



LLF 71

The following is a company announcement issued by Luxury Living Finance p.l.c. (the "Company"), pursuant to Prospects MTF Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects MTF").

QUOTE

Reference is made to an announcement made by the Company dated 30 October 2024 (Ref: LLF 70) in which it was stated that the Board of Directors of the Company and Guarantor were scheduled to meet today, 31 October 2024, in order to:

1. consider and approve the Audited Financial Statements of the Company and of Luxury Living Technologies Limited, the Guarantor for the financial year ended 30 June 2024; and
2. consider the declaration of a final dividend to be recommended to the annual general meeting.

The Board of Directors of the Company and the Guarantor approved the Annual Report and Financial Statements for the financial year ended 30 June 2024. The Board of Directors did not recommend the payment of a final dividend.

The Board of Directors has also authorised the publication of the Annual Report and Financial Statements of the Company and the Guarantor for the financial year ended 30 June 2024 which is available for viewing on the Company's website at <https://www.llt-finance.com>.

The Company's and Guarantor's annual general meeting was held today, in which:

1. the annual accounts and reports of the directors and auditors for the year ended 30 June 2024 of the Company and the Guarantor were approved;
2. RJV Audit Limited were reappointed as the Company's and Guarantor's auditors until the conclusion of the next general meeting; and
3. the current directors were reappointed up to the next annual general meeting in accordance with the Company's and Guarantor's articles of association; and
4. the shareholder took note of the recommendation of the board of directors that no dividend be declared.

Furthermore, the Board of Directors note that a material variance resulted between 2024 projections that were published via company announcement LLF 60 on 10 November 2023, and actual results registered for the financial year ending 30 June 2024. The variance is principally due to higher administrative expenses, whereby the Luxury Living Group incurred expenses of €1.0 million compared to projected expenses of €0.5 million. This variance is mainly attributed to increase in payroll due to the Group's expansion and diversification within the sales and distribution market. Additionally, an increase in gross profit margin partially offset this variance. Consequently, the Group generated an Earnings

Before Interest, Depreciation, Tax and Amortisation (EBIDTA) of €1.1 million, slightly below the projected €1.4 million.

Management shall continue monitoring the revenue of the Group and has outlined a strategy to further consolidate and expand its operations, aiming to restore profitability over time.

UNQUOTE



Carlo Mifsud
Company Secretary
31 October 2024

Company registration number: C 85987

Luxury Living Finance p.l.c.

**Annual Report
For the year ended 30 June 2024**

LUXURY LIVING FINANCE P.L.C.

Annual Report and Financial Statements For the year ended 30 June 2024

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General information

Registration

Luxury Living Finance p.l.c. is registered in Malta as a limited liability company under the Companies Act, 1995. The company's registration number is C 85987.

Board of Directors

Mr. Jean Paul Busuttil

Dr. Paul Debattista (Appointed on 25 April 2024)

Mr. Anthony Coleiro (Appointed on 2 September 2024)

Mr. William Wait (Resigned on 2 September 2024)

Dr. Clarence Busuttil (Resigned on 14 December 2023)

Company Secretary

Mr. Carlo Mifsud (Appointed on 14 December 2023)

Dr. Clarence Busuttil (Resigned on 14 December 2023)

Registered office

Greentek Business Complex,
New Street in Triq il-Hofor
Qormi
MALTA

Bankers

BNF Bank plc
203, Level 2
Rue D'Argens
Gzira
MALTA

Auditors

RJV Audit Limited
193, Ursuline Sisters Street
Pieta', PTA 1222
MALTA

**Directors' report
For the year ended 30 June 2024**

The directors present their report together with the audited financial statements of the Company for the twelve months ended 30 June 2024.

Principal Activities

The Company's principal activity is to carry on the business of a finance company, principally by advancing capital raised to Luxury Living Technologies Limited (the 'parent company'), when and as required.

The Company is essentially a special purpose vehicle set up for financing transactions of Luxury Living Technologies Limited. It raised such finance through an issue of bonds which is quoted on Prospects MTF and guaranteed by Luxury Living Technologies Limited, to whom proceeds from its issue has been advanced.

Performance Review

During the period under review, the Company generated finance income amounting €415,800 (FY2023: €415,800) from loan advanced to parent company as well as €60,000 from a management recharge to the parent company (FY2023: €45,000). Interest expense on bonds amounted to €400,000 (FY2023: €400,000). The Company's profit for the year amounted to €8,454 (FY2023: profit of €2,305).

The directors expect the present level of activity to be sustained in the foreseeable future.

Position Review

The Company's asset base amounted to €9,168,408 as at 30 June 2024 (FY2023: €9,212,245).

Non-current assets relate to loan receivable from parent company amounting to €7,918,521 as at 30 June 2024 (FY2023: €7,918,521).

The Company's main liabilities are made up of an €8,000,000 5% Secured Bonds redeemable in 2028.

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 on Note 4 to these financial statements.

