Easysell Limited

C9778

Financial statements for the year ended
31 December 2021

Contents

Easysell Limited

Directors, officer and other information

Directors:	Anthony Fenech Silvan Fenech Matthew Fenech Mario Vella
Secretary:	Matthew Fenech
Registered office:	Tum Invest Head Office Zentrum Business Centre Mdina Road Qormi QRM 9010 Malta
Country of incorporation:	Malta
Company registration number:	C9778
Auditor:	Ernst & Young Malta Limited Fourth Floor Regional Business Centre Achille Ferris Street Msida MSD1751 Malta

Easysell Limited

Directors' report

The Directors submit their annual report and the financial statements for the year ended 31 December 2021.

Principal activity
The principal activity of Easysell Limited is to hold and develop immovable property.

Performance review
The statement of comprehensive income is set out on page 8. During the year, the Company generated a profit before tax of EUR1,193,616 (2020: EUR1,392,409).

Dividends
During the year ended 31 December 2021, the Company declared a dividend of EUR300,000 (2020: EUR200,000).

Financial risk management
The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. Please refer to Note 23 in these financial statements.

Events after the end of reporting period
Events after the reporting period are disclosed in Note 24 to the financial statements.

Future developments
The Directors expect that the present level of activity will remain the same in 2022. Rental agreements are in place with tenants, ensuring significant occupancy of the premises.

Going concern assumption
The Directors have assessed the appropriateness of the going concern on the basis of cash forecasts prepared by management. These projections indicate that the Company will have sufficient resources to meet its obligations as they fall due. The shareholders of the Group, of which the Company forms part of, have further confirmed their commitment to support the Company financially or otherwise should this be required.

At the time of approving these financial statements, the Directors have determined that there is a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

Easysell Limited

Directors' report - continued

Directors

The names of the Directors of the Company who held office during the year to date are set out on page 2. In accordance with the Company's Memorandum and Articles of Association, the present Directors remain in office.

Auditors

Ernst & Young Malta have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Statement of directors' responsibilities

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

In preparing the financial statements, the Directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business as a going concern;
- account for income and charges relating to the accounting period on the accrual basis;
- value separately the components of asset and liability items;
- report comparative figures corresponding to those of the preceding accounting period.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and which enable the Directors to ensure that the financial statements comply with the Companies Act and the International Financial Reporting Standards as adopted by the EU. This responsibility includes designing, implementing, and maintaining such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' Report was approved by:

Anthony Fenech
Director

Silvan Fenech
Director

22 April 2022

Ernst & Young Malta Limited
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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Easysell Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Easysell Limited set on pages 8 to 37 which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, 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 ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Code of Ethics for Professional Accountants* (including International Independence Standards) as issued by the International Ethics Standards Board of 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 of the Laws of Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Easysell Limited - continued

Report on the audit of the financial statements - continued

Responsibilities of the directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, 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 have 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 skepticism 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.

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INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Easysell Limited - continued

Report on the audit of the financial statements – continued

Auditor's responsibilities for the audit of the financial statements - continued

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

We are required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the Directors' report has been prepared in accordance with the Companies Act.

In addition, in the 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.

We also have responsibilities under the Companies Act to report to you if in our opinion:
- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

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

The partner in charge of the audit resulting in this independent auditor's report is Shawn Falzon for and on behalf of

Ernst & Young Malta Limited
Certified Public Accountants

22 April 2022

Easysell Limited

Statement of profit or loss and other comprehensive income

Year ended 31 December 2021

	Notes	2021 EUR	2020 EUR
Rental income	4	1,503,708	1,359,282
Other operating income	5	128,085	115,083
Administrative and other operating expenses	6	(312,340)	(325,345)
Change in fair value of investment property	9	-	370,556
Operating profit		1,319,453	1,519,576
Finance costs	7	(125,837)	(127,167)
Profit before tax		1,193,616	1,392,409
Income tax expense	8	(303,969)	(505,480)
Profit for the year		889,647	886,929
Total comprehensive income for the year		889,647	886,929

