



19-25, Conservatory Street, Floriana, Malta
Company Registration Number C89431
(the "Company")

The following is a company announcement issued by FES Finance p.l.c. (C 89431), hereinafter the "Company" of FES Finance p.l.c., 19-23, Conservatory Street, Floriana, Malta, pursuant to the Rule 4.11.13 of the Prospects MTF Rules.

Reference is made to the company announcement issued by the Company on the 13 April 2022 (FES 44) which stated that the Board of Directors of the Guarantor was scheduled to meet on the 28 April 2022:

1. to consider and, if deemed appropriate, approve the Guarantor's audited financial statements for the financial year ended 31 December 2021; and
2. to consider the declaration of a final dividend to be recommended to the Guarantor's annual general meeting;

The Board of Directors of the Guarantor approved the Annual Report and Financial Statements for the financial year ended 31 December 2021 and resolved that these be submitted for the approval of the shareholders at the Annual General Meeting.

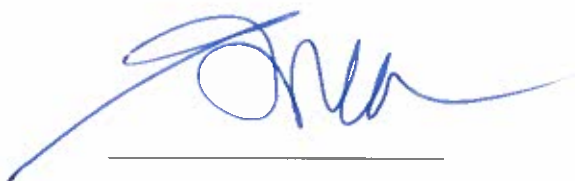
The Board of Directors of the Guarantor has also authorised the publication of the Annual Report and Financial Statements for the financial year ended 31 December 2021 which is available for viewing on the Company's website at <https://fes.com.mt/>

The Company announces that its annual general meeting, together with that of the Guarantor were also held on 28 April 2022, at which:

- 1) The financial statements of the Company and the Guarantor for the year ended 31 December 2021 were approved;
- 2) The Statutory Directors' Report on the Financial Statement of the Company and the Guarantor for the year ended 31 December 2021 were approved;
- 3) The Auditors' Report on the Financial Statements of the Company and the Guarantor for the year ended 31 December 2021 was approved;
- 4) Horwath Malta were re-appointed as the Company's and Guarantor's auditors until the conclusion of the next general meeting;
- 5) The current directors of the Company and the Guarantor were re-appointed up to the next Annual General Meeting in accordance with the Company's Articles of Association.

The Board of Directors note that in the consolidated financial statements of the FES Projects Ltd for the year ended 31 December 2021, the Group (which consists of FES Projects Ltd and its subsidiaries FES Operations Ltd, FES Finance p.l.c and Contractors Only Limited) has registered a total comprehensive profit of €36k. This represents a significant improvement over the results of the previous year, in which the Group registered a total comprehensive loss of €184k. Despite this improvement, the Group's results represent a material variance of circa €467k from the 2021 projections that were published in the Financial Sustainability Forecasts issued on 21 April 2021 by way of company announcement FES32, given that the projections had forecasted a total comprehensive income of €503k.

The difference between the 2021 profit and the projections is mainly attributable to material variance in revenues given that the Group generated revenue of €1.5 million, which is €2.5 million lower than projected revenues of €4.1 million. Despite this difference in revenues, in terms of margins, the Group's consolidated gross profit margin was 26.9%, which is slightly better than the projected gross profit margin of 24.2%. The variance in revenue is attributable to the COVID-19 pandemic, which has significantly disrupted the operations of the Group, including delays in supply chain, shortage of labour, closure of sites and significant delays in receipt of resources due to shipping issues. It is the expectation of the Group that it will continue providing turnkey contracting services and recover the lost sales by concluding these projects during 2022.



Dr Reuben Debono

Company Secretary

28 April 2022

FES PROJECTS LTD

***Annual Report
and
Consolidated Financial Statements
31 December 2021***

Company Registration Number C 83872

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The directors present the annual report together with the audited financial statements of the Company and the Group, which comprises the parent FES Projects Ltd and its subsidiaries FES Finance p.l.c., FES Operations Limited and Contractors Only Limited (hereinafter referred to as the Group), for the year ended 31 December 2021.

Principal Activities

The main activity of the Company is that of investing in, acquiring or leasing, holding and managing properties, as well as acting as a holding company.

The principal activity of the subsidiary company, FES Finance p.l.c., is to carry on the business of a finance company, principally by raising finance through the issue of bonds. FES Operations Limited operates and manages commercial immovable properties while the principal activity of Contractors Only Limited is to carry out turnkey services on social housing to both public and private sectors.

Performance Review

As the COVID-19 pandemic has significantly disrupted the hospitality industry and inherently, the performance of the Euro Guest House, the Group diversified its business opportunities by setting up a new subsidiary, Contractors Only Limited, to provide turnkey projects to third parties. Consequently, the Group experienced a substantial increase in revenue when compared to the previous year primarily as a result of the tenders awarded to Contractors Only Limited.

While the Group focused on these short-term tenders to ensure business continuity, during the year under review the Euro Guest House was closed down due to the pandemic. Furthermore, this will allow the Group to prepare for the development works which will transform the Euro Guest House into a property for extended stay focused on the retirement market (revival living), once the permit is in hand and additional finance is raised.

The Group's costs consist primarily of the direct costs relating to the contracted tenders representing approximately 70% of the contracted revenue that is generated from the turnkey project services provided by the Group. The Group's administrative expenses amounting to €262,030 mainly comprise professional fees, depreciation charge and directors' remuneration. The Group's finance costs consist of interest payable on the bond and the short-term bank facility.

As a result during the year, the Group generated revenue of €1,503,624 (2020: €119,218) which is mainly derived from turnkey services provided to the Government of Malta on social housing properties. The Group registered a profit before tax of €16,937 (2020: loss of €336,065). After accounting for taxation, the Group's profit for the year amounted to €35,545 (2020: €184,114).

The Company generated revenue of €185,540 (2020: €158,495) from the lease of the Euro Guest House boutique hotel to its subsidiary FES Operations Limited to operate this property on its behalf and from the sale of construction material to another subsidiary company, Contractors Only Ltd. The Company incurred a loss before tax of €165,296 (2020: €123,153). After accounting for taxation, the loss for the year amounted to €159,411 (2020: €123,153).

Position Review

The Group's and the Company's asset base amounted to €9,019,381 and €8,182,545 as at 31 December 2021, respectively. The key assets consist of the Euro Guest House boutique hotel situated in Gzira valued by an independent architect at €5.25 million in January 2019 and contract assets from turnkey services amounting to €907,743. The Group and the Company owns also other immovable property in Senglea.