Principal risks and uncertainties associated with the Company

The Company's main objective is that of a finance company for all companies within the Luxury Living Group ('the Group') which consist of Luxury Living Technologies Limited and its subsidiaries Luxury Living Finance p.l.c., Luxury Living Technologies (Trading) Limited, Holstein Solar Farm Ltd, Luxury Living Hospitality Limited, Luxury Living Building and Construction Services Limited, Tal-Qampiena Solar Farm Limited, Luxury Living Manufacturing Limited and Luxury Living Marketing and Distribution Limited. The Company is economically dependent on the business prospects of the Group. As a result, the Company is dependent on the receipt of income from the Group in relation to Bond proceeds which it has advanced in the form of a loan.

Directors' report
For the year ended 30 June 2024

Principal risks and uncertainties associated with the Company (cont.)

The core business of the Group is principally operating in eco and renewable energy solutions in particular large-scale installations of photovoltaic units in a variety of domestic, industrial and agricultural locations. The Group is diversifying into the manufacturing, import and distribution of food and beverage products, and in the hospitality sector.

Since the economic activity commenced, rules, laws and Government policies shifted, increasing bureaucracy and restrictive free practices limiting the independence of market players to develop and grow their business. This was further accentuated with delays in the energization of solar farms. Moreover, due to recent inflationary pressures, ongoing costs have increased. This has resulted in continuous strain on the core business of the guarantor which has still improved its results in FY2024 over FY2023 thanks to a number of mitigating actions taken by the management.

Notwithstanding these improved results, the Guarantor was still unable to make the payment to the Company which thus resulted in the payment into the sinking fund not being made. This matter is being addressed.

Dividends and Reserves

The retained earnings of the Company at the end of the year amounted to €83,361 (FY2023: €74,907). The directors do not recommend the distribution of a dividend and propose to transfer the profit for the year to reserves.

Directors

The following have served as directors of the Company during the year under review:

Mr Jean Paul Busuttil (Executive and Chairman)
Dr. Paul Debattista (Non-Executive, appointed 25 April 2024)
Mr Anthony Coleiro (Non-Executive, appointed 2 September 2024)
Mr. William Wait (Non-Executive, resigned 2 September 2024)
Dr. Clarence Busuttil (Non-Executive, resigned 14 December 2023)

The Board meets on a regular basis to discuss performance, position and other matters.

Statement of Directors' Responsibilities

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

In preparing the financial statements, the directors are required to:-

- adopt the going concern basis, unless it is inappropriate to presume that the company will continue in business as going concern;
- select suitable accounting policies and apply them consistently;
- make judgment and estimates that are reasonable in the circumstances;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- ensure that financial statements have been drawn up in accordance with International Financial Reporting as adopted by the EU;

**Directors' report
For the year ended 30 June 2024**

Statement of Directors' Responsibilities (cont.)

The directors are responsible for keeping proper accounting records which disclose reasonable accuracy, at any time, the financial position of the Company and to enable the directors to ensure that the financial statements have been properly prepared in accordance with the Maltese Companies Act, (Cap 386). The directors are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Luxury Living Finance plc for the year ended 30 June 2024 are included in the Annual Report 2024, which is available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Events Subsequent to the Statement of Financial Position Date

There are no particular important events affecting the Company which occurred since the end of the accounting period.

Future Developments

The directors intend to continue to operate in line with the current business plan.

Auditors

The auditors, RJV Audit Limited, have intimated their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Additional disclosures**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 in the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparation financial statements.

Share Capital Structure

The Company's authorised and issued share capital is €50,000 divided into 50,000 Ordinary Shares of €1 each.

The share capital consists of 49,999 Ordinary 'A' Shares and 1 Ordinary Share 'B'. Ordinary 'A' grant one voting right for every share held and are participating shares entitled received dividend distribution. Ordinary 'B' shares have no voting rights except for the purpose of participating in the appointment or election of directors. Ordinary 'B' share are not entitled to receive any divided distributions.

Directors' report
For the year ended 30 June 2024

Holding in excess of 5% Share Capital

On the basis of information available to the Company, as at 30 June 2024, Luxury Living Technologies Limited held 49,999 shares in the Company which is equivalent to 99.999% shares of its total issued share capital.

There are no arrangements in place as at 30 June 2024, the operation of which may at a subsequent date result in a change in control of the Company.

Appointment and removal of directors

Appointment of directors shall be made at the Annual General Meeting of the Company. The directors shall hold office for a period of one year and are eligible for re-election. An election of the directors shall take place every year at the Annual General Meeting of the Company.

Power of the Directors

The management and administration of the Company is vested in the Board of Directors. The powers of Board members are contained in the Company's Articles of Association. There are no provisions in the Company's Memorandum and Articles of Association regulating the retirement or non-retirement of directors over an age limit.

Directors' Interest

As at 30 June 2024, non-Executive directors have no beneficial interest in the share capital of the Company. The Executive Director has an indirect beneficial interest in the share capital of the Company through his shares in Bag Investments Co. Ltd. and Sansuna Estate Co. Ltd.

Contracts with Board Members and Employees

The Company does not have service contracts with any of its Board Members. All directors may be removed from their posts of director by ordinary resolution of the shareholders in a general meeting.


Material Contracts

The Company entered into a loan agreement with its parent Luxury Living Technologies Limited for the transfer of funds received from the Bond issue. Details of such contract is set out in Note 12 to the financial statements.

