

# **STIVALA GROUP FINANCE P.L.C**

Condensed Consolidated  
Interim Financial Statements

For the period 21 August 2017 (Registration date) to 30 June 2018

Company Registration Number: **C 82218**

**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

---

	<b>Pages</b>
Directors report Pursuant to Listing Rule 5.75.2	1 - 2
Condensed Consolidated Interim Financial Statements:	
Condensed Consolidated Interim Statement of Financial Position	3 - 4
Condensed Consolidated Interim Income statement	5
Condensed Consolidated Interim Statement of changes in Equity	6
Condensed Consolidated Interim Statement of Cash Flows	7
Notes to the condensed consolidated Interim Financial Statements	8 - 11
Statement Pursuant to Listing Rule 5.75.3	12

## **Interim Directors` Report**

This Half-Yearly Report is being published in terms of Chapter 5, Rule 5.75 of the Listing Rules of the Listing Authority - Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, Chapter 476 of the Laws of Malta). The condensed set of financial statements included in this report has been extracted from Stivala Group Finance p.l.c.'s unaudited financial information for the ten months commencing 21.08.17 (being date of incorporation) to 30 June 2018 prepared in accordance with International Financial reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This Half yearly report has not been audited or reviewed by the Company's auditors.

### **Principal Activities**

The Groups main business is the acquisition of real estate for long term investment purposes, principally in Gzira, Sliema and St. Julians areas. Once acquired, the group is engaged in the development of these properties and their conversion into residential and commercial properties. All properties are retained by the Group to generate rental revenues both from short and long letting and tourist accommodation.

### **Business Review**

The main business activity of the Company has been the issue in October 2017 of €45m worth of bonds having a face value of €100 per bond to the public that were fully subscribed. The bonds have a coupon interest rate of 4% per annum as stated in the prospectus dated 25th September 2017. These bonds were eventually admitted for listing on the stock exchange on 31st October 2017. In accordance with the provisions of the above noted prospectus, the proceeds have been advanced to the gurantor within the Group to finance the acquisition and development of 196, Main street, St. Julians, Quisisana Boutique Apartments and Ec Building. Another portion of the proceeds were allocated towards the construction and completion of the Azur Hotel in Gzira and for the refinancing of bank loans.

To date the 196, Main Street is still in works in progress. The Group has also purchased the neighbouring property 197, Main street, St Julians. The finishings and completion of this project will be financed through group business proceeds and other sources of finance. Quisisana Boutique and EC building are operating normally. As for the completion of the 100 room Azur Hotel, an application was approved for the extension of a further 80 rooms, whereby proceeds were used for the construction of the addittional floors. The finishings of the total of 180 rooms will be financed through the groups business proceeds and other sources of finance.

During the ten-month period that ended on 30 June 2018, the Company registered a profit before tax of €2,124,124. The net assets of the company at the end of the period amounted to €102,299,541.

The published figures have been extracted from the unaudited management financial statement for the ten-month period ending 30 June 2018.

**Interim Directors` report - continued**


**Dividends**

The Board of Directors has resolved to determine the extent of any dividend distribution for 2018 on the basis of the full year results. Accordingly, no dividends are declared declared upon the issue of the results for the ten-month period ended 30 June 2018.

Approved by the Board of Directors on 14 August 2018 and signed on its behalf by:



Michael Stivala  
Director



Carlo Stivala  
Director



Ivan Stivala  
Director



Martin Stivala  
Director

Registered Office:  
Bayview Hotel  
143, The Strand  
Gzira  
GZR1026  
Malta

**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

---

**Consolidated Statement of financial position**

		<b>As at 30.06.18</b>
		<b>Unaudited</b>
		<b>€</b>
<b>ASSETS</b>	Notes	
<b>Non-current assets</b>		
Investment Property	3	113,508,306
Property, plant and equipment		66,194,459
Intangible Assets		32,124
Investment in associates	4	840
		<u>179,735,729</u>
<b>Current Assets</b>		
Inventories		15,909
Trade and other receivables	5	6,010,094
Current tax assets		587,480
Bank and cash equivalents	2	366,894
		<u>6,980,377</u>
<b>Total Assets</b>		<u><u>186,716,105</u></u>

