,500	-
At 31 December 2018	**512,500**	-	**512,500**	-

These amounts represent investments that are readily convertible into cash and subject to an insignificant risk of change in value.

During the year, the following gains were recognised in profit/loss

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Fair value gains on Financial Instrument at FVPL	**12,500**	-	**12,500**	-

The Group's and Company's exposure to risk is provided in note 32.

20. Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% / 10% (2017 – 35% / 10%).
The movement in the deferred tax account is as follows:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
At the beginning of the year	**(10,829,205)**	*(10,571,986)*	**(10,177,715)**	*(10,245,940)*
Movement in absorbed tax losses and capital allowances	**(1,543,298)**	*(1,372,057)*	**(1,534,920)**	*(1,046,433)*
Movement in unutilized tax credits	**(595,710)**	*867,658*	**(595,710)**	*867,658*
Movement in effect of provisions	**3,546**	*(8,782)*	-	-
Movement in the excess of capital allowances over depreciation	**604,942**	*255,962*	**595,925**	*247,000*
Effect due to revaluation of assets	**(2,182,960)**	-	**(2,177,203)**	-
At the end of the year	**(14,542,685)**	*(10,829,205)*	**(13,889,623)**	*(10,177,715)*

	Group		Company	
Effect recognised in:				
Deferred tax movements recognised in profit or loss (note 9)	**1,530,520**	*257,219*	**1,534,706**	*(68,225)*
Deferred tax movements recognised in equity	**(2,182,960)**	-	**(2,177,203)**	-
	(652,440)	*257,219*	**(642,497)**	*(68,225)*

The following amounts are shown in the balance sheet:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Deferred tax assets				
Unabsorbed tax losses and capital allowances	**47,372**	*1,590,670*	-	*1,534,920*
Unutilized tax credits	**2,113,925**	*2,709,635*	**2,113,925**	*2,709,635*
Effect of provisions	**14,913**	*11,367*	-	-
	2,176,210	*4,311,672*	**2,113,925**	*4,244,555*
Deferred tax liabilities				
Effect of excess of capital allowances over depreciation	**(1,188,298)**	*(1,793,240)*	**(1,154,739)**	*(1,750,663)*
Effect due to revaluation of assets	**(15,530,597)**	*(13,347,637)*	**(14,848,809)**	*(12,671,607)*
	(16,718,892)	*(15,140,877)*	**(16,003,548)**	*(14,222,270)*
	(14,542,685)	*(10,829,205)*	**(13,889,623)**	*(10,177,715)*

21. Trade and other payables

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Falling due within one year				
Trade payables	**4,624,686**	*4,240,232*	**93,143**	*78,640*
Capital payables	**266,837**	*1,078,658*	**266,837**	*1,078,658*
Amounts owed to related/Group undertakings (i)	**1,557**	*12,576*	**3,542,765**	*2,217,335*
Accruals	**4,381,373**	*3,144,306*	**1,288,520**	*1,313,189*
Advanced deposits and deferred income	**2,306,415**	*2,027,505*	**73,627**	*79,850*
Other payables	**1,374,364**	*1,004,699*	**1,083,619**	*445,931*
	12,955,232	*11,507,976*	**6,348,511**	*5,213,603*
Falling due after more than one year				
Advanced deposits and deferred income	**416,281**	*474,743*	**384,613**	*423,076*
Other payables	**400,035**	*905,524*	**-**	*-*
	816,316	*1,380,267*	**384,613**	*423,076*

(i) Amounts owed to related and Group undertakings are unsecured, interest free and are repayable on demand.