On behalf of the Board



Mr. Jean Paul Busuttill
Director



Dr. Paul Debattista
Director

Registered Address:
Greentek Business Complex,
New Street in Triq il-Hofor,
Qormi

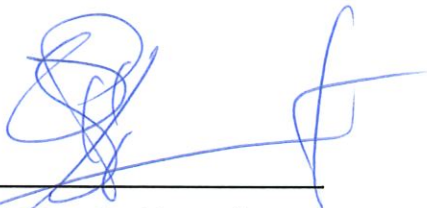
31 October 2024

Directors' report
For the year ended 30 June 2024

Statement by the Directors on the Financial Statements and Other Information included in the Annual Report

The directors declare that to the best of their knowledge, the financial statements included in the Annual Report are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit of the Company and this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the board of directors on 31 October 2024 by:



Mr. Jean Paul Busuttil
Director



Dr. Paul Debattista
Director

Corporate Governance – Statement of Compliance For the year ended 30 June 2024

The Code adopted by the Company

The Prospects MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to Prospects MTF to observe relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance ("the Code"), accompanied by a report of the independent auditor.

The Board of Directors (the "Board" or the "Directors") of Luxury Living Finance p.l.c (the "Company") acknowledge that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders and other stakeholders.

The Company's structure is designed to meet the Company requirements and to ascertain that decision making is subject to the checks and balances where this is appropriate.

General

Good corporate governance is the responsibility of the Board as a whole, and has been and remains a priority for the Company. In deciding on the most appropriate manner in which to implement the Code, the Board took cognisance of the Company's size, nature and operations, and formulated the view that the adoption of certain mechanisms and structures which may be suitable for companies with extensive operations may not be appropriate for the Company. The limitations of size and scope of operations inevitably impact on the structures required to implement the Code, without however diluting the effectiveness thereof.

The Board considers that, to the extent otherwise disclosed herein, the Company has generally been in compliance with the Code throughout the year under review.

This Statement shall now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code for the year under review. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manner in which the Board considers that these have been adhered to, and where it has not.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

Compliance with the code

The Board of Directors (the Board") of Company believe in the adoption of the Code and has endorsed it except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendations. Accordingly, some of the provisions of the Code are not applicable whilst others are applicable to a limited extent.

Principle 1: The Company's Board of Directors

The Directors report that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. The Board is composed of members who are fit and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

**Corporate Governance – Statement of Compliance
For the year ended 30 June 2024**

Principle 1: The Company's Board of Directors (cont.)

The Directors report that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. The Board is composed of members who are fit and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Company so as to protect the interests of the Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Company's compliance with its continuing obligations in terms of the Prospects MTF Rules.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities.

All directors are required to:

- exercise prudent and effective controls which enable risk to be assessed and managed to achieve continued prosperity to the company;
- be accountable for all actions or non-actions arising from discussion and actions taken by them or their delegates;
- determine the Company's strategic aims and the organisational structure;
- regularly review management performance and ensure that the Company has the appropriate mix of financial and human resources to meet its objectives and improve the economic and commercial prosperity of the company;
- acquire a broad knowledge of the Company;
- Be aware of and be conversant with the statutory and regulatory requirements connected to the business of the company;
- Allocate sufficient time to perform their responsibilities;
- Regularly attend meetings of the board.

Principle 2: The Company's Chairman and Chief Executive Officer

Due to the size of the Company and the nature of its operations, the Company does not employ a Chief Executive Officer ('CEO'). This function is undertaken by the Executive Director.

The day to day running of the business is vested with the Executive Director of the Company.

The Chairman exercises independent judgment and is responsible to lead the Board and set its agenda, whilst also ensuring that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company.

Principle 3: Composition of the Board

The Board is responsible for the overall long-term strategy and general policies of the Company, of monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

Corporate Governance – Statement of Compliance For the year ended 30 June 2024

Principle 3: Composition of the Board (cont.)

The Board is composed of a mix of executive directors and non-executive directors, and considers that the size of the Board, whilst not being too large as to be unwieldy, is appropriate, taking into account the size of the Company, its operations, its business risks and key performance indicators. The combined and varied knowledge, experience and skills of the Board members provide a balance of competences that are required and add value to the proper functioning of the Board and gives direction to the Company.

The board is composed as follows:

Mr Jean Paul Busuttil	Executive Director and Chairman
Dr. Paul Debattista	Independent, Non-Executive Director, appointed 25 April 2024
Mr. Anthony Coleiro	Independent, Non-Executive Director, appointed 2 September 2024
Mr. William Wait	Independent, Non-Executive Director, resigned 2 September 2024
Dr Clarence Busuttil	Independent, Non-Executive Director, resigned 14 December 2023

All directors shall hold office from the general meeting at which they are elected until the next annual general meeting. All retiring directors are eligible for re-election.

Each independent non-executive Director

- a) Is not employed in any capacity with the Company;
- b) Does not have a significant business relationship with the Company;
- c) Did not receive significant additional remuneration from the Company;
- d) Does not have close family ties with any of the Company's executive Directors or senior employees;
- e) Has not served on the Board for more than twelve consecutive years; or
- f) Has not been within the last three years an engagement partner or a member of the audit team of the present or former external auditor of the Company

Each Director hereby declares that he undertakes to:

- a) to maintain in all circumstances his independence of analysis, decision and action;
- b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the Company

Each director is mindful of maintaining independence, professionalism and integrity in carrying out his duties, responsibilities and providing judgment as a director of the Company.