**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

**Consolidated Statement of financial position - continued**

	Notes	As at 30.06.18 Unaudited €
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	6	300,000
Retained earnings		24,794,731
Revaluation Reserve		77,204,810
<b>Total Equity</b>		<b><u>102,299,541</u></b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term Borrowings	7	12,397,035
Other non current-liabilities	8	44,617,500
Deferred tax liability	9	14,314,660
<b>Total Non current liabilities</b>		<b><u>71,329,195</u></b>
<b>Current liabilities</b>		
Trade and other payables	10	3,411,528
Other current liabilities	11	5,610,869
Short term borrowings	2	3,007,544
Current tax liabilities		1,057,428
<b>Total Current liabilities</b>		<b><u>13,087,370</u></b>
<b>Total equity and liabilities</b>		<b><u>186,716,105</u></b>

The notes on pages 8 to 11 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 3 to 12 were authorised for issue by the Board on 14 August 2018 and were signed on its behalf by :

\_\_\_\_\_  
**Michael Stivala**  
**Director**

\_\_\_\_\_  
**Carlo Stivala**  
**Director**

\_\_\_\_\_  
**Ivan Stivala**  
**Director**

\_\_\_\_\_  
**Martin Stivala**  
**Director**

STIVALA GROUP FINANCE P.L.C  
Condensed Consolidated Interim Financial statements  
For the period 21 August 2017 (Registration date) to 30 June 2018

**Consolidated Income Statement**

	10 months 2018 Unaudited €
<b>Revenue</b>	10,823,276
Cost of sales	-2,429,857
<b>Gross operating Profit</b>	<b>8,393,420</b>
Other Net operating costs	-2,825,750
<b>Ebitda</b>	<b>5,567,670</b>
Depreciation & Amortisation	-1,471,303
<b>Operating Profit</b>	<b>4,096,367</b>
Share of results of associated undertakings	73,069
Net Finance Costs	-2,045,312
Movement in revaluation of investement Property	0
<b>Profit before tax</b>	<b>2,124,124</b>
Taxation	-696,059
<b>Profit for the year</b>	<b>1,428,065</b>
<b>Other Comprehensive Income</b>	
Gains on property revaluation, net of tax	0
<b>Total Comprehensive income</b>	<b>1,428,065</b>

Statement of changes in Equity

	Share Capital €	Revaluation Reserve €	Retained Earnings €	Total €
<b>At 21 August 2017</b>	<b>0</b>	<b>0</b>	<b>23,366,666</b>	<b>23,366,666</b>
Profit for the year	0	0	1,428,065	1,428,065
Dividends Paid	0	0	0	0
Total Comprehensive Expense	0	0	1,428,065	1,428,065
Revaluation of investment property, net of tax	0	77,204,810	0	77,204,810
Issue of Share capital	300,000	0	0	300,000
<b>At 30 June 2018</b>	<b>300,000</b>	<b>77,204,810</b>	<b>24,794,731</b>	<b>102,299,541</b>



**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

---

**Condensed Statement of Cash Flows**

	Notes	10 months 2018 Unaudited €
Net cash from operating activities		996,861
Net cash from investing activities		-65,927,278
Net cash from financing activities		57,014,535
<b>Net movement in cash and cash equivalents</b>		<b><u>-7,915,881</u></b>
Cash and cash equivalents at beginning of year		5,275,230
<b>Cash and cash equivalents at end of year</b>		<b><u>-2,640,650</u></b>
<b>Cash and cash equivalents at beginning of year</b>		
Cash at bank and in hand	2	366,894
Bank balance overdrawn	2	-3,007,544
		<b><u>-2,640,650</u></b>

## **Notes to the consolidated interim financial statements**

### **1 Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### **1.1 Basis of operation**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 - 'Interim Financial Reporting', and have been extracted from the company's unaudited accounts for the ten month period commencing 21 August 2017 to 30 June 2018. The half yearly results have been published in terms of the Listing Rules of the Malta financial Services Authority.

#### **1.2 Foreign Currency Translation**

##### **(a) Functional and presentation currency**

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

##### **(b) Transactions and balances**

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

#### **1.3 Investment Property**

Investment Property comprises residential apartments and commercial properties leased out to third parties.

The Group's Land and Buildings were revalued during August 2017 by an independent firm of architects having appropriate recognised professional qualifications and experience in the location and category of the properties being valued. The Directors have reviewed the valuations of the properties.

The valuations of the properties are performed annually on the basis of valuation reports prepared by independent and qualified architects. These reports are based on both:

- information provide by the group which is derived from the Group's financial systems and is subject to the group's overall control environment; and
- assumptions and valuation models used by the auditors - the assumptions are typically market related. These are based on professional judgements and market observation.