22. Current income tax liability

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Opening balance	**2,141**	*25,260*	**2,141**	*25,260*
Tax charge for the year	**78,196**	*2,141*	**75,568**	*2,141*
Tax payment	**(30,835)**	*(25,260)*	**(30,835)**	*(25,260)*
Closing balance	**49,502**	*2,141*	**46,874**	*2,141*

23. Borrowings

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Falling due within one year				
Bank loans (i)	**2,275,246**	*2,256,976*	**2,275,246**	*2,256,976*
Third party loans (iv)	**-**	*500,000*	**-**	*500,000*
	2,275,246	*2,756,976*	**2,275,246**	*2,756,976*
Falling due after more than one year				
Bank loans (i)	**10,959,776**	*13,238,314*	**10,959,776**	*13,238,314*
Related company loans (ii)	**-**	*-*	**39,607,285**	*39,560,159*
Debt securities (iii)	**39,607,285**	*39,560,159*	**-**	*-*
Third party loans (iv)	**1,000,000**	*500,000*	**1,000,000**	*500,000*
	51,567,061	*53,298,473*	**51,567,061**	*53,298,473*
Total borrowings	**53,842,307**	*56,055,449*	**53,842,307**	*56,055,449*

The bank loans and the debts securities/related party loans are disclosed at the value of the proceeds less the net book amount of the transaction costs as follows:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Face value of debt securities/related party loans				
Debt securities/Related company loans	**40,000,000**	*40,000,000*	**40,000,000**	*40,000,000*
Issue costs	**(471,258)**	*(471,258)*	**(471,258)**	*(471,258)*
Accumulated amortisation	**78,543**	*31,417*	**78,543**	*31,417*
Net book amount	**(392,715)**	*(439,841)*	**(392,715)**	*(439,841)*
Amortised cost	**39,607,285**	*39,560,159*	**39,607,285**	*39,560,159*

23. Borrowings (continued)

(i) The bank overdraft and bank loans are secured by general hypothecs and a special privilege over the Group's assets. The Group's and Company's banking facilities as at 31st December 2018 amounted to €6,228,790 (2017: €6,228,790) for the Group, and €2,450,000 (2017: €2,450,000) for the Company.

(ii) These represent funds raised by the bond issue which have been advanced to Eden Leisure Group Limited at an annual interest rate of 4.2% (2017: 4.2%) per annum. The loan is due for repayment in full on the 28th April 2027.

(iii) By virtue of the Prospectus dated 27 March 2017, Eden Finance p.l.c issued for subscription by the general public 400,000 unsecured bonds having a nominal value of €100 each for an aggregate principal amount of €40,000,000. These bonds have been issued at par.

The bonds are subject to a fixed interest rate of 4% per annum payable on the 28 April of each year up to redemption date. All bonds, unless previously purchased and cancelled, will be redeemed on 28 April 2027.

The bonds are subject to the terms and conditions in the prospectus and are listed on the Malta Stock Exchange. The quoted market price as at 31st December 2018 for the 4% unsecured Bonds was €104.90 (2017: €104) which in the directors' opinion represented the fair value of these financial liabilities.

(iv) This represents an interest free and unsecured loan granted by a third party. This loan is repayable in full in a bullet payment by 31 January 2020.

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Interest rate exposure:				
At floating rates	**13,235,022**	*15,495,290*	**13,235,022**	*15,495,290*
At fixed rates	**39,607,285**	*39,560,159*	**39,607,285**	*39,560,159*
Interest free	**1,000,000**	*1,000,000*	**1,000,000**	*1,000,000*
Total borrowings	**53,842,307**	*56,055,449*	**53,842,307**	*56,055,449*

	Group		Company	
	2018	*2017*	**2018**	*2017*
Weighted average effective interest rates at the balance sheet date:	**%**	*%*	**%**	*%*
Bank overdrafts	**3.00**	*3.00*	**3.00**	*3.00*
Bank loans – variable rate	**3.33**	*3.33*	**3.33**	*3.33*
Debt securities/ related party loan	**4.00**	*4.00*	**4.20**	*4.20*

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Maturity of long term borrowings:				
Between 1 and 5 years	**8,379,883**	*8,280,899*	**9,902,918**	*8,280,899*
Over 5 years	**43,187,178**	*45,017,574*	**41,664,143**	*45,017,574*
	51,567,061	*53,298,473*	**51,567,061**	*53,298,473*