Dividends and Reserves

The Board of Directors does not propose the payment of dividend. Accumulated losses carried forward at the reporting date amounted to €248,381 (2020: €283,926) for the Group and €351,665 (2020: €192,254) for the Company.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in note 26 in these financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2022 through 28 April 2022, the date these financial statements are approved. Through such assessment, the directors have determined that events subsequent to statement of financial position date occurred as reported in note 27 to these financial statements.

Future Developments

The directors intend to continue to operate in line with their business plan. The Euro Guest House property in Gzira will no longer be used as a boutique hotel but it is earmarked to be demolished to transform it into a property focused on the retirement market (revival living).

Going concern

After making enquiries and taking into consideration future plans, the directors have a reasonable expectation that the Company has adequate resources to continue in operating existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing financial statements.

Directors

Mr. Christopher Vella
Dr. Reuben Debono

Statement of Directors' Responsibilities

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

In preparing the financial statements, the directors are responsible for:-

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern;

The directors are responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). The directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

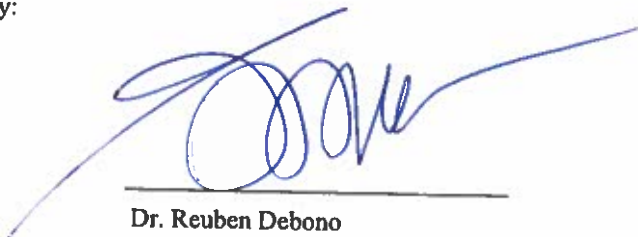
Auditors

The auditors, Horwath Malta, have expressed their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

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



Mr. Christopher Vella
Director



Dr. Reuben Debono
Director

Registered Address:
19 – 25
Conservatory Street
Floriana
Malta

28 April 2022

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of FES Projects Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FES Projects Ltd (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together, "the Group"), set out on pages 7 to 43, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company, as at 31 December 2021, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Directors' Report. Our opinion on the financial statements does not cover this information and we do not express any form of assurance conclusion thereon. 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.

Other Information (continued)

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

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

In addition, in light of the knowledge and understanding of the Company and the Group and their 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.

Responsibilities of the Directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 Group or Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 Group's and Company's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Group's and 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, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability 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 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

Under Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

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

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

John Abela (Partner) for and on behalf of

Horwath Malta
Member Crowe Global

La Provvida
Karm Zerafa Street
Birkirkara BKR1713
Malta

28 April 2022

FES PROJECTS LTD
Consolidated Statements of Comprehensive Income
For the year ended 31 December 2021

Page 7

	Notes	The Group		The Company	
		2021 €	As restated 2020 €	2021 €	2020 €
Revenue	6	1,503,624	119,218	185,540	158,495
Cost of sales and services		<u>(1,099,601)</u>	<u>(169,407)</u>	<u>(46,755)</u>	<u>(22,001)</u>
Gross profit / (loss)		404,023	(50,189)	138,785	136,494
Administrative expenses		(262,030)	(219,348)	(177,198)	(132,764)
Other income	7	-	58,589	-	-
Finance income	8	61	-	-	-
Finance costs	9	<u>(125,117)</u>	<u>(125,117)</u>	<u>(126,883)</u>	<u>(126,883)</u>
Profit / (Loss) before Income Tax	10	16,937	(336,065)	(165,296)	(123,153)
Income taxation	11	<u>18,608</u>	<u>151,951</u>	<u>5,885</u>	<u>-</u>
PROFIT / (LOSS) FOR THE YEAR		<u>35,545</u>	<u>(184,114)</u>	<u>(159,411)</u>	<u>(123,153)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		<u>35,545</u>	<u>(184,114)</u>	<u>(159,411)</u>	<u>(123,153)</u>

The accounting policies and explanatory notes on pages 12 to 43 form an integral part of these financial statements.

		The Group		The Company	
		2021	As restated	2021	As restated
	Notes	€	2020	€	2020
			€		€
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	6,278,081	6,165,803	6,268,481	6,165,803
Investment in subsidiaries	13	-	-	51,438	51,438
Deferred tax asset	20	364,295	287,790	-	-
		<u>6,642,376</u>	<u>6,453,593</u>	<u>6,319,919</u>	<u>6,217,241</u>
Current Assets					
Inventory	14	65,326	41,400	65,326	39,515
Trade and other receivables	15	1,381,229	886,743	1,792,091	1,053,902
Contract asset	16	907,743	-	-	-
Cash and cash equivalents	22	22,707	25,455	5,209	11,602
		<u>2,377,005</u>	<u>953,598</u>	<u>1,862,626</u>	<u>1,105,019</u>
Total Assets		<u><u>9,019,381</u></u>	<u><u>7,407,191</u></u>	<u><u>8,182,545</u></u>	<u><u>7,322,260</u></u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Called up issued share capital	17	1,818,004	1,818,004	1,818,004	1,818,004
Accumulated losses	18	(248,381)	(283,926)	(351,665)	(192,254)
		<u>1,569,623</u>	<u>1,534,078</u>	<u>1,466,339</u>	<u>1,625,750</u>
Non-Current Liabilities					
Borrowings	19	5,458,807	5,180,697	5,351,118	5,082,754
Deferred tax liability	20	304,000	304,000	304,000	304,000
		<u>5,762,807</u>	<u>5,484,697</u>	<u>5,655,118</u>	<u>5,386,754</u>
Current Liabilities					
Borrowings	19	1,000,000	-	-	-
Trade and other payables	21	629,054	388,416	1,061,088	309,756
Current tax liability		57,897	-	-	-
		<u>1,686,951</u>	<u>388,416</u>	<u>1,061,088</u>	<u>309,756</u>
Total Equity and Liabilities		<u><u>9,019,381</u></u>	<u><u>7,407,191</u></u>	<u><u>8,182,545</u></u>	<u><u>7,322,260</u></u>

The accounting policies and explanatory notes on pages 12 to 43 form an integral part of these financial statements.

The financial statements on pages 7 to 43 were approved by the Board of Directors on 28 April 2022 and were signed on its behalf by:


Mr. Christopher Vella
Director


Dr. Ruben Debono
Director

The Group

	Share Capital €	Accumulated losses €	Total €
Balances as at 1 January 2020 as originally reported	1,818,004	(105,534)	1,712,470
Prior year adjustment (Note 25)	-	5,722	5,722
Balances as at 1 January 2020 as restated	1,818,004	(99,812)	1,718,192
Total comprehensive loss for the year			
Loss for the year as originally reported	-	(185,039)	(185,039)
Prior year adjustment (Note 25)	-	925	925
Total comprehensive loss for the year as restated	-	(184,114)	(184,114)
Balances as at 31 December 2020 as restated	<u>1,818,004</u>	<u>(283,926)</u>	<u>1,534,078</u>
Balances as at 1 January 2021	<u>1,818,004</u>	<u>(283,926)</u>	<u>1,534,078</u>
Total comprehensive income for the year			
Profit for the year	-	35,545	35,545
Total comprehensive income for the year	-	35,545	35,545
Balances as at 31 December 2021	<u>1,818,004</u>	<u>(248,381)</u>	<u>1,569,623</u>

The accounting policies and explanatory notes on pages 12 to 43 form an integral part of these financial statements.