Principle 4: The Responsibility of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its bonds in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

Corporate Governance – Statement of Compliance For the year ended 30 June 2024

Principle 4: The Responsibility of the Board (cont.)

Systems and procedures are in place to control, monitor, report and assess risks and their financial implications. Management accounts, budgets, strategic plans and prepared on a regular basis and are presented to the Board to monitor the performance of the Company on an ongoing basis.

In terms of the Prospects MTF Rules, the board has established an Audit Committee to monitor the Company's present and future operations, threats and risks in the external environment and current and future strengths and weaknesses. The Audit Committee ensures that the Company has the appropriate policies and procedures in place to ensure that the Company and its employees maintain the highest standards of corporate conduct, including compliance with applicable laws, regulations, business and ethical standards. The Audit Committee has a direct link to the Board and is represented by the Chairman of the Audit Committee in all board meetings.

Principle 5: Board Meetings

Meetings of the Board are held as frequently as considered necessary. The board members are notified in advance of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting documents as necessary. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Company's expense

During the financial year 9 meetings were held. The following Directors attended to Board meetings as follows:

Dr. Clarence Busuttill	Independent, Non-Executive Director	2
Mr Jean Paul Busuttill	Executive Director and Chairman	9
Mr William Wait	Independent, Non-Executive Director	8
Dr. Paul Debattista	Independent, Non-Executive Director	2

Principle 6: Information and Professional Development

Due to its size the Company does not employ any employees. However, as part of succession planning and employee retention of the Luxury Living Group (the Company and its parent Luxury Living Technologies Limited), the Board ensures that the Luxury Living Group implements appropriate schemes to recruit, retain and motivate the employees.

Principle 7: Evaluation of the Boards Performance

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

Principle 8: Committees

Principle 8A: Remuneration Committee

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a remuneration committee, and the Board itself carries out the functions of the remuneration committee specified in, and in accordance with, Principle Eight A of the Code, given that the remuneration of the Directors is not performance-related.

Pursuant to the Company's Articles of Association, the maximum aggregate emoluments that may be paid to directors are approved by the shareholder in a general meeting. Total remuneration of €17,700 was paid to directors during the year under review.

**Corporate Governance – Statement of Compliance
For the year ended 30 June 2024**

Principle 8: Committees (cont.)**Principle 8A: Remuneration Committee (cont.)**

The remuneration of directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

Principle 8B: Nomination Committee

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a nomination committee. Reference is also made to the information provided under the subheading 'Principle 3' above, which provides for a formal and transparent procedure for the appointment of new Directors to the Board.

Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial year under review, the Audit Committee met six times.

Although the Audit Committee is set up at the level of the Company its main tasks are also related to the activities of the Luxury Living Group.

The Board set formal rules of engagement and terms of reference of the Audit Committee that establish its composition, role and function, the parameter of its remit and the basis for the processes that it is required to comply with. The Audit Committee, is a sub-committee of the respective board it is directly responsible and accountable to the respective board. The Boards reserves the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committees are expected to deal with and advise the Board on:

- its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- monitoring the performance of the entity borrowing funds (the Guarantor) from the Company;
- maintaining communications on such matters between the Board, management and the independent auditors;
- facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- preserving the Issuer's assets by understanding the Company's risk environment and determining how to deal with those risks.

The Audit Committee also has the role and function of considering and evaluating on an arm's length nature of proposed transactions to be entered into by the Company and a related party.

The Malta Stock Exchange reviewed the Committee's Terms of Reference as part of the admission process with respect to the Bonds issued by the Company.

During the financial period under review, the Audit Committee met 9 times. The Audit Committee is composed of a mixture of executive and non-executive directors as follows:

Executive Director

Mr Jean Paul Busuttil

**Corporate Governance – Statement of Compliance
For the year ended 30 June 2024**

Audit Committee (cont.)**Non-Executive Director**

Mr William Wait (Chairman of the Audit Committee) (resigned 2 September 2024)

Dr Paul Debattista (appointed 25 April 2024)

Dr Clarence Busuttil (resigned 14 December 2023)

Mr Anthony Coleiro (appointed 2 September 2024)

The Board considers the Chairman of the Audit Committee to be independent and competent in financial knowledge.

As stipulated in the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of deadlock.

The Directors believe that the current set-up is sufficient to enable the Company to fulfil the objective of the Prospect MTF Rules' terms of reference in this regard.

Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review the Company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal control adopted by the Company in respect of its own internal control as well as the control of its subsidiaries and affiliates are as follows:

Risk identification

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company and the Luxury Living Group are involved. These risks are assessed on a continual basis.

Information and communication

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board. In conclusion, the Board considers that the Company has generally been in compliance with the Principles throughout the period under review as befits a company of this size and nature. Non-compliance with the principles and the reasons therefor have been identified above.

**Corporate Governance – Statement of Compliance
For the year ended 30 June 2024**

Principle 9: Relations with Shareholders and with the Market

The Company publishes annual financial statements and when required company announcements. The Board feels these provide the market with adequate information about its activities.

Principle 10: Institutional Shareholders

The Directors are of the view that this Principle is not applicable to the Company since it doesn't have any institutional investors.