Easysell Limited

Statement of financial position

31 December 2021

	Notes	2021 EUR	2020 EUR
ASSETS			
Non-current assets			
Investment property	9	30,411,105	30,299,610
Property, Plant and Equipment	10	44,500	-
		30,455,605	30,299,610
Current assets			
Trade and other receivables	11	250,502	195,598
Due from related parties	12	549,317	486,314
Cash and cash equivalents	19	197,258	90,352
		997,077	772,264
Total assets		31,452,682	31,071,874
LIABILITIES			
Current liabilities			
Trade and other payables	13	610,622	1,632,330
Due to related parties	14	1,271,289	523,940
Tax payable		410,723	300,323
		2,292,634	2,456,593
Non-current liabilities			
Lease liabilities	21	191,790	191,769
Loans from related parties	15	3,130,472	3,175,373
Deferred tax liabilities	16	3,029,961	3,029,961
		6,352,223	6,397,103
Total liabilities		8,644,857	8,853,696
Net assets		22,807,825	22,218,178
EQUITY			
Share capital	17	1,164,687	1,164,687
Other equity	17	6,300,076	6,300,076
Retained earnings	17	15,343,062	14,753,415
Total equity		22,807,825	22,218,178

These financial statements on pages 8 to 37 were approved by the Directors, authorised for issue on 22 April 2022 and signed by:

Anthony Fenech
Director

Silvan Fenech
Director

Easysell Limited

Statement of changes in equity

31 December 2021

	Share capital EUR	Retained earnings EUR	Other equity EUR	Total EUR
Balance at 1 January 2021	1,164,687	14,753,415	6,300,076	22,218,178
Total comprehensive income for the year	-	889,647	-	889,647
Dividends (Note 18)	-	(300,000)	-	(300,000)
Balance at 31 December 2021	1,164,687	15,343,062	6,300,076	22,807,825
Balance at 1 January 2020	1,164,687	14,066,486	6,300,076	21,531,249
Total comprehensive income for the year	-	886,929		886,929
Dividends (Note 18)	-	(200,000)	-	(200,000)
Balance at 31 December 2020	1,164,687	14,753,415	6,300,076	22,218,178

Easysell Limited

Statement of cash flows
31 December 2021

	Notes	2021 EUR	2020 EUR
Cash flows from operating activities			
Profit before tax		1,193,616	1,392,409
Adjustments for:			
Interest expense		125,837	127,167
Fair value gain on investment property	9	-	(370,556)
Depreciation	10	14,500	-
Operating profit before working capital movement		1,333,953	1,149,020
Movement in trade and other receivables		(54,904)	58,678
Movement in due from related parties		(63,003)	(304,281)
Movement in due to related parties		(1,021,860)	64,308
Movement in trade and other payables		447,349	810,312
		641,535	1,778,037
Income taxes paid		(193,569)	(96,309)
Net cash flows from operating activities		447,966	1,681,728
Cash flows used in investing activities			
Additions to investment property	9	(111,495)	(1,621,178)
Additions to property, plant and equipment	10	(59,000)	-
Net cash flows used in investing activities		(170,495)	*(1,621,178)*
Cash flows from financing activities			
Loan repayments from related parties		(160,000)	(84,607)
Repayment of lease liabilities		(10,565)	(10,565)
Net cash flows (used in)/from financing activities		(170,565)	(95,172)
Net movement in cash and cash equivalents		106,906	(34,622)
Cash and cash equivalents at the beginning of the year		90,352	124,974
Cash and cash equivalents at the end of the year	19	197,258	90,352
Non-cash financing activities:			
Dividend declared	18	(300,000)	(200,000)

1. Company information and basis of preparation

Easysell Limited is registered in Malta as a limited liability Company under the Companies Act, (Cap. 386) with registration number C 9778. The registered office of the Company is Tum Invest, Mdina Road, Qormi, Malta.