The Company

	Share Capital €	Accumulated losses €	Total €
Balances as at 1 January 2020	<u>1,818,004</u>	<u>(69,101)</u>	<u>1,748,903</u>
Total comprehensive loss for the year			
Loss for the year	<u>-</u>	<u>(123,153)</u>	<u>(123,153)</u>
Total comprehensive loss for the year	<u>-</u>	<u>(123,153)</u>	<u>(123,153)</u>
Balances as at 31 December 2020	<u>1,818,004</u>	<u>(192,254)</u>	<u>1,625,750</u>
Balances as at 1 January 2021	<u>1,818,004</u>	<u>(192,254)</u>	<u>1,625,750</u>
Total comprehensive loss for the year			
Loss for the year	<u>-</u>	<u>(159,411)</u>	<u>(159,411)</u>
Total comprehensive loss for the year	<u>-</u>	<u>(159,411)</u>	<u>(159,411)</u>
Balances as at 31 December 2021	<u>1,818,004</u>	<u>(351,665)</u>	<u>1,466,339</u>

The accounting policies and explanatory notes on pages 12 to 43 form an integral part of these financial statements.

	Note	The Group 2021 €	2020 €	The Company 2021 €	2020 €
Operating Activities					
Profit / (Loss) for the year before taxation		16,937	(336,065)	(165,296)	(123,153)
Adjustment for:					
Depreciation expense		94,667	91,706	92,268	91,706
Amortisation of bond issue costs		10,250	10,250	-	-
Interest income		(61)	-	-	-
Finance costs		125,117	125,117	126,883	126,883
		246,910	(108,992)	53,855	95,436
Working capital changes:					
Movement in inventory		(23,926)	(39,515)	(25,811)	(39,515)
Movement in trade and other receivables		(349,537)	(518,622)	(575,177)	(325,593)
Movement in contract asset		(907,743)	-	-	-
Movement in trade and other payables		220,571	76,747	(104,479)	(201,590)
Cash generated from operations		(813,725)	(590,382)	(651,612)	(471,262)
Interest paid		(250,000)	(250,000)	(250,000)	(250,000)
Interest received		61	-	-	-
Net Cash used in Operating Activities		(1,063,664)	(840,382)	(901,612)	(721,262)
Investing Activities					
Acquisition of property, plant and equipment		(206,945)	(409,580)	(194,946)	(409,580)
Acquisition of investment in subsidiary		-	-	-	(1,200)
Net Cash used in Investing Activities		(206,945)	(409,580)	(194,946)	(410,780)
Financing Activities					
Advances from bank loan		1,000,000	-	-	-
Net advances by subsidiaries		-	-	822,789	653,174
Net advances by shareholders		267,861	200,049	267,376	200,972
Net Cash generated from Financing Activities		1,267,861	200,049	1,090,165	854,146
Movement in Cash and Cash Equivalents		(2,748)	(1,049,913)	(6,393)	(277,896)
Cash and cash equivalents at beginning of year		25,455	1,075,368	11,602	289,498
Cash and Cash Equivalents at End of Year	22	22,707	25,455	5,209	11,602

The accounting policies and explanatory notes on pages 12 to 43 form an integral part of these financial statements.

1. General Information

FES Projects Ltd (the "Company") is a limited liability company domiciled and incorporated in Malta.

2. Basis of Preparation

Statement of compliance

These consolidated financial statements include the financial statements of FES Projects Ltd and its subsidiaries, FES Finance p.l.c., FES Operations Limited and Contractors Only Limited.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386).

International Financial Reporting Standard 10, *Consolidated Financial Statements*, requires a parent company to prepare consolidated financial statements in which it consolidates its investment in subsidiaries.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for land which is carried under the revaluation model.

Functional and presentation currency

The consolidated financial statements are presented in Euro, which is the Company's functional currency.

Going concern

FES Projects Ltd was set up as the holding company of the Group, and is principally engaged in investing in, acquiring, holding and/or managing any land, building or other property for the purpose of deriving income therefrom. The Group and the Company owns the Euro Guest House boutique hotel. During the year under review the Euro Guest House was closed down due to the pandemic. Furthermore, this will allow the Group to prepare for the development works which will transform the Euro Guest House into a property for extended stay focused on the retirement market (revival living), once the permit is in hand and additional finance is raised.

2. Basis of Preparation (continued)

Going concern (continued)

In preparing these financial statements, the directors assessed the impact that the operation of Euro guest House boutique hotel has had on the performance of the Company and the Group. Although there have been significant disruptions in the Euro Guest House operations, the directors note that Contractors Only Limited was set up during 2020 to introduce a new revenue stream in order to mitigate the effect of economic realities, by repurposing use of resources that the Group developed to provide turnkey projects to third parties, both public and private. These projects generate cash flows and profits which are more consistent and are not dependant on the strength of the tourism industry. Consequently, the going concern assessment of the Group was assessed through (i) the anticipated profitability following the development of Euro Guest House (ii) the tenders won to date by Contractors Only Limited (iii) the profits arising through these tenders won by Contractors Only Limited.

The board of directors continually monitors the operations of the Group, and is satisfied that through this diversification, the Group will generate sufficient profitability to meet its payment obligation with its bondholders. Therefore, the directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs, as adopted by the EU, requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 5 – Critical accounting estimates and judgements).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

3. New and Revised Standards

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

3. New and Revised Standards (continued)

New standards which have been newly adopted during the year

The Company adopted several new or revised Standards, Interpretations and amendments issued by the International Accounting Standards Board (IASB) and the IFRS Interpretation Committee and endorsed by the EU. The adoption of these new or revised standards, interpretations and amendments did not have a material impact on these financial statements.

Accordingly, the Company has made no changes to its accounting policies.

<i>Title</i>	<i>Effective Date</i>
(i) Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
(ii) Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16	1 April 2021
(iii) Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021

New standards which have been newly adopted during the year

At the end of the reporting period, certain new Standards, Interpretations or amendments thereto, were in issue and endorsed by the EU, but not yet effective for the current financial period. There have been no instances of the early adoption of the Standards, Interpretations or amendments ahead of their effective date. The directors anticipate that the adoption of the new Standards, Interpretations or amendments thereto, will not have a material impact on the financial statements upon initial application.

4. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Revenue recognition

Revenue include all revenues from the ordinary business activities of the Group. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax.

Revenue from contracts with customers and hospitality services

The Group's revenue from contracts with customers primarily consists of turnkey services to both the public and private sector. Revenue from contracts is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects in exchange for those arrangements, because it typically controls the services before transferring them to the customer. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group, and these can be measured reliably.

4. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue from contracts with customers (continued)

The Group's revenue recognition is straight-forward, hence no significant accounting judgement, estimates and assumptions (i.e., in terms of estimating variable considerations and stand-alone selling price) are involved.

Revenue is recognised as follows:

(i) Rendering of turnkey services

The Group recognises revenue from turnkey services over time because the Group's performance creates or enhances an asset that the customer controls as the asset is enhanced or created. In some cases, the customer simultaneously receives and consumes the benefits provided to them as the Group performs. The Group uses an output method in measuring progress of the services since there is a direct relationship between the Group's efforts (based on the results achieved) and the transfer of services to the customer.

(ii) Revenue from hospitality services

Revenue from hospitality services includes revenue from accommodation, food and beverage services and other ancillary services. Most of the services are provided to customers during their stays in the hotel and depending on the type of booking. Some services would generally be amalgamated into one 'contract' (for example, bed and breakfast).

Each of the services rendered is assessed to be a distinct performance obligation, and if applicable, the Group allocates the transaction price to each of the services rendered to the customer on a relative basis, based on their stand-alone selling price. Revenue from such operations is recognised over time since the customer benefits as the Group is performing; the majority of revenue relates to accommodation (i.e. the amount allocated to such performance obligation is recognised over the customer's stay at the boutique hotel).

(iii) Property related income

Rentals receivable charge to tenants of immovable property are recognised in the period when the property is occupied. The Company's policy for recognition of revenue from operating leases is described in accounting policy on 'Leases' below.

(iv) Retail sales

Revenue from sale of construction materials is recognised at a point in time when control of asset is transferred to the customer, generally on delivery of products at the customer's location.

4. Significant Accounting Policies (continued)

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.

Leases

The Company as lessor

Rental income from operating leases is recognised on a straight - line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added on the carrying amount of the leased asset and recognised on a straight-line basis of the lease term.

Income taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Significant Accounting Policies (continued)

Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land is shown at fair value based on periodic valuations by external independent valuers. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting year. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete, and is suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other comprehensive income and shown as a revaluation reserve in the shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Assets in course of construction are not depreciated.

The rates of depreciation used are the following:

• Buildings	- 2% per annum
• Computer and electronic equipment	- 20% per annum
• Furniture and fittings	- 20% per annum
• Software	- 20% per annum
• Electrical and plumbing	- 10% per annum
• Other assets	- 10% per annum
• Motor vehicle	- 20% per annum
• Air-conditioning	- 20% per annum

Land is not being depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

4. Significant Accounting Policies (continued)

Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

In the Company's financial statements, investments in subsidiaries are accounted for by the cost method of accounting, that is at cost less impairment. Cost includes directly attributable costs of the investments. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the year in which the diminution is identified. The results of subsidiaries are reflected in the company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

Financial assets

Classification

The Group classifies its financial assets (other than investment in subsidiaries) as financial assets measured at amortised costs. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group classifies its financial assets at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest

4. Significant Accounting Policies (continued)

Financial assets (continued)

Classification (continued)

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Interest income on debt instruments measured at amortised cost from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition of these instruments is recognised directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as a separate line item in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

4. Significant Accounting Policies (continued)

Financial assets (continued)

Impairment (continued)

i. Expected credit loss model

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs.

- Debt securities that are determined to have a low credit risk at the reporting date, and
- Other debt securities and bank balances for which credit risk has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter year if the expected life of the instrument is less than 12 months). The maximum year considered when estimating ECLs is the maximum contractual year over which the company is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as a significant financial difficulty of the borrower or issuer, or a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii. Simplified approach model

For trade receivables, the Group applies the simplified approach required by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of sales over a year of 12 months before 31 December 2020 or 1 January 2020, respectively, and the corresponding historical credit losses experienced within this year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the customers to settle the receivable. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

For related party balances, the Group assesses the credit quality of the related companies by taking into account the financial position, performance and other factors. In measuring expected credit losses on these balances, management has taken into account the agreement in place and adherence to the agreement.

4. Significant Accounting Policies (continued)

Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provision of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional and excluding any amounts presented as receivable.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

The asset is assessed for impairment in accordance with IFRS 9 and, when relevant, the impairment is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Cost to obtain a contract

The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less.

4. Significant Accounting Policies (continued)

Contract costs (continued)

Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer that are not within the scope of another standard are recognised as an asset only if (a) the costs relate directly to a contract or an anticipated contract that the Group can specifically identify, (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and (c) the costs are expected to be recovered.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method and comprises expenditure incurred in acquiring the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at the fair value of proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include deposits held at call with banks.

4. Significant Accounting Policies (continued)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Group's shareholders.

5. Critical Accounting Estimates and Judgements

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

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these consolidated financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

6. Revenue

The table below shows the disaggregation of revenue of the Group and the Company by major sources for the year ended 31 December 2021 and 31 December 2020.

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
<i>Types of goods or service</i>				
Hospitality services	74,757	110,723	-	-
Turnkey services	1,422,729	-	-	-
Rental income	-	-	150,000	150,000
Sale of construction material	-	1,265	29,950	1,265
Miscellaneous income	6,138	7,230	5,590	7,230
	<u>1,503,624</u>	<u>119,218</u>	<u>185,540</u>	<u>158,495</u>

6. Revenue (continued)

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	-	1,265	29,950	1,265
Services transferred over time	<u>1,503,624</u>	<u>117,953</u>	<u>155,590</u>	<u>157,230</u>
	<u>1,503,624</u>	<u>119,218</u>	<u>185,540</u>	<u>158,495</u>

Performance obligations

Information about the Group's performance obligation is summarised below:

i. Turnkey services

The performance obligation is satisfied over time and payment is generally due upon completion of projects and acceptance of the customer.

ii. Hospitality services

Revenue from such operations is recognised over time since the customer benefits as the Group is performing; the majority of revenue relates to accommodation (i.e. the amount allocated to such performance obligation is recognised over the customer's stay at the boutique hotel).

iii. Retail sales

The performance obligation is satisfied upon delivery of construction material and payment is generally due immediately upon issue of invoice. The transaction price, which is equal to the billing price indicated in the sales invoices issued, is therefore allocated to only one performance obligation.