Principle 11: Conflict of interest

Mr. Jean Paul Busuttil is an Executive Director and has a direct beneficial interest in the share capital of the Company (through various companies), and as such is susceptible to conflicts arising between the potentially diverging interests of the shareholders and the Company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap. 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

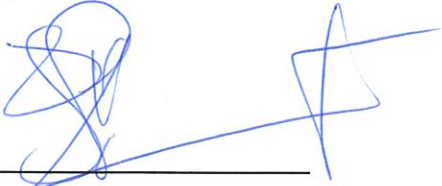
Principle 12: Corporate Social Responsibility

The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices, and is committed to enhance the quality of life of all stakeholders and of the employees of the Company and the Luxury Living Group.

The Board is mindful of the environment and its responsibility within the community in which it operates. In carrying on its business the Company is fully aware and at the forefront to preserving the environment and continuously review its policies aimed at respecting the environment and encouraging social responsibility and accountability.

**Corporate Governance – Statement of Compliance
For the year ended 30 June 2024**

Approved by the Board on 31 October 2024 and signed on its behalf by:



Mr. Jean Paul Busuttil
Director



Dr. Paul Debattista
Director

Greentek Business Complex,
New Street in Triq il-Hofor
Qormi
MALTA



Independent auditor's report

Page 15.

to the shareholders of Luxury Living Finance p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Luxury Living Finance p.l.c., set out on pages 20 to 37 which comprise the statement of financial position as at 30 June 2024 and statement of changes in equity, statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Luxury Living Finance p.l.c. as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw to attention to the section of Director's Report "Principal risks and uncertainties associated with the Company". This states that the parent company was unable to contribute €750,000 to the Company's sinking fund for the financial year ending 30 June 2024 as was originally requested. There were various external factors for this matter to occur, which affected the performance of the Luxury Living Technologies Limited and its subsidiaries (the "Group"), which, in turn, affected the Group's cash flows and its ability to meet this obligation. Our opinion is not modified in this respect.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.



Independent auditor's report (cont.)

Page 16.

to the shareholders of Luxury Living Finance p.l.c.

Key Audit Matters (cont.)

Recoverability of group balances

Loan receivable includes funds advanced to parent company, who is also the guarantor of the bonds issued by the Company. This loan amounted to Eur7,918,521 as at 30 June 2024 and carried an agreed rate of interest of 5.25% per annum.

The recoverability of this loan is assessed at the end of each financial year. This loan is the principal asset of the Company and as such it is considered to be material.

How the scope of our audit addressed the Key Audit Matter

We have reviewed the loan agreement and agreed its terms to the loan balance included in these financial statements. We reviewed that repayments are being made in line with this agreement. We have also assessed the financial soundness of the parent company by making reference to its latest audited financial statements and although the parent company incurred a loss for the year, the Board of Directors have taken appropriate steps to ensure that, financial support will be forthcoming from the group to continue to sustain the Company to meet its obligations when these become due.

Findings

We concur with management's view that the intercompany loan is recoverable.

We have no other key audit matters to report with respect to our audit of the Company's financial statements.

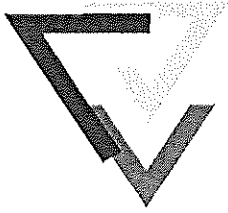
Other Information

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.

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

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

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



Independent auditor's report (cont.)

to the shareholders of Luxury Living Finance p.l.c.

Responsibilities of the Directors

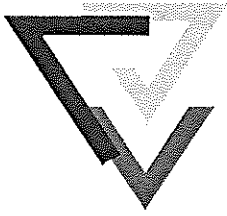
The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Independent auditor's report (cont.)

to the shareholders of Luxury Living Finance p.l.c.

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

- 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Prospects MTF Rules issued by the Malta Stock Exchange require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Prospects MTF Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in this Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control include in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 7 to 14 have been properly prepared in accordance with the requirements of the Prospect Rules issued by the Malta Stock Exchange.



RJV Audit Limited

Audit | Assurance Services

Independent auditor's report (cont.)

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to the shareholders of Luxury Living Finance p.l.c.

Report on Other Legal and Regulatory Requirements (cont.)

Other matters on which we are required to report by exception

We also have responsibilities:

- under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:
 - We have not received all the information and explanations we require for our audit.
 - Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
 - The financial statements are not in agreement with the accounting records and returns.

- under the Prospects MTF Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

This copy of the audit report has been signed by


Raymond J Vella CPA
Director
RJV Audit Limited

31 October 2024

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 Eur	2023 Eur
Finance income	5	415,800	415,800
Finance costs	6	(400,000)	(400,000)
Net interest income		15,800	15,800
Administrative and other expenses		(67,346)	(58,495)
Management fee		60,000	45,000
Profit before taxation	7	8,454	2,305
Income tax credit	8	-	-
Profit for the year		8,454	2,305
Total comprehensive income for the year		8,454	2,305
Earnings per share for the year attributable to shareholders		8,454	2,305
Earnings per share		0.17c	0.05c

The accounting policies and explanatory notes on pages 24 to 37 form an integral part of these financial statements.

