

Harbour (APM) Investments Ltd

Report & Financial Statements

31 December 2024

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General information

Registration

Harbour (APM) Investments Ltd is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 58453.

Directors

Georgios Kakouras
Julian Caruana

Registered office

Harbour (APM) Investments Ltd
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000
Malta

Auditor

Grant Thornton
Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine are 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.

Income statement

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		Eur	Eur
Revenue		36,237	35,034
Administrative expenses		(17,789)	(19,119)
Other operating income		-	25,492
Operating profit		18,448	41,407
Finance income		5,247	25,501
Finance costs		(18)	(30,414)
Profit before tax	3	23,677	36,494
Income tax expense		(11,983)	(18,735)
Profit for the year		11,694	17,759

Balance sheet

As at 31 December 2024

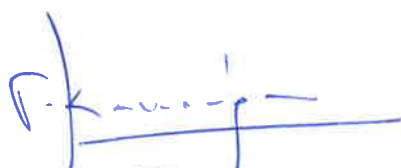
	Notes	2024 Eur	2023 Eur
ASSETS			
Non-current assets			
Investment property	4	26,000,000	26,000,000
Loans and receivables	5	161,503	88,274
		<u>26,161,503</u>	<u>26,088,274</u>
Current assets			
Trade and other receivables		4,298	1,727
Current tax assets		19,423	8,970
Cash and cash equivalents		1,252	65,971
		<u>24,973</u>	<u>76,668</u>
Total assets		<u>26,186,476</u>	<u>26,164,942</u>

Balance sheet (continued)

As at 31 December 2024

	Notes	2024 Eur	2023 Eur
EQUITY			
Share capital		23,009,200	23,009,200
Retained earnings		70,063	58,369
Revaluation reserve	8	985,279	985,279
Total equity		24,064,542	24,052,848
LIABILITIES			
Non-current liability			
Deferred tax liability		2,080,000	2,080,000
Current liabilities			
Trade and other payables	6	41,934	32,094
Total liabilities		2,121,934	2,112,094
Total equity and liabilities		26,186,476	26,164,942

The financial statements on pages 4 to 13 were authorised for issue and signed on 7th April 2025 by the board of directors.



Georgios Kakouras
Director



Julian Caruana
Director

Notes to the financial statements

1 Basis of preparation

1.1 Company information and basis of preparation

Harbour (APM) Investments Ltd (the “Company”) is a limited liability company incorporated in Malta with registration number C 58453. The registered address of the Company is Nineteen Twenty-Three, Valletta Road, Marsa MRS 3000, Malta. The Company's principal activity is to purchase or otherwise acquire, hold, and manage movable and immovable property or other assets.

The financial statements of the Company have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (“GAPSME”). The financial statements have been prepared on the historical cost basis except for investment property which is carried at its fair value. These financial statements present information about the Company as an individual undertaking.

1.2 Functional and presentation currency

The financial statements are presented in euro (Eur), which is also the Company's functional currency.

2 Significant accounting policies

2.1 Administrative expenses

Administrative expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

2.2 Interest income

Interest income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Interest income is recognised on an accrual or time proportion basis.

2.3 Rental income

Rental income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Rental income from investment property is recognised in the income statement on a straight-line basis over the lease term.

2.4 Borrowing costs

Borrowing costs, including those costs that are directly attributable to the acquisition, construction, or production of qualifying assets, are recognised as an expense in the income statement in the period in which they are incurred.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.5 Investment property

Investment property is property (land and building) held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes. 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 Company and the cost can be measured reliably. Investment property is initially measured at cost, comprising its purchase price and any directly attributable costs. After initial recognition, investment property held by the Company is carried under the fair value model, that is at fair value at the revaluation date less any accumulated depreciation, with changes in fair value above the historical cost of the investment property being recognised in a separate component of equity under the heading of revaluation reserve.

Depreciation is calculated to write down the carrying amount of assets over their expected useful lives and is charged to profit or loss. Land is not depreciated.

2.6 Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet 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 in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

i. Loans and receivables

Loans and receivables are classified within non-current assets and are stated at their nominal value unless the effect of discounting is material in which case loans and receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

ii. Other financial liabilities

Other financial liabilities are initially measured at fair value plus transaction costs that are directly attributable to them. After initial recognition, the Company's financial liabilities are measured at amortised cost.

iii. Trade and other payables

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

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.6 Financial assets, financial liabilities and equity (continued)

iv. Share capital issued by the Company

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholder are debited directly to equity and are recognised as liabilities in the period in which they are declared.