7. Other Income

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Government assistance - COVID wage supplement	-	43,327	-	-
Insurance claim received	-	15,262	-	-
	<u>-</u>	<u>58,589</u>	<u>-</u>	<u>-</u>

8. Finance Income

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Bank interest receivable	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. Finance Costs

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Interest payable on bond	250,000	250,000	-	-
Amortisation of bond issue costs	10,250	10,250	-	-
Capitalisation of interest	(135,133)	(135,133)	-	-
Interest on loan from subsidiary	-	-	126,883	126,883
	<u>125,117</u>	<u>125,117</u>	<u>126,883</u>	<u>126,883</u>

10. Profit / (Loss) before Income Tax

This is stated after charging the following:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Directors' remuneration	24,000	26,000	-	-
Depreciation on property, plant and equipment	94,667	91,706	92,268	91,706
Audit fees	14,600	8,500	3,200	3,000
Amortisation of bond issue costs	10,250	10,250	-	-

Auditor's fee

Fees charged by the auditor for services rendered during the financial year ended 31 December 2021 relate to the following:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Annual statutory audit fee	14,600	8,500	3,200	3,000
Other non-audit services	1,300	950	350	300

11. Income Taxation

Amounts recognised in profit or loss

	The Group		The Company	
	2021	As restated 2020	2021	2020
	€	€	€	€
Current tax expense	(57,897)	-	-	-
Tax credit on group losses surrendered to a group company	-	-	5,885	-
Deferred tax credit	76,505	151,951	-	-
	18,608	151,951	5,885	-

11. Income Taxation (continued)

The tax charge / (credit) and the result of accounting profit / (loss) multiplied by the statutory income tax rate are reconciled as follows:

	The Group		The Company	
	2021	As restated 2020	2021	2020
	€	€	€	€
Profit / (Loss) before taxation	<u>16,937</u>	<u>(336,065)</u>	<u>(165,296)</u>	<u>(123,153)</u>
Tax at the applicable statutory rate of 35%	5,928	(117,623)	(57,854)	(43,104)
<i>Tax effect of:</i>				
Unrecognised deferred tax asset	-	7,005	-	7,005
Capital allowances not deductible by way of depreciation	(76,504)	(77,432)		
Maintenance allowance	(10,050)	(10,621)	(10,050)	(10,621)
Disallowable expenses	<u>62,018</u>	<u>46,720</u>	<u>62,019</u>	<u>46,720</u>
Tax charge / (credit)	<u>(18,608)</u>	<u>(151,951)</u>	<u>(5,885)</u>	<u>-</u>

The potential tax saving arising from unabsorbed tax losses carried forward for set-off against future taxable income of the Group and FES Projects Ltd amounting to €7,005 (2020: €7,005) are not recognised in these financial statements.

12. Property, Plant and Equipment

The Group

	Land £	Buildings £	Furniture & Fittings £	Computer & Electronic Equipment £	Software £	Electrical and plumbing £	Air- conditioning £	Motor Vehicles £	Other Assets £	Assets under construction £	Total £
At 1 January 2020 as restated											
Cost / Revahied amount	3,800,000	1,600,528	124,063	1,981	23,051	-	-	-	288,326	53,563	5,891,512
Accumulated depreciation	-	(14,258)	(12,406)	(198)	(2,305)	-	-	-	(14,416)	-	(43,583)
Net book amount	3,800,000	1,586,270	111,657	1,783	20,746	-	-	-	273,910	53,563	5,847,929
Year ended 31 December 2020											
Opening net book amount	3,800,000	1,586,270	111,657	1,783	20,746	-	-	-	273,910	53,563	5,847,929
Additions	-	167,404	1,739	3,888	1,086	1,595	-	-	-	233,868	409,580
Depreciation charge	-	(31,553)	(25,160)	(1,174)	(4,827)	(159)	-	-	(28,833)	-	(91,706)
Closing net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	-	245,077	287,431	6,165,803
At 31 December 2020											
Cost / Revahied amount	3,800,000	1,767,932	125,802	5,869	24,137	1,595	-	-	288,326	287,431	6,301,092
Accumulated depreciation	-	(45,811)	(37,566)	(1,372)	(7,132)	(159)	-	-	(43,249)	-	(135,289)
Net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	-	245,077	287,431	6,165,803
Year ended 31 December 2021											
Opening net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	-	245,077	287,431	6,165,803
Additions	-	-	-	787	-	9,245	710	12,000	-	217,352	6,165,803
Adjustments	-	(33,148)	-	-	-	-	-	-	-	-	240,093
Depreciation charge	-	(30,890)	(25,160)	(1,331)	(4,827)	(1,085)	(142)	(2,399)	(28,833)	-	(33,148)
Closing net book amount	3,800,000	1,658,083	63,076	3,953	12,178	9,596	568	9,601	216,244	504,783	6,278,081
At 31 December 2021											
Cost / Revahied amount	3,800,000	1,734,784	125,802	6,656	24,137	10,840	710	12,000	288,326	504,783	6,508,037
Accumulated depreciation	-	(76,701)	(62,726)	(2,703)	(11,959)	(1,244)	(142)	(2,399)	(72,082)	-	(229,956)
Net book amount	3,800,000	1,658,083	63,076	3,953	12,178	9,596	568	9,601	216,244	504,783	6,278,081

12. Property, Plant and Equipment (continued)

The Company

	Land €	Buildings €	Furniture & Fittings €	Computer & Electronic Equipment €	Software €	Electrical and plumbing €	Air- conditioning €	Other Assets €	Assets under construction €	Total €
At 1 January 2020										
Cost / Revalued amount	3,800,000	1,600,528	124,063	1,981	23,051	-	-	288,326	53,563	5,891,512
Accumulated depreciation	-	(14,258)	(12,405)	(198)	(2,305)	-	-	(14,416)	-	(43,583)
Net book amount	3,800,000	1,586,270	111,657	1,783	20,746	-	-	273,910	53,563	5,847,929
Year ended 31 December 2020										
Opening net book amount	3,800,000	1,586,270	111,657	1,783	20,746	-	-	273,910	53,563	5,847,929
Additions	-	167,404	1,739	3,888	1,086	1,595	-	-	233,868	409,580
Depreciation charge	-	(31,553)	(25,160)	(1,174)	(4,827)	(159)	-	(28,833)	-	(91,706)
Closing net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	245,077	287,431	6,165,803
At 31 December 2020										
Cost / Revalued amount	3,800,000	1,767,932	125,802	5,869	24,137	1,595	-	288,326	287,431	6,301,092
Accumulated depreciation	-	(45,811)	(37,566)	(1,372)	(7,132)	(159)	-	(43,249)	-	(135,289)
Net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	245,077	287,431	6,165,803
Year ended 31 December 2021										
Opening net book amount	3,800,000	1,722,121	88,236	4,497	17,005	1,436	-	245,077	287,431	6,165,803
Additions	-	-	-	787	-	9,245	710	-	217,352	228,094
Adjustments	-	(33,148)	-	-	-	-	-	-	-	(33,148)
Depreciation charge	-	(30,890)	(25,160)	(1,331)	(4,827)	(1,085)	(142)	(28,833)	-	(92,268)
Closing net book amount	3,800,000	1,658,083	63,076	3,953	12,178	9,596	568	216,244	504,783	6,268,481
At 31 December 2021										
Cost / Revalued amount	3,800,000	1,734,784	125,802	6,656	24,137	10,840	710	288,326	504,783	6,496,038
Accumulated depreciation	-	(76,701)	(62,726)	(2,703)	(11,959)	(1,244)	(142)	(72,082)	-	(227,557)
Net book amount	3,800,000	1,658,083	63,076	3,953	12,178	9,596	568	216,244	504,783	6,268,481