Statement of financial position
As at 30 June 2024

	Note	2024 Eur	2023 Eur
ASSETS			
Non-current assets			
Loan receivable	9	<u>7,918,521</u>	<u>7,918,521</u>
Current assets			
Other receivables	10	<u>1,249,277</u>	835,683
Cash and cash equivalents	14	<u>610</u>	<u>458,041</u>
		<u>1,249,887</u>	<u>1,293,724</u>
Total assets		<u>9,168,408</u>	<u>9,212,245</u>
EQUITY			
Capital and reserves			
Share capital	11	<u>50,000</u>	50,000
Retained earnings		<u>83,361</u>	<u>74,907</u>
		<u>133,361</u>	<u>124,907</u>
LIABILITIES			
Non-current liabilities			
Borrowings	12.1	<u>8,608,740</u>	<u>8,622,383</u>
Current liabilities			
Borrowings	12.2	<u>3,401</u>	-
Other payables	13	<u>421,098</u>	463,147
Current tax liabilities		<u>1,808</u>	<u>1,808</u>
		<u>426,307</u>	<u>464,955</u>
Total equity and liabilities		<u>9,168,408</u>	<u>9,212,245</u>

The accounting policies and explanatory notes on pages 24 to 37 form an integral part of these financial statements.

The financial statements have been approved by the Board of Directors on 31 October 2024 and signed on its behalf by:



Mr. Jean Paul Busuttill
Director



Dr. Paul Debattista
Director

**Statement of changes in equity
For the year ended 30 June 2024**

	Share capital Eur	Retained earnings Eur	Total Eur
For the year ended 30 June 2023			
At 1 July 2022	50,000	72,602	122,602
Profit for the financial year	-	2,305	2,305
At 30 June 2023	<u>50,000</u>	<u>74,907</u>	<u>124,907</u>
For the year ended 30 June 2024			
At 1 July 2023	50,000	74,907	124,907
Profit for the financial year	-	8,454	8,454
At 30 June 2024	<u>50,000</u>	<u>83,361</u>	<u>133,361</u>

The accounting policies and explanatory notes on pages 24 to 37 form an integral part of these financial statements.

Statement of cash flows
For the year ended 30 June 2024

	Note	2024 Eur	2023 Eur
Cash flows from operating activities:			
(Loss)/profit before taxation		8,454	2,305
<u>Adjustments to reconcile profit before tax to net cash flows:</u>			
Amortisation of bond issue costs	6	8,736	8,736
Finance income	5	(415,800)	(415,800)
Finance costs	6	400,000	400,000
<u>Working capital adjustments:</u>			
Other receivables	10	2,206	(4,083)
Trade and other payables	13	(42,049)	54,578
Tax payable		-	(50)
Cash generated from operations		(38,453)	45,686
Interest received		-	-
Interest paid		(400,000)	(400,000)
Net cash flows used in from operating activities		(438,453)	(354,314)
Net cash flows from financing activities:			
Loan advanced by/to parent company		(22,379)	666,757
Loan repaid by parent company	10	-	141,632
Advances from other related companies		3,401	-
Net cash flows used in financing activities		(18,978)	808,389
Net (decrease)/ increase in cash and cash equivalents		(457,431)	454,075
Cash and cash equivalents at beginning of year		458,041	3,966
Cash and cash equivalents at end of year	14	610	458,041

The accounting policies and explanatory notes on pages 24 to 37 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 30 June 2024

1. Going concern

The Company's principal activity is to act as a finance Company. The Company itself does not have substantial assets and is a special purpose vehicle set to raise finance for the business of Luxury Living Group. The Group was set up to provide eco and renewable energy solutions which is expected to generate income from the sale of domestic photovoltaic panels and feed-in-tariffs from the installation of photovoltaic farms as well as operate within the hospitality industry through a guest house in St. Julian's.

In preparing these financial statements, the Board of directors of the Company made reference to the Group's income streams given that the Company is dependent on the performance of the Group. Hence reference was made to the continued sale of photovoltaic panels, further connection of photovoltaic farms which in turn shall generate monthly feed-in-tariffs and the operation within the hospitality industry.

Despite the fact that the Group on a consolidated basis incurred a loss for the year ended 30 June 2024, the Board of directors have taken appropriate steps to ensure that, financial support will be forthcoming from the Group to continue to sustain the Company to meet its obligations when these become due. As a result, we believe that it remains appropriate to prepare these financial statements on a going concern basis.

2. Basis of preparation**Basis of measurement**

These financial statements are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimate and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects both current and future years.

Functional and presentation currency

The financial statements are presented in euro (EUR) which is the Company's functional and presentation currency.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in statement of comprehensive income.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IFRS 9 are satisfied. The Company has not designated any financial assets at fair value through profit or loss.

The Company evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

i) Financial assets (cont.)

Financial instruments – initial recognition and subsequent measurement

Financial assets at fair value through profit or loss (cont.)

These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of comprehensive income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

Financial instruments – initial recognition and subsequent measurement (cont.)

ii) Impairment of financial assets

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

Financial instruments – initial recognition and subsequent measurement (cont.)

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

Financial instruments – initial recognition and subsequent measurement (cont.)

iii) Financial liabilities (cont.)

Derecognition (cont.)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

Other receivables

Other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Cash and cash equivalents

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash in hand and deposits at banks.

Other payables

Liabilities for other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

Revenue

Interest and other income

Interest and other income are recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis.