The principal activity of the Company is to hold and manage immovable property.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of Cap. 386 of the Laws of Malta. The significant accounting policies adopted are set out in Note 2 below.

1.1 Going concern assumption

As of 31 December 2021, the Company's current liabilities exceeded current assets by EUR1,295,557 (2020: EUR1,684,329).

The Directors have assessed the appropriateness of the going concern on the basis of cash forecasts prepared by management. These projections indicate that the Company will have sufficient resources to meet its obligations as they fall due. The shareholders of the Group, of which the Company forms part of, have further confirmed their commitment to support the Company financially or otherwise should this be required.

At the time of approving these financial statements, the Directors have determined that there is a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future and continue adopting the going concern basis in preparing the financial statements.

2. Significant accounting policies

Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably.

2. Significant accounting policies - continued

Investment property - continued

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, including the corresponding tax effect. Fair values are determined by a professionally qualified architect/surveyor on the basis of market values.

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. The amount of consideration to be included in the gain or loss arising from the de-recognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Financial instruments

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

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

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

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

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

2. Significant accounting policies - continued

Financial instruments - continued

Financial assets
The significant accounting policies for financial assets are as follows:

(i) Classification of financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

The Company only holds financial assets measured at amortised cost.

(ii) The business model

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

(iii) Debt instruments measured at amortised cost

The following financial assets are classified within this category – trade and other receivables, receivables from related parties and cash at bank.

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

2. Significant accounting policies - continued

Financial instruments - continued

(iii) Debt instruments measured at amortised cost - continued

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 amortization 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 if 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'.

Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for ECLs.

(iv) Interest income using the effective interest method

Interest income, included within finance income, is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

<u>Financial liabilities and equity</u>

The significant accounting policies for financial liabilities and equity are as follows:

(i) Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method. Bank loans are recognised at nominal value, subsequently carried at amortised cost.

(ii) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method inclusive of issue costs unless the effect of discounting is immaterial.

2. Significant accounting policies - continued

Financial liabilities and equity - continued

(iii) Trade and other payables

Trade payables are classified with current liabilities and are stated at their nominal value when there is no significant financing component.

(iv) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments. Redemptions or refinancing of equity instruments are recognised as changes in equity.

Provision

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

ECLs

The Company recognises a loss allowance for ECLs on debt instruments measured at amortised cost and financial guarantees. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition.

For other trade receivables that do not contain a significant financing component, the Company applies the simplified approach and recognises lifetime ECL. Under the simplified approach the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

2. Significant accounting policies - continued

ECLs - continued

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying value. The analysis performed by the Company did not result in material amounts and the Company did not recognise any allowance.

Revenue recognition

The Company recognizes revenue from the following major sources:

- Rental income from the renting of investment property
- Interest income

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

(i) Rental income

Rental income from investment property is recognized in profit or loss on a straight-line basis over the lease term.

(ii) Interest income

Interest income is recognised using the effective interest method.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

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

2. Significant accounting policies - continued

Leases

The significant accounting policies for leases are as follows:

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

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

The Company as a lessee

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

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Company applies the recognition exemption. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the lessee's benefit.

Lease payments included in the measurement of the lease liability comprise:

(a) Fixed lease payments (including in-substance fixed payments), less any lease incentives receivables;
(b) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
(c) The amount expected to be payable by the lessee under residual value guarantees;
(d) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
(e) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

2. Significant accounting policies - continued

Leases - continued

The Company as a lessee - continued

The right-of-use assets are initially measured at the commencement date at cost, being the amount of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Right-of-use assets classified with investment property are subsequently measured at fair value in line with the accounting policy for investment property.

In the statement of financial position, right-of-use assets that meet the definition of investment property are presented with investment property. In the statement of financial position, lease liabilities are included separately from other liabilities.

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

The Company as a lessor

Leases for which the Company is a lessor continue to be classified as finance or operating leases. 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.