2.7 Impairment

The Company's investment property and financial assets are tested for impairment.

i. Investment property

The carrying amount of the Company's investment property is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in the income statement, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

The carrying amount of Company's asset is also reviewed at each balance sheet date to determine whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss previously recognised is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in profit or loss, unless they relate to an asset which is carried at revalued amount, in which case they are treated as a revaluation increase unless an impairment loss on the same asset was previously recognised in the income statement.

ii. Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

2.7 Impairment (continued)

ii. Financial assets (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the income statement.

2.8 Income taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognised in the income statement except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on 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. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

Notes to the financial statements (continued)

2.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks.

3 Profit before tax

The profit before tax is stated after charging:

	2024	2023
	Eur	Eur
Auditor's remuneration	3,500	3,300

4 Investment property

	2024	2023
	Eur	Eur
Fair value		
At 1 January	26,000,000	25,750,000
Increase in fair value	-	250,000
At 31 December	26,000,000	26,000,000
Carring amount at 31 December	26,000,000	26,000,000

The Company's investment property consists of land. In 2024 and 2023, a valuation of the investment property was carried out by an independent professionally qualified architect, on the basis of market value. The valuation of the property was based on comparisons of recent sales transactions involving comparable properties in Malta, together with experience of the architect in such valuations and analysis of data available on the property market.

Notes to financial statements (continued)

5 Loans and receivables

	Loans to intermediate parent Eur	Total Eur
Amortised cost		
At 31 December 2024	161,503	161,503
Less: amounts expected to be settled within 12 months (shown under current assets)	-	-
Amount expected to be settled after 12 months	161,503	161,503

	Loans to intermediate parent Eur	Total Eur
Amortised cost		
At 31 December 2023	88,274	88,274
Less: amounts expected to be settled within 12 months (shown under current assets)	-	-
Amount expected to be settled after 12 months	88,274	88,274

On 31 December 2023, a set-off agreement and an assignment agreement were signed between the parent company and a related company. During 2024, further amounts were advanced to Hili Properties p.l.c., which amounts are repayable within a period of four years. Hili Properties p.l.c. also holds the right to defer settlement of the interest payable on the amounts advanced, thereby classifying any accumulated interest receivable as non-current.

6 Trade and other payables

	2024 Eur	2023 Eur
Other payables	-	413
Accruals and deferred income	41,934	31,681
	41,934	32,094

Notes to financial statements (continued)

8 Revaluation reserve

	2024	2023
	Eur	Eur
Balance at 1 January	985,279	755,279
Fair value gain	-	250,000
Deferred tax thereon	-	(20,000)
	<u>985,279</u>	<u>985,279</u>

The revaluation reserve is not available for distribution to the Company's shareholder.

9 Related party disclosures

The parent company of Harbour (APM) Investments Ltd is Hili Properties p.l.c. which is incorporated in Malta. The Company's related parties include its shareholder, directors and other related companies.

10 Guarantee

During 2015, the Company, together with Hili Estates Limited, issued a guarantee jointly and severally with Hili Properties p.l.c. (the issuer), whereby the guarantors irrevocably and unconditionally guaranteed the due and punctual performance of all the obligations undertaken by the issuer to bondholders under the *Eur37,000,000, 4.5% Unsecured Bonds 2025*, which were issued in 2015.

11 Post reporting date event

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation by the directors.


Grant Thornton Malta

Fort Business Centre, Level 2
 Triq L-Intornjatur, Zone 1
 Central Business District
 Birkirkara CBD1050 Malta
T +356 20931000

Independent auditor's report

To the shareholders of Harbour (APM) Investments Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Harbour (APM) Investments Ltd set out on pages 4 to 13, which comprise the balance sheet as at 31 December 2024, the income statement 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 2024, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"), and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 (the "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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. 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 (i) General information and (ii) Directors' responsibilities shown on pages 2 and 3, respectively, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

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 Act.

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 Act.

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 and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with GAPSME and are properly prepared in accordance with the provisions of the 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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 judgement 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 management.
- Conclude on the appropriateness of management's 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.

We communicate with those charged with governance 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

We also have responsibilities under the Companies Act, Cap. 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; and
- 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 Principal on the audit resulting in this independent auditor's report is Mark Bugeja.



Mark Bugeja (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

Fort Business Centre
Triq L-Intornjatur, Zone 1
Central Business District
Birkirkara CBD 1050
Malta

7 April 2025