**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

**Notes to the consolidated interim financial statements - continued**

**2 - Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<b>10 months 2018 Unaudited €</b>
Cash at bank and in hand	366,894
Bank balance overdrawn	-3,007,544
	<b>-2,640,650</b>

Cash at bank is included within current assets whilst bank overdrafts are included within the current liabilities (Short-term borrowings) in the statement of financial position.

**3 Investment Property**

The fair value is based on a valuation made by an independent professional architect on 28 August 2017. The cost of additions after 28 August 2017 is considered by the directors to be a fair value.

**4 Investment in Associates**

<b>Company</b>	<b><u>Registered Address</u></b>	<b><u>% of ordinary capital held</u></b>
		<b>2018</b>
Quisisana Boutique Company Ltd	143, The strand, Gzira GZR 1026, Malta	50
Platinum Developments Ltd	143, The strand, Gzira GZR 1026, Malta	50
Civala Limited	Vincenti Buildings 22/25, Strait street, Valletta, Malta.	50

**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

---

**Notes to the consolidated interim financial statements - continued**

<b>5</b>	<b>Trade and other receivables</b>	<b>10 months 2018 Unaudited €</b>
	Trade Receivables	1,264,326
	Other Receivables	4,722,976
	Prepayments and Accrued income	22,792
		<b><u>6,010,094</u></b>
<b>6</b>	<b>Share capital</b>	<b>10 months 2018 Unaudited €</b>
	<b>Authorised</b>	
	500,000 ordinary shares of €1 each	500,000
		<b><u>500,000</u></b>
	<b>Called up issued and fully paid-up</b>	
	300,000 ordinary shares of €1 each	300,000
		<b><u>300,000</u></b>

Each ordinary share gives the right to 1 vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up.

Notes to the consolidated interim financial statements - continued

**7 - Long Term Borrowings**

*Bank Loans*

The bank loans are secured by a general hypothec over the company's assets, by guarantees of the parent company, by a special hypothec over property in Gzira, by pledges taken over various insurance policies, and by personal guarantees of the directors. A bank loan amounting to €9,230,729 bears interest at 3% per annum and is repayable at monthly installments of €56,960 inclusive of interest for the first 36 months. Thereafter the interest is to be charged at 4% per annum for the rest of the repayment period, and is repayable by monthly instalments of €61,516 inclusive of interest. Another loan amounting to €3,166,306 bears interest at 4% per annum and is repayable at aggregate monthly instalments of €40,605 inclusive of interest.

<b>8</b>	<b>Other non current liabilities</b>	<b>10 months 2018 Unaudited €</b>
	Face value	45,000,000
	Accumulated amortisation	-382,500
	Amortised cost as at 30 June 2018	<b>44,617,500</b>

<b>9</b>	<b>Deferred tax liability</b>	<b>10 months 2018 Unaudited €</b>
	Revaluation of property	14,314,660
		<b>14,314,660</b>

<b>10</b>	<b>Trade and other payables</b>	<b>10 months 2018 Unaudited €</b>
	Trade Payables	1,565,697
	Accruals and Deferred income	1,845,831
		<b>3,411,528</b>

**11 Other current liabilities**

*Ultimate beneficial Owners' loans*

Ultimate beneficial Owners' loans are unsecured, interest-free and have no fixed date of repayment.

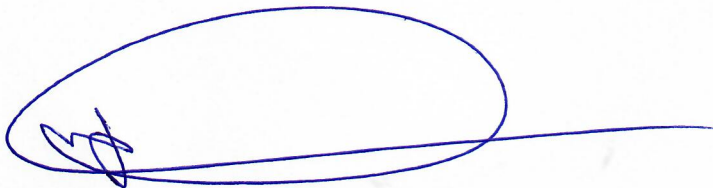
**STIVALA GROUP FINANCE P.L.C**  
**Condensed Consolidated Interim Financial statements**  
**For the period 21 August 2017 (Registration date) to 30 June 2018**

---

**Statement Pursuant to listing Rule 5.75.3**

I confirm to the best of my knowledge:

- the condensed consolidated interim financial information gives a true and fair view of the financial position of the group from registration date being 21st August 2017 to 30th June 2018, and of its financial performance and its cash flows for the ten-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standards 34, `Interim Financial Reporting`);
- the Interim Directors` report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



---

**Mr. Michael Stivala**  
**Director**