2. Significant accounting policies - continued

Leases - continued

The Company as a lessor - continued

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Leased assets are presented in the statement of financial position according to their nature and are tested for impairment in accordance with the Company's accounting policy on impairment. Depreciable leased assets are depreciated in accordance with the Company's accounting policy on depreciation. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset.

Amounts due from lessees under a finance lease are presented in the statement of financial position as receivables at the amount of the Company's net investment in the lease and include initial direct costs [unless the finance lease involves manufacturer or dealer lessors]. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the finance lease.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

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.

2. Significant accounting policies - continued

Taxation - continued

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. 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.

Financial Guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

If not measured as a financial liability at FVTPL and if not arising from a transfer of a financial asset, financial guarantee contracts issued by the Company are subsequently measured at the higher of the following:
a) the amount of the loss allowance determined in accordance with IFRS 9; and
b) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies. In the case of financial guarantee contracts, the maximum exposure to credit risk is the maximum amount the entity could have to pay if the guarantee is called on.

2. Significant accounting policies - continued

Fair values of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

3.1 Changes in accounting policies

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

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

- Amendments to IFRS 16 Leases: Covid-19- Related Rent Concessions beyond 30 June 2021(issued on 31 March 2021) (effective for financial periods beginning on or after 1 April 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020) (effective for financial periods beginning on or after 1 January 2021)
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (issued on 25 June 2020) (effective for financial periods beginning on or after 1 January 2021)

The adoption of other standards or interpretations above, where applicable, did not have significant impact on the financial statements or performance of the Company.

3.1 Changes in accounting policies – continued

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

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which the Company has not adopted early but plans to adopt upon their effective date. None of these standards, interpretations and amendments is expected to have an impact on the financial position or performance of the Company. The amendments and improvements to standards are as follows:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning or after 1 January 2022)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning or after 1 January 2023)
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) (effective for annual periods beginning or after 1 January 2023)

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

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-Current – Deferral of Effective date (issued by IASB on 23 January 2020 and 15 July 2020 respectively)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)

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

3.2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

Except for the below, in the opinion of the Directors, the accounting estimates, assumptions 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 significant in terms of the requirements of IAS 1 (revised) - 'Presentation of financial statements'.

Fair value of investment property

The Company uses the services of professional valuers to revalue the investment property. The professional valuers take into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).
- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).
- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs. As described in Note 9, the Company uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of investment property. Note 9 provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

4. Rental income

Revenue represents amounts receivable from rental of property.

	2021 EUR	2020 EUR
Rental income	1,503,708	1,359,282

5. Other operating income

	2021 EUR	2020 EUR
Sundry charges	7,508	4,000
Recharges of expenses	120,577	111,083
	128,085	115,083

6. Expenses by nature

	2021 EUR	2020 EUR
Wages and salaries	27,809	11,344
Social Security costs	7,176	3,024
Wages and salaries recharged from related parties	31,198	27,780
Management fee	34,837	76,562
Audit fees	10,400	9,600
Water and electricity	117,566	115,891
Repairs and maintenance	16,930	11,529
Other expenses	66,424	69,615
	312,340	325,345

The Company had an average of 2 (2020: 1) employees during the year under review.

7. Finance costs

	2021 EUR	2020 EUR
Interest on loan from related parties	115,251	116,616
Interest expense on lease liabilities	**10,586**	10,551
	125,837	127,167

8. Income tax expense

Income tax expense for the year is analysed as follows:

	2021 EUR	2020 EUR
Current tax expense	303,969	306,307
Deferred tax expense (Note 16)	-	199,173
	303,969	505,480

The tax on the Company's profit differs from the theoretical amount that would arise using the basis tax rate as follows:

	2021 EUR	2020 EUR
Profit before tax	1,193,616	1,392,409
Theoretical tax charge at 35%	417,765	487,343
Tax effect of:		
Non-deductible expenses	108,306	87,615
Income taxed on different basis at different rates (note i)	(187,646)	(69,478)
Adjustment in respect of current tax charge in prior year	(32,524)	-
Other	(1,932)	-
Tax expense	303,969	505,480

i) This relates to the fair value of investment property which is taxed at 10% on the market value.