Bank borrowings

Subsequent to initial recognition, interest bearing loans are measured at the amortised cost using the effective interest method. Bank loans are carried at their face value due to their market rate of interest.

Subsequent to initial recognition, interest bearing bank overdrafts are carried at their face value due to their short term maturities.

Use of estimates and judgements

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

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

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Notes to the financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

Taxes (cont.)

Deferred tax

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

4. **Financial Risk Management**

At the end of the period, the Company's main financial assets comprised of a loan receivable from parent company and cash held at bank. At the period end the Company's main financial liabilities consisted of borrowings and other payables.

The Company constitutes a financing special purpose vehicle whose bonds are matched by equivalent amounts due from, and guaranteed by, Luxury Living Technologies Limited (parent company).

The Company's principle risk exposures one related to credit risk and liquidity risk. The Company is not exposed to currency risk and the Board of directors consider interest rate risk exposure to be minimal due to matching of interest costs on borrowings with finance income from its loans and receivables.

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.

Credit Risk

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of loan receivables from parent company and cash and cash equivalents (notes 10 and 14), the carrying amount of financial assets represents the maximum credit exposure.

The Company's cash at bank is place with quality financial institutions. The Company's receivables consist mainly of loan receivables from parent and accordingly credit risk in this respect is limited.

Notes to the financial statements
For the year ended 30 June 2024

4. Financial Risk Management (cont.)

Liquidity Risk

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings and other payables (refer to Notes 12 and 13). The Company is exposed to liquidity risk arising from its ability to satisfy liability commitments depending on cash inflows receivable in turn from Luxury Living Technologies Limited.

Management monitors liquidity risk by means of cash flows forecasts on the basis of expected cash flows over a twelve-month period to ensure that no additional financing facilities are expected to be required over the coming year. This process is performed through a rigorous assessment of detailed cash flow projections of the parent company where matching of cash inflows and outflows arising from expected maturities of financial instruments are assessed on an annual basis.

The carrying amounts of the Company's assets and liabilities are analysed into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates in the respective notes to the financial statements.

Capital Management

The Company's bonds are guaranteed by Luxury Living Technologies Limited (the parent company). Related finance costs are also guaranteed by the parent company. The capital management of the Company therefore consists of a process of regularly monitoring the financial positions of the guarantor.

Fair Values of Financial Instruments

At 30 June 2024, 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 contracted cash flows at the current market interest rate that is available to the Company or similar financial instruments.

As at end of the reporting period, the fair values of financial assets and liabilities, approximated the carrying amounts shown in the statement of financial position.

5. Finance Income

	2024	2023
	Eur	Eur
Interest receivable on long-term loan due from parent company	415,800	415,800

Notes to the financial statements
For the year ended 30 June 2024

6. Finance costs	2024 Eur	2023 Eur
Interest payable on bonds	<u>400,000</u>	<u>400,000</u>
7. Profit before taxation	2024 Eur	2023 Eur
This is stated after charging the following:		
Annual statutory audit fees	2,500	2,500
Directors' remuneration	<u>17,700</u>	<u>18,000</u>
8. Income tax		
Income tax recognised in statement of profit or loss and comprehensive income:		
	2024 Eur	2023 Eur
Current tax expense	-	-
Over-provided tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
The tax charge and the result of accounting profit multiplied by statutory income tax rate are reconciled as follows:		
	2024 Eur	2023 Eur
(Loss)/profit before taxation	<u>8,454</u>	<u>2,305</u>
Tax at the applicable statutory rate of 35%	<u>(2,959)</u>	<u>(807)</u>
<i>Tax effect for:</i>		
Group losses claimed	<u>2,959</u>	<u>807</u>
	<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 30 June 2024

9. Loan receivable

	2024 Eur	2023 Eur
Non-current		
Loan receivable from parent company (note)	<u>7,918,521</u>	<u>7,918,521</u>

Note: The loan receivable relates to the transfer of funds to parent company, generated by the Company from the issue of bonds. The loan is unsecured, carries interest at 5.25% per annum (2023: 5.25% per annum) and is repayable in full by not later than 30 June 2028.

	2024 Eur	2023 Eur
Maturity of loans and receivables:		
Within 2 and 5 years	7,918,521	1,500,000
Over 5 years	-	6,418,521
	<u>7,918,521</u>	<u>7,918,521</u>

10. Other receivables

	2024 Eur	2023 Eur
Accrued income	1,247,400	831,600
Accruals	-	4,083
Vat receivable	1,877	-
	<u>1,249,277</u>	<u>835,683</u>

Note: The amount due from parent company is unsecured, interest free and repayable on demand.

11. Share capital

	2024 Eur	2023 Eur
Authorised, issued and fully paid up:		
49,999 Ordinary 'A' shares of Eur1 each	49,999	49,999
1 Ordinary 'B' share of Eur1	1	1
	<u>50,000</u>	<u>50,000</u>

Notes to the financial statements
62 For the year ended 30 June 2024

12. Borrowings

12.1 Non-current liabilities	2024 Eur	2023 Eur
Bonds outstanding (face value)	<u>8,000,000</u>	<u>8,000,000</u>
8,000,000 5% Secured Bonds 2028 (opening)	7,955,626	7,946,890
Amortisation charge for the year	8,736	8,736
8,000,000 5% Secured Bonds 2028 (closing)	<u>7,964,362</u>	<u>7,955,626</u>
Amount due to parent company	644,378	666,757
	<u>8,608,740</u>	<u>8,622,383</u>

Note: The amount due to parent company is unsecured, interest free and is not due within 12 months.