12. Property, Plant and Equipment (continued)

As at 31 December 2021 and 31 December 2020, the following properties have hypothec:

- (a) Property having a value of €5.25 million has a first special hypothec registered against it in favour of a Security Trustee for the benefit of a subsidiary's (FES Finance plc) bondholders.
- (b) Property having a value of €1 million has a first general hypothec registered against it for the benefit of a subsidiary's (Contractors Only Ltd) creditor.
- (c) Property having a value of €1 million has a special hypothec registered against it for the benefit of a subsidiary's (Contractors Only Ltd) creditor.

Land was valued by an independent valuer on 25 January 2019, on an open market existing use basis.

The movement in the deferred tax liability arising on the revaluation has been computed on the basis of a tax rate of 8% on the land's sales value, which is equal to its fair value at the reporting date.

The carrying amount of land that would have been included in the financial statements had these assets been carried at cost is €2,249,246 (2020: €2,249,246).

13. Investment in Subsidiaries

The carrying amount of the investment in subsidiaries at reporting date was as follows:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Year ended 31 December				
Opening net book amount	-	-	51,438	50,238
Additions	-	-	-	1,200
Closing net book amount	-	-	51,438	51,438
At 31 December				
Cost and carrying net book amount	-	-	51,438	51,438

13. Investment in Subsidiaries (continued)

The subsidiaries as at 31 December 2021 are shown below:

	Registered Office	Class of shares held	Principal activity	Percentage of shares held	
				2021	2020
FES Finance p.l.c.	19 -23 Conservatory Street Floriana, Malta	Ordinary shares	Finance company	99.996%	99.996%
FES Operations Limited	19 – 23 Conservatory Street Floriana, Malta	Ordinary shares	Operation of a boutique hotel	100%	100%
Contractors Only Limited	19 – 25 Conservatory Street Floriana, Malta	Ordinary shares	Turnkey solutions of projects	100%	100%

14. Inventory

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Materials	<u>65,326</u>	<u>41,400</u>	<u>65,326</u>	<u>39,515</u>

15. Trade and Other Receivables

	The Group		The Company	
	2021	As restated 2020	2021	As restated 2020
	€	€	€	€
Trade receivables	19,935	-	-	-
Amounts owed by subsidiaries	-	-	389,378	270,674
Amounts owed by related company	246,675	186,350	342,553	195,281
Advance deposits	1,110,559	606,814	1,034,912	554,837
Indirect tax recoverable	4,060	34,334	25,248	33,110
Other receivables	-	59,245	-	-
	<u>1,381,229</u>	<u>886,743</u>	<u>1,792,091</u>	<u>1,053,902</u>

Amounts owed by subsidiaries and related company are unsecured, interest free and are repayable on demand. As at 31 December 2021 and 31 December 2020, these amounts were fully performing and hence do not contain impaired assets.

16. Contract Assets

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Movement during the year	<u>907,743</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December	<u>907,743</u>	<u>-</u>	<u>-</u>	<u>-</u>

Payment for goods and services rendered is not due from customer until the services are completed and therefore a contract asset is recognised over the period in which the services are performed to represent the Group's right to consideration for services performed to date.

Contract assets arise from turnkey services

As at 31 December 2021, these amounts were fully performing and hence do not contain impaired assets.

17. Share Capital

	The Group and the Company	
	2021	2020
	€	€
Authorised		
1,818,004 ordinary shares of €1 each	<u>1,818,004</u>	<u>1,818,004</u>
Issued and Fully Paid Up		
1,818,004 ordinary shares of €1 each	<u>1,818,004</u>	<u>1,818,004</u>

18. Accumulated Losses

This represents accumulated losses. During the year under review, no dividends were paid out of retained earnings.

19. Borrowings

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Non-current				
5,000,000 5% Secured Bonds 2029	4,926,115	4,915,865	-	-
Amounts owed to shareholders	532,692	264,832	533,106	265,730
Loan due to subsidiary	-	-	4,818,012	4,817,024
Total	<u>5,458,807</u>	<u>5,180,697</u>	<u>5,351,118</u>	<u>5,082,754</u>

19. Borrowings (continued)

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Bonds outstanding (face value)	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>
Gross amount of bond issue costs	(102,500)	(102,500)	-	-
Amortisation of gross amount of bond issue costs:				
Amortised bond issue costs brought forward	18,365	8,115	-	-
Amortisation charge for the period	<u>10,250</u>	<u>10,250</u>	<u>-</u>	<u>-</u>
Unamortised bond issue costs	<u>(73,885)</u>	<u>(84,135)</u>	<u>-</u>	<u>-</u>
Amortised cost and closing carrying amount	<u>4,926,115</u>	<u>4,915,865</u>	<u>-</u>	<u>-</u>

Amounts owed to shareholders are unsecured, interest free and have no fixed date for repayment but they are not envisaged to be paid within the next twelve months.

A loan facility amounting to €4,897,500 is made available to the Company (FES Projects Ltd) by its subsidiary FES Finance p.l.c.. This loan is unsecured, carries interest at 5.35% per annum and is repayable in full by not later than 31 December 2028. Any other balances payable to subsidiary are unsecured, interest free and have no fixed date of repayment but are not envisaged to be paid within the next twelve months.

Interest

Interest on the 5% Secured Bonds 2029 is payable annually in arrears, on 18 March of each year.

Security

The bonds constitute the general, direct, and unconditional obligations of the Group, and shall at all times rank *pari passu*, without any priority or preference among themselves.