9. Investment property

	EUR
Cost	
At 1 January 2020	28,307,876
Additions resulting from subsequent expenditure	1,621,178
Increase in fair value of property	370,556
At 1 January 2021	30,299,610
Additions resulting from subsequent expenditure	111,495
Increase in fair value of property	-
At 31 December 2021	30,411,105
Carrying amount	
At 1 January 2020	28,307,876
At 31 December 2020	30,299,610
At 31 December 2021	30,411,105

The Company continued development of its investment property during the year. Additions for the year consisted of modifications to current properties held. Included in the fair value of investment property is a right of use asset in respect of ground rents payable on the land over which the property is constructed. The remaining term of the lease is till 30 April 2138.

Investment property is revalued by professionally qualified architects or surveyors based on assessments of the fair value of the property in accordance with international valuations standards and professional practice.

In the years where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary. The most recent valuation has been reflected in the 2020 financial statements.

For property held, the current use equates to the highest and best use.

Rental income derived from the investment property amounted to EUR1,503,061 (2020: EUR1,359,282). Direct operating expenses incurred in the generation of this rental income amounted to EUR253,724 (2020: EUR292,533).

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Company's property has been determined to fall within level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 2.

9. Investment property - continued

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

Description of valuation techniques used and key inputs to valuation of investment properties

The valuation was determined based on the income approach (discounted projected cash flows). Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including a terminal value. This method involves the projection of cash flows to which a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. Rental values and rent growth rates have been determined based on contractual agreements currently in place and used as a benchmark for the calculation of the terminal value.

	Valuation technique	Significant unobservable inputs	Range	Narrative sensitivity
Investment Property	Income Approach	Discount rate	6%	The higher the discount rate, the lower the fair value
		Rental Value per Square meter	€93	The higher the price per square meter, the higher the fair value
		Rent growth per annum	2.9%	The higher the rent growth, the higher the fair value

Sensitivity analysis

	Change in rate	Change in value EUR'million
Discount rate sensitivity	0.5% / (0.5%)	(3.5) /4.5
Rental value per square meter sensitivity	+5% / (5%)	1.5 / 1.5

10. Property, plant and equipment

Generator

	Plant and equipment EUR
Cost	
Balance at 1 January 2021	-
Additions	59,000
Balance at 31 December 2021	59,000
Accumulated depreciation	
Balance at 1 January 2021	-
Charge for the year	14,500
Balance at 31 December 2021	14,500
Carrying amount	
At 1 January 2020	-
At 31 December 2020	-
At 31 December 2021	44,500

11. Trade and other receivables

	2021 EUR	2020 EUR
Trade receivables	108,803	175,598
Other receivables	22,418	20,000
Advance payments	119,281	-
	250,502	195,598

Trade receivables are non-interest bearing and are generally on terms of 30 days. As at 31 December no receivable balance was past due.

12. Due from related parties

	2021 EUR	2020 EUR
Amount due from Ultimate Parent	3,052	-
Amount due from related parties	546,265	486,314
	549,317	486,314

The amounts due from ultimate parent, related parties and directors are unsecured, interest free, denominated in EUR and repayable on demand.

13. Trade and other payables

	2021 EUR	2020 EUR
Trade and other payables	399,642	1,484,699
Accruals and deferred income	54,153	72,894
Security deposits	44,000	44,000
Vat payable	112,827	30,737
	610,622	1,632,330

14. Due to related parties

	2021 EUR	2020 EUR
Amounts due to ultimate parent	300,000	98,367
Amounts due to other related parties	351,890	194,011
Amounts due to parent company	566,399	231,562
Amounts due to ultimate shareholder	53,000	-
	1,271,289	523,940

The amounts owed to shareholders, parent company and other related parties are unsecured, denominated in EUR, interest-free and are repayable on demand.