24. Share capital

	Company 2018 €	Company *2017 €*
Authorised share capital		
12,057,600 "A" Ordinary shares of €2.50 each	**30,144,000**	*30,144,000*
11,942,400 "B" Ordinary shares of €2.50 each	**29,856,000**	*29,856,000*
	60,000,000	*60,000,000*

	Company 2018 €	Company *2017 €*
Issued and called-up share capital		
12,057,600 "A" Ordinary shares of €2.50 each	**30,144,000**	*30,144,000*
11,942,400 "B" Ordinary shares of €2.50 each	**29,856,000**	*29,856,000*
	60,000,000	*60,000,000*

25. Revaluation reserve

	Group		Company	
	2018 €	*2017 €*	**2018 €**	*2017 €*
As at 1st January *(re-stated)*	**26,395,578**	*26,395,578*	**23,375,173**	*23,375,173*
Gain on revaluation of property	**8,846,330**	-	**8,755,573**	-
Deferred tax liability arising on revaluation of property	**(1,682,960)**	-	**(1,677,203)**	-
As at 31st December	**33,558,948**	*26,395,578*	**29,953,543**	*23,375,173*

The revaluation reserve was created on the revaluation of the Group's and Company's property plant and equipment. The revaluation reserve is a non-distributable reserve.

26. Fair value gain reserve

This reserve represents changes in fair value on the investment properties held by the Group for long-term rental yields. Movement in fair values are presented in profit or loss as part of other income. Information about the valuation process of the investment property is disclosed in note 14 to these financial statements.

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
As at 1st January	**489,734**	*489,734*	**489,734**	*489,734*
Movement	**4,500,000**	-	**4,500,000**	-
As at 31st December	**4,989,734**	*489,734*	**4,989,734**	*489,734*

27. Dividends paid

	Company	
	2018	*2017*
	€	*€*
Final dividend	-	*2,315,497*
Interim dividend	**3,512,036**	*3,000,000*
Total net dividend	**3,512,036**	*5,315,497*
Euro per share (net)	**€ 0.146**	*€ 0.221*

A net interim dividend of €1,258,000 was approved on 20th April 2018 and a second net interim dividend of €2,254,036 was approved on 15th October 2018.

28. Cash and cash equivalents

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Cash in hand and bank	**5,526,620**	*4,177,020*	**2,966,220**	*1,410,307*

The balances of cash and cash equivalents are available for use by the Group and Company in their entirety.

29. Related party transactions

During the course of the year the Group and the Company entered into transactions with related parties. These transactions have been carried at arm's length. The related party transactions in question were:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Turnover				
Operating fees	-	-	**11,710,000**	*9,537,334*
Use of property	**725,981**	*682,392*	**795,862**	*752,273*
Accounting services	**9,600**	*9,600*	-	-
Other	**156,912**	*139,385*	-	-
	892,493	*831,377*	**12,505,862**	*10,289,607*
Finance costs				
Interest on other loans	-	-	**1,680,000**	*1,517,829*

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in note 8 to the financial statements.

Amounts due from/to Group and associates, in connection with advances, sales and purchases transactions, are disclosed in notes 15, 17 and 20. In the Company's books, amounts due to a subsidiary in connection with Group financing activities are disclosed in note 22 to these financial statements.

30. Commitments

Capital expenditure
Commitments for capital expenditure not provided for in these financial statements are as follows:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Authorised but not contracted	**395,791**	*2,480,893*	**395,791**	*2,480,893*
Contracted but not provided for	**1,188,440**	*7,700*	**1,188,440**	*7,700*

Operating lease commitments where the Group company is a lessee
The future minimum operating lease payments under a non cancellable operating lease are as follows:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Not later than 1 year	**176,292**	*228,062*	-	-
Later than 1 year and not later than 5 years	**552,715**	*717,250*	-	-
Later than 5 years	**106,658**	*213,316*	-	-
	835,665	*1,158,628*	-	-

Operating lease commitments where the Group company is a lessor
The future minimum operating lease payments under a non cancellable operating lease are as follows:

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Not later than 1 year	**1,191,791**	*948,265*	**1,140,325**	*899,690*
Later than 1 year and not later than 5 years	**4,465,011**	*3,206,480*	**4,288,235**	*2,993,762*
Later than 5 years	**2,296,162**	*2,084,121*	**2,296,162**	*2,068,450*
	7,952,964	*6,238,866*	**7,724,722**	*5,961,902*

31. Contingent liabilities

At 31st December 2018, the Group and Company had contingent liabilities in respect of:

(i) Guarantees and performance bonds amounting to €6,569 (2017: €6,569) given to third party creditors.
(ii) A garnishee amounting to € 37,000 (2017: € 37,000) in relation to a pending litigation.

At 31st December 2018, the Group and Company provided general and special hypothecs over the Group and Company's assets to the amount of €1,750,000 (2017: €1,750,000) to a related company Casino Malta Ltd.

At 31st December 2018 guarantees amounting to €3,778,779 (2017: €3,862,799) were given by the Company with regards to bank facilities of subsidiaries and other related parties.

32. Financial risk management

The Group's activities potentially expose it to a variety of financial risks on its financial assets and financial liabilities. The key components of financial risks to the Group are: cash flow interest rate risk, credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Cash flow and fair value interest rate risk

The Group's interest rate risk arises on its interest-bearing borrowings. Borrowings issued at variable rates, comprising bank borrowings, expose the Group to cash flow interest rate risk. The Group's borrowings are subject to an interest rate that varies according to revisions made to the Bank's Base Rate. The Group has adopted a cautious risk policy with regards to interest rate fluctuation through the issue of a €40,000,000 10 year bond incurring interest of 4%. The Directors monitor the level of floating rate borrowings as a measure of cash flow risk taken on. Interest rates on these financial instruments are linked with the Central Intervention Rate issued by the European Central Bank. Also debt securities, carried at cost, are issued at fixed rates and therefore, do not expose the Group to fair value interest rate risk.

Based on the above, the Directors consider the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period keeping all other variables constant, to amount to +/- €100,000.

Credit risk

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

	Group		Company	
	2018	*2017*	**2018**	*2017*
	€	*€*	**€**	*€*
Carrying amounts				
Financial assets at amortised cost	**150,000**	*430,000*	**150,000**	*430,000*
Trade and other receivables	**4,567,329**	*3,931,331*	**8,243,392**	*7,673,439*
Cash at hand and in bank	**5,526,620**	*4,177,020*	**2,966,220**	*1,410,307*
Financial assets	**512,500**	*-*	**512,500**	*-*
	10,756,449	*8,538,351*	**11,872,112**	*9,513,746*

Financial assets at amortised cost comprise of loans advanced by the Company to a related undertaking that does not form part of the Group as described in note 17. This loan is unsecured; therefore, the failure of the related undertaking could have an impact on the Group's results.

Group companies bank only with local financial institutions with high quality standing or rating. The Group has no concentration of credit risk that could materially impact on the sustainability of its operations. However, in common with similar business concerns, the failure of specific large customers could have a material impact on the Group's results.

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. The loss allowances for financial assets are based on assumptions about risk of default and, with effect from 1 January 2018, expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Provisions against doubtful debts as at year-end are disclosed in note 16 to these financial statements.

32. Financial risk management (continued)

The expected loss rates are based on the payment profiles of customers over a period of 12 months before 31 December 2018 or 1 January 2018, respectively, and the correspondence historical credit losses experienced within this period.

Standard credit terms are in place for individual clients, however, wherever possible, new corporate customers are analysed individually for creditworthiness before the Group's standard payment and service delivery terms and conditions are offered. The Group's review includes external credit worthiness databases when available. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance represents specific provisions against individual exposures.

Included in the Group's trade receivable balance are the following debtors which are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable:

	Group	
	2018	*2017*
	€	*€*
91 – 120 days	**171,883**	*165,967*
Over 120 days	**233,042**	*260,314*
	404,925	*426,281*

Included in the Group's impairment provision are individually impaired trade receivables which either have been placed into liquidation or which are in unexpectedly difficult economic situation:

	Group	
	2018	*2017*
	€	*€*
Local receivables	**29,119**	*29,119*
Foreign receivables	**13,488**	*3,358*
	42,607	*32,477*

The Company's receivables also include advances to Group undertakings on which no credit risk is considered to arise.