The secured bonds shall rank with priority or preference with respect to the Security Property, save for such exceptions as may be provided by application law. The payment of the principal under the bonds and one year interest thereon is secured by a first special hypothec over the Security Property which FES Projects Ltd has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders. Also, the secured bonds are guaranteed, in respect of both the interest and the principal amount due by FES Projects Ltd.

19. Borrowings (continued)

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Current				
Bank loan	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a first general hypothec over a subsidiary's assets, through general and special hypothecary guarantees given by the Group and through a special pledge on the subsidiary's insurance policy.

The effective interest rate at 31 December 2021 is 5%.

20. Deferred Tax

The movement in the deferred tax for the year is analysed as follows:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Deferred tax liability				
At beginning of year	304,000	304,000	304,000	304,000
Charged to equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At end of year	<u>304,000</u>	<u>304,000</u>	<u>304,000</u>	<u>304,000</u>
Deferred tax asset				
At beginning of year	287,790	135,839	-	-
Charged to profit or loss (Note 11)	<u>76,505</u>	<u>151,951</u>	<u>-</u>	<u>-</u>
At end of year	<u>364,295</u>	<u>287,790</u>	<u>-</u>	<u>-</u>

20. Deferred Tax (continued)

Deferred taxation is composed of deferred tax liability and deferred tax asset which is to be recovered and settled after more than twelve months. The deferred taxation at 31 December represents:

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Deferred tax liability				
<i>Temporary differences on:</i>				
Revaluation of land	<u>304,000</u>	<u>304,000</u>	<u>304,000</u>	<u>304,000</u>
Deferred tax asset				
<i>Temporary differences on:</i>				
Unabsorbed capital allowances	229,634	153,128	-	-
Unabsorbed tax losses	<u>134,661</u>	<u>134,662</u>		
At end of year	<u>364,295</u>	<u>287,790</u>	<u>-</u>	<u>-</u>

Deferred taxation is calculated on all temporary differences using the principal tax rate of 35%, except for revaluation of land which is calculated using 8% final withholding tax rate.

21. Trade and Other Payables

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Trade payables	268,977	105,074	46,308	44,470
Amounts due to subsidiary	-	-	747,134	-
Accrued expenses	<u>360,077</u>	<u>283,342</u>	<u>267,646</u>	<u>265,286</u>
	<u>629,054</u>	<u>388,416</u>	<u>1,061,088</u>	<u>309,756</u>

Amounts owed to subsidiary are unsecured, interest free and repayable on demand.

22. Cash and Cash Equivalents

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

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Cash at bank	22,432	25,102	5,209	11,602
Cash in hand	275	353	-	-
	<u>22,707</u>	<u>25,455</u>	<u>5,209</u>	<u>11,602</u>

23. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

FES Projects Ltd is the parent company of the entities listed in Note 13 (together referred to as the Group). All companies forming part of the Group are related parties since these companies are ultimately owned by FES Projects Ltd which is considered by the directors to be the ultimate controlling party.

Trading transactions between these companies include items which are normally encountered in a group context. The Group is ultimately owned by Mr. Christopher Vella and Dr. Reuben Debono.

23. Related Party Transactions (continued)

	The Group 2021 €	2020 €	The Company 2021 €	2020 €
Income				
Sales to subsidiary	-	-	29,950	1,265
Rent charged to subsidiary	-	-	150,000	150,000
Expenditure				
Interest charged by subsidiary	-	-	126,883	126,833
Recharges by subsidiary	-	-	-	27,283
Recharges by related company owned by common shareholder	132,556	80,992	-	16,367
Capital Expenditure				
Interest charged by subsidiary	-	-	135,133	135,133
Recharges by subsidiary	-	-	-	18,115
Recharges by related company owned by common shareholder	82,377	67,408	82,377	67,408
Loans and Advances				
Net advances by shareholders	267,861	200,049	267,376	200,972
Repayments to subsidiary	-	-	(250,000)	(250,000)
Net advances by subsidiaries	-	-	882,789	653,174

Year end balances arising from related party transactions are disclosed in Notes 15, 19 and 21 to the financial statements.

24. Contingent Liabilities

The Group has given a first special hypothec on its property in Gzira for the amount of €5,250,000 and a pledge over the Insurance Policy in favour of the Security Trustee.

Furthermore, the Group has given a general hypothec of €1,000,000 over all of the Company's and a subsidiary's property and a special hypothec on its property situated in Senglea for the amount of €1,000,000 in favour of the subsidiary's (Contractors Only Ltd) creditor, FCM Bank.

At 31 December 2021 and 31 December 2020, the Group held the following guarantees and suretyships in favour of the Security Trustee:

- Guarantee in relation to the issue of €5,000,000 5% Secured Bonds 2029.
- Suretyship in relation to the loan granted amounting to €5,000,000.

25. Prior Year Adjustment

During the year ended 31 December 2019 and 31 December 2020, FES Projects Ltd and a subsidiary have received group tax losses surrendered from another subsidiary / fellow subsidiary. This has resulted in a lower corporate tax due as at 31 December 2019 and 31 December 2020 to Inland Revenue Department. Consequently, a prior year adjustment is being affected in this respect as noted below.

- (a) The carrying amounts of trade and other receivables as at 31 December 2020 were restated as follows:

	The Group 2020 €	The Company 2020 €
Carrying amount of trade and other receivables as at 31 December 2020 as previously reported	893,390	1,059,397
<i>Prior year adjustment:</i>		
Surrendering of group tax losses by subsidiary	<u>(6,647)</u>	<u>(5,495)</u>
Carrying amount of trade and other receivables as at 31 December 2020 as restated	<u>886,743</u>	<u>1,053,902</u>

25. Prior Year Adjustment (continued)

(b) The carrying amounts of current tax liability as at 31 December 2020 were restated as follows:

	The Group 2020 €	The Company 2020 €
Carrying amount of current tax liability as at 31 December 2020 as previously reported	6,647	5,495
<i>Prior year adjustment:</i>		
Surrendering of group tax losses by subsidiary	<u>(6,647)</u>	<u>(5,495)</u>
Carrying amount of current tax liability as at 31 December 2020 as restated	<u><u>-</u></u>	<u><u>-</u></u>

(c) The loss for the year for the financial year ended 31 December 2020 was restated as follows:

	The Group 2020 €	The Company 2020 €
Loss for the year as previously reported	185,039	123,153
<i>Prior year adjustment:</i>		
Surrendering of group tax losses by subsidiary	<u>(925)</u>	<u>-</u>
Loss for the year as restated	<u><u>184,114</u></u>	<u><u>123,153</u></u>

The adjustment had no effect on the statement of comprehensive income of the FES Projects Ltd for the year ending 31 December 2020.