15. Loans and borrowings

	2021 EUR	2020 EUR
Loan from parent company	3,130,472	3,175,373
	3,130,472	3,175,373
Less: amount due for settlement within 12 months (shown under current liabilities)	-	-
Amounts due for settlement after 12 months	3,130,472	3,175,373

The loan from parent company due as at 31 December 2021 and at 31 December 2020 is unsecured, denominated in EUR, interest free and are repayable by 20 June 2029. Discounting at the rate of 3.75% has been applied on this loan. The undiscounted loan due on 20 June 2029 amounts to EUR4,350,000. (2020: 4,500,000)

The Company has also provided a corporate guarantee in favor of the bondholders of TUM Finance Plc, to affect the due and punctual performance of all payment obligations under the Bond if it fails to do so.

16. Deferred taxation

	2021 EUR	2020 EUR
Arising on: Revaluation of investment property		
- Opening balance – 1 January	3,029,961	2,830,788
- Provision during the year (Note 8)	-	199,173
- Closing balance as at 31 December	3,029,961	3,029,961

17. Equity

Share capital

	Authorised, issued and called up No. of shares	EUR
At 1 January 2020 and at 31 December 2020 and 2021	500,000	1,164,687

The total authorized numbers of ordinary shares are 500,000 with a par value of EUR2.329373 each and all of which are issued and called up 100%.

Other equity

Other equity represents amounts due to the parent which are repayable exclusively at the option of the Company. These amounts are unsecured and interest-free. Capital contribution also includes the impact of discounting on the interest-free loan provided by the parent (Note 15).

Retained earnings

This reserve represents accumulated retained profits.

18. Dividends

A net dividend of EUR300,000, equivalent to EUR0.60 per share, was declared and paid to the ordinary shareholders for the year ended 31 December 2021. A net dividend of EUR200,000 was declared for the year ending 31 December 2020, equivalent to EUR0.40 per share.

19. Cash and cash equivalents

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

	2021 EUR	2020 EUR
Cash at bank and on hand	197,258	90,352
Cash and cash equivalents in the statement of cash flows	197,258	90,352

The Company has in place a guarantee amounting to EUR28,654 (2020: EUR27,454) which is provided in favor of third parties.

20. Related party disclosures

The parent, intermediate and ultimate parent company of Easysell Limited are Tum Operations Limited, Tum Finance plc, and Tum Invest Limited respectively. The registered office of these companies is Tum Invest, Mdina Road, Qormi, Malta. The ultimate controlling party is Anthony Fenech.

Related party transactions

During the course of the year, the Company entered into transactions with related parties as set details below. Other related parties are entities having the same ultimate parent.

	2021			2020		
	Related party activity EUR	Total activity EUR	%	Related party activity EUR	Total activity EUR	%
Transactions with						
- Parent						
Finance expense	115,251	115,251	100	116,616	116,616	100
Management fee	34,837	34,837	100	76,562	76,562	100
Transactions with						
- other related parties						
Revenue	866,000	1,503,061	58	821,316	1,359,059	55
Salaries re-charged	31,198	31,198	100	27,780	27,780	100
Loans from						
Related party						
Transactions with:						
- Parent	3,130,472	3,130,472	100	3,175,373	3,175,373	100

Related party balances

At the year-end, the Company had outstanding balances with the shareholders and other related parties. The amounts due to these specific categories of related parties and shareholders at year-end are disclosed in Notes 12 and 14. The terms and conditions in respect of these balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received.

No director's remuneration was paid during the year.

21. Leases

Company as a lessee

Disclosures about right-of-use assets that meet the definition of investment property are provided in Note 9.