<u>Liquidity risk</u>

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and interest-bearing borrowings disclosed in notes 20 and 22. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meeting the Group's obligations.

The Directors monitor liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period, in order to ensure that adequate funding is in place in order for the Group to be in a position to meet its commitments as and when they will fall due.

32. Financial risk management (continued)

The table below analyses the Groups financial liabilities into relevant maturity Groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Group	
	2018	*2017*
	€	*€*
Within one year		
Trade and other payables	**12,955,232**	*11,507,976*
Bank and other borrowings	**2,675,764**	*2,686,919*
Debt securities	**1,600,000**	*1,600,000*
	17,230,996	*15,794,895*
Between 2 and 5 years		
Trade and other payables	**816,317**	*1,380,267*
Bank and other borrowings	**8,394,051**	*9,059,114*
Debt securities	**6,400,000**	*6,400,000*
	15,610,368	*16,839,381*
Over 5 years		
Bank and other borrowings	**3,495,515**	*5,772,651*
Debt securities	**46,400,000**	*48,000,000*
	49,895,515	*53,772,651*
	82,736,879	*86,406,927*

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.

Group

	At 31 December 2017	**Repayment of bank borrowings**	**Movement in deferred tax liability**	**Other liability related changes**	**At 31 December 2018**
	€	**€**	**€**	**€**	**€**
Bank borrowings	15,495,290	(2,260,268)	-	-	13,235,022
Debt Securities	39,560,159	-	-	47,126	39,607,285
Third party loans	1,000,000	-	-	-	1,000,000
Trade & Other payables	12,888,243	-	-	883,305	13,771,548
Deferred tax liability	10,829,205	-	1,530,520	-	12,359,725
Current income tax liabilities	2,141	-	-	47,361	49,502
	79,775,038	**(2,260,268)**	**1,530,520**	**977,792**	**80,023,082**

32. Financial risk management (continued)

Reconciliation of liabilities arising from financing activities (continued)

Group		*Cash*	*Non-Cash*			
	At 31 December 2016	**Repayment of bank borrowings**	**Related Party Loans**	**Movement in deferred tax liability**	**Other liability related changes**	**At 31 December 2017**
	€	€	€	€	€	€
Bank borrowings	31,031,882	(15,565,440)	-	-	28,848	15,495,290
Debt Securities	13,872,090	-	25,544,742	-	143,327	39,560,159
Third party loans	1,000,000	-	-	-	-	1,000,000
Trade & Other payables	12,766,941	-	-	-	121,302	12,888,243
Deferred tax liability	10,571,986	-	-	257,219	-	10,829,205
Current income tax liabilities	25,260	-	-	-	(23,119)	2,141
Derivative financial instrument	126,873	-	-	-	(126,873)	-
Bank Overdraft	3,481,501	-	-	-	(3,481,501)	-
	72,876,534	**(15,536,592)**	**25,544,742**	**257,219**	**(3,487,073)**	**79,775,038**

Fair values
At 31 December 2018 and 31 December 2017 the carrying amounts of payables, receivables and short-term borrowings approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of long-term borrowings are not materially different from their carrying amounts.

33. Events after the reporting period

With effect from 1st January 2019 the Group divested itself from the Intellectual Property and rights associated with the brands,'Cynergi' and 'Bay', to a newly formed company EIP Limited owned equally by the founding members of the Group, Ian De Cesare and Kevin De Cesare, for a value of €8.6m. At the same time EIP Limited licensed the brands to Eden Entertainment Limited for the sole and exclusive use of the marks.

34. Comparative figures

Certain comparative figures have been changed to comply with this year's presentations.

35. Statutory information

Eden Leisure Group Limited is a limited liability Company and is incorporated in Malta.