25. Prior Year Adjustment (continued)

- (d) The consolidated accumulated losses as at 31 December 2020 and 1 January 2020 were restated as follows:

	The Group	
	2020	2019
	€	€
Accumulated losses as previously reported	290,573	105,534
<i>Prior year adjustment:</i>		
Surrendering of group tax losses to parent company	(5,495)	(5,495)
Surrendering of group tax losses to fellow subsidiary	(1,152)	(227)
Accumulated losses for the year as restated	<u>283,926</u>	<u>99,812</u>

26. Financial Risk Management

At the year end, the Group's main financial assets comprised contract assets, trade and other receivables and cash and cash equivalents.

At the year end, the Group's main financial liabilities consisted of borrowings and trade and other payables.

The Group's principal risk exposures related to credit risk and liquidity risk. The Group is not exposed to currency risk and interest rate risk. The directors consider interest rate risk exposure to be minimal due to fixed interest rate stipulated on interest bearing liabilities. Note 19 incorporates interest rates and maturity information with respect to the Group's main interest-bearing liabilities.

Credit Risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation.

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of contract assets, trade and other receivables and cash at bank.

Receivables and loans are presented net of an allowance for doubtful receivables. In terms of IFRS 9, the Group applies an ECL model as an allowance for doubtful receivables. The Group assesses the credit quality of its customers, the majority of which are unrated, taking into account the financial position, past experience and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. It has policies in place to ensure that sales of services are effected with customers with an appropriate credit history.

26. Financial Risk Management (continued)

Credit risk (continued)

The Group banks only with local financial institution with high quality rating. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet its contractual obligations in the near term.

The carrying amount of financial assets recorded in the financial statements, which is net of any impairment losses, where applicable, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral held.

Management considers the credit quality of these financial assets at the end of the reporting year as being acceptable.

While receivables and cash and cash equivalents are subject to impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally trade and other payables and borrowings. 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 Group's obligations.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month year to ensure that no additional financing facilities are expected to be required over the coming year.

The carrying amounts of the Group's assets and liabilities are analysed into relevant maturity dates in the respective notes to the financial statements.

Timing of Cash Flows

The presentation of the above-mentioned financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which cash flows will arise.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2021.

26. Financial Risk Management (continued)

Fair Value of Financial Instruments

At 31 December 2021 and 31 December 2020 the carrying amounts of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. As at end of the reporting year, the fair values of financial assets and liabilities, approximate the carrying amounts shown in the statement of financial position.

27. Events Subsequent to the Statement of Financial Position Date

Towards the end of February 2022, the armed conflict between the Russian Federation and Ukraine set in motion a chain of diplomatic efforts and other major geopolitical events which led a number of western nations, including the EU institution and the United States government, to impose a number of sanctions on Russia and Belarus. These current sanctions in place include several restrictive measures of a direct financial nature that are having a significant direct impact on the broad economy of the invading nations, as well as resulting in a downgrading of their sovereign and private debt by international credit rating agencies.

The consequences of these restrictive measures are however also expected to have a significant impact on the economies of the countries implementing such trade restrictions, with a spill-over on the world economy, as uncertainty and market volatility remain high across all industries with increasing tensions and rhetoric on both sides. The cost of doing business is undoubtedly set to rise further, following the initial Covid shocks on the global economy seen in the last couple of years, as the ongoing conflict in Ukraine and Covid-related measures continue to rock global supply chains. Both the International Monetary Fund and the World Bank have indicated that the resulting impact of the conflict to global growth and recovery from Covid effects will be significant. As the price of oil and gas shift upwards due to the war, transport and other procurement costs required for business will also increase. Due to the nature and decisiveness of these restrictive measures, the economic impact globally is expected to be long-lasting, even in the eventuality that the conflict ceases in the immediate future. The dynamics of international trade between the EU, the USA and Asia will change forever.

The repercussions of such conflicts may result in negative effects on the Contractors Only Limited turnkey business trading operation and the development of the Gzira property. This would in turn affect the Group. As at the date of this report, the Group is not negatively impacted by the ongoing conflict in Ukraine. The turnkey business operation and the Gzira property development are nevertheless expected to be negatively impacted in the short to medium term as costs are expected to rise generally throughout the economies and the industries in which the Group operates.

In view of this, management together with the directors, continue to actively monitor all developments taking place internationally to take any action that might be necessary in the eventuality that developments in the conflict start to impact the Group's performance and trading operations. This has no impact on the financial statements of the Group as at date of approval.

FES PROJECTS LTD
Schedules to the Consolidated Financial Statements
For the year ended 31 December 2021

SCHEDULE

1. Cost of Sales and Services
2. Administrative Expenses

FES PROJECTS LTD
Cost of Sales and Services
For the year ended 31 December 2021

Schedule 1

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
<i>Sales of construction material</i>				
Opening inventory	41,400	-	39,515	-
Purchases	43,981	44,792	45,866	39,515
Closing inventory	<u>(65,326)</u>	<u>(41,400)</u>	<u>(65,326)</u>	<u>(39,515)</u>
	<u>20,055</u>	<u>3,392</u>	<u>20,055</u>	<u>-</u>
<i>Direct overheads</i>				
Cost of turnkey services	1,003,184	-	-	-
Cleaning	4,645	14,250	-	-
Utilities	13,520	17,243	-	-
Wages & salaries	19,868	93,861	-	-
Commission payable	11,629	18,660	-	-
Transportation	5,375	710	5,375	710
Rent of warehouse	21,325	21,291	21,325	21,291
	<u>1,079,546</u>	<u>166,015</u>	<u>26,700</u>	<u>22,001</u>
Cost of sales and services	<u><u>1,099,601</u></u>	<u><u>169,407</u></u>	<u><u>46,755</u></u>	<u><u>22,001</u></u>

FES PROJECTS LTD
Administration Expenses
For the year ended 31 December 2021

Schedule 2

	The Group		The Company	
	2021	2020	2021	2020
	€	€	€	€
Audit fee	14,600	8,650	3,200	3,000
Professional fees	96,332	62,816	60,662	19,277
Depreciation	94,667	91,706	92,268	91,706
Bank charges	2,106	4,508	1,342	1,203
Director's remuneration	24,000	26,000	-	-
Entertainment costs	2,310	2,113	2,310	1,732
Office supplies	492	60	211	12
Subscriptions	4,243	2,056	4,243	2,056
Fines and penalties	341	-	-	-
Rent	-	1,400	-	-
Telecommunication expense	2,033	3,426	-	-
Travelling and accommodation	1,049	410	1,049	410
Other expenses	19,857	16,203	11,913	13,368
	<u>262,030</u>	<u>219,348</u>	<u>177,198</u>	<u>132,764</u>