Lease liabilities

	2021 EUR	2020 EUR
As at 1 January	191,769	191,783
Accretion of interest	10,586	10,551
Payments	(10,565)	(10,565)
Amounts included in non-current liabilities	191,790	191,769

The total cash outflow leases amount to EUR10,565 for the year 2021 (2020: EUR10,565). The amounts recognised in profit or loss as interest expense is disclosed in Note 7. No depreciation charge is recognised as the leased property is accounted for as investment property at fair value. No other charges in relation to leases were recorded in profit or loss.

The maturity analysis of undiscounted lease liabilities in presented below:

	2021 EUR	2020 EUR
Within 1 year	10,565	10,565
Between two – five years	42,262	42,262
After five years	1,172,759	1,183,324
	1,225,586	1,236,151

Company as a lessor

The Company has entered into operating leases on its investment property consisting of office and warehouses. These leases have terms of between 5 and 20 years. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2021 EUR	2020 EUR
Within one year	1,463,988	1,300,560
Between one and two years	1,466,913	1,341,860
Between two and three years	1,479,128	1,341,860
Between three and four years	1,310,893	1,354,075
Between four and five years	1,323,546	1,185,840
More than five years	3,946,216	4,886,257
	10,990,684	11,410,452

22. Fair value of financial assets and financial liabilities

At 31 December 2021 and 2020 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial assets and non-current financial liabilities that are not measured at fair value are not materially different from their carrying amounts.

23. Financial risk management

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

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

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

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

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Financial assets which potentially subject the Company to concentrations of credit risk consist principally of trade receivables and cash at bank.

Receivables are presented net of any required allowance for doubtful debts. The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk with respect to receivables is limited due to credit control procedures and the minimal balance outstanding at year-end. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns (i.e. by customer type). The analysis did not result in material amounts and the Company did not recognise any impairment allowance on trade receivables.

The credit risk relating to cash at bank is considered to be low in view of management's policy of placing it with quality financial institutions.

23. Financial risk management - continued

Credit risk - continued

Carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk, as detailed below:

	2021	2020
	EUR	EUR
Trade and other receivables	250,502	195,598
Cash at bank and on hand	197,258	90,352
Cash bank – Guarantee account	28,654	27,454
	476,414	313,404

Interest rate risk

The Company has taken out loans to finance its operations from the related parties as mentioned in Note 15. The interest rates thereon and the terms of such borrowings are disclosed accordingly.

The Company is exposed to fair value interest rate risk on borrowings and debt instruments carrying a fixed interest rate.

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

The carrying amounts of the Company's financial instruments carrying a rate of interest at the end of the reporting period are disclosed in the notes to the financial statements.

Liquidity risk management

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables, lease liabilities, amounts due to related parties and loans from related parties (Notes 13, 14, 15 and 21). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Company's obligations.

Undiscounted contractual cash flows for non-current financial liabilities are disclosed in Notes 15 and 21 respectively.

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash outflows over a twelve-month period. This approach ensures that the Company is adequately financed and that no additional financing facilities are expected to be required over the coming year.

23. Financial risk management - continued

Liquidity risk management - continued

The Company enjoys the full support of its shareholders and other related parties, the shareholders' advances are expected to continue to form part of the Company's effective financing structures. The Directors are therefore confident that the Company will be in a position to continue to meet its commitments as and when they fall due.

Capital risk management

The Company's objective when managing capital are to safeguard its ability to continue as a going concern and to maximize the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of shareholders' loans disclosed in Note 15 and the items presented within equity in the statement of financial position.

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

The Company's overall strategy remains unchanged from the prior year.

24. Events after the reporting period

In February 2022, following the situation evolving between Russia and Ukraine, a number of countries imposed sanctions against certain entities and individuals in Russia. The Group regards these events as non-adjusting events after the reporting period.

The Group does not have direct exposures to related parties and/or key customers or suppliers from those countries. The Group's management continues to monitor the situation for possible impact of changing macroeconomic conditions that may effect the Group's financial position or operations.