Gross amount of bond issue costs	(87,375)	(87,375)
Amortisation brought forward	43,002	34,266
Amortisation charge for the year	8,736	8,736
Amortisation carried forward	<u>51,738</u>	<u>43,002</u>
Unamortised bond issue costs	<u>(35,637)</u>	<u>(44,373)</u>

Interest on the 5% Secured Bonds 2028 is payable annually in arrears, on 29 July of each year.

The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall be guaranteed in respect of both the interest and the principal amount due under said Secured Bonds by the Guarantor in terms of the Guarantee. The Secured Bonds shall rank with priority in relation to the Pledged Shares.

Pursuant to the Pledge Agreement, the Pledgor has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as Beneficiaries, a pledge over the shares held in Luxury Living Technologies Limited.

The Pledge will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Secured Bonds.

The bond issue costs are being amortised annually over the period the bonds will be redeemed.

Notes to the financial statements
For the year ended 30 June 2024

12. Borrowings		
<i>12.2 Current liabilities</i>	2024	2023
	Eur	Eur
Amounts due to other related companies	<u>3,401</u>	<u>-</u>

Note: The amount due to other related companies are unsecured, interest free and is repayable on demand.

13. Trade and other payables		
	2024	2023
	Eur	Eur
Trade payables	2,709	-
Accrued expenses	<u>418,389</u>	<u>463,147</u>
	<u>421,098</u>	<u>463,147</u>

14. Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
	2024	2023
	Eur	Eur
Cash at bank	<u>610</u>	<u>458,041</u>

15. Related party balances and transactions

Identity of related parties

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

The Company is owned by Luxury Living Technologies Limited (C 74593), a company having its registered office at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta, which is ultimately owned by Mr. Jean Paul Busuttil, a Maltese national.

Information on amounts due from/to related parties are set out in note 9, 10 and 12 respectively to these financial statements.

All transactions with related parties were made on an arm's length basis.

Notes to the financial statements
For the year ended 30 June 2024

15. Related party balances and transactions (cont.)

Related party transactions

The following transactions were conducted with the related parties during the year:

	2024 Eur	2023 Eur
Gross income earned from parent company	415,800	415,800
Management fee	60,000	45,000
Directors' fees	17,700	18,000
	<u> </u>	<u> </u>

16. Earnings per share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year.

	2024 Eur	2023 Eur
Net profit attributable to owners of the company	8,454	2,305
Weighted average number of ordinary shares in issue (note 11)	50,000	50,000
Earnings per share	0.17c	0.05c
	<u> </u>	<u> </u>

17. Events after the end of the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation for issue of these financial statements.

Company registration number: C 74593

Luxury Living Technologies Limited

**Annual Report
and
Consolidated Financial Statements
For the year ended 30 June 2024**

LUXURY LIVING TECHNOLOGIES LIMITED

Annual Report and Consolidated Financial Statements For the year ended 30 June 2024

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General information

Registration

Luxury Living Technologies Limited is registered in Malta as a limited liability company under the Companies Act, 1995. The company's registration number is C 74593.

Board of Directors

Mr. Jean Paul Busuttil

Mr. Carlo Mifsud

Mr. William Wait

Ms. Maria Mirjam Busuttil (appointed on 15 April 2023)

Mr. David Melillo (resigned on 15 April 2023)

Company Secretary

Mr. Carlo Mifsud (appointed on 14 December 2023)

Dr. Clarence Busuttil (resigned on 14 December 2023)

Registered office

Greentek Business Complex,

New Street in Triq il-Hofor

Qormi

MALTA

Auditors

RJV Audit Limited

193, Ursuline Sisters Street

Pieta', PTA 1222

MALTA

Directors' report For the year ended 30 June 2024

The directors present the annual report together with the audited financial statements of the Company and the Group for the year ended 30 June 2024.

Principal Activities

Luxury Living Technologies Limited (the Company) was incorporated on 1 March 2016 as the parent of the Luxury Living Group, which consists of the Company and its subsidiaries Luxury Living Finance p.l.c., Luxury Living Technologies (Trading) Limited, Holstein Solar Farm Ltd, Luxury Living Hospitality Limited, Luxury Living Building and Construction Services Limited, Tal-Qampiena Solar Farm Limited and Luxury Living Manufacturing Limited and Luxury Living Marketing and Distribution Limited.

The principal objects of the Group relate to providing eco and renewable energy solutions in a complete eco system integrating a number of different industries, specialising in installations of photovoltaic units in a variety of domestic, industrial and agricultural locations. The Group's operations comprise the trading, importing and exporting, installing and maintaining of all kinds of merchandise related to renewable energy, especially water softening and purifying systems, solar panels and solar powered devices and similar related products in domestic, industrial and agricultural locations. As part of their ongoing operations, the Group operates in the hospitality sector which includes operating a hostel in St Julians.

Performance Review

During the year under review the Group continued to face challenging periods mainly due to the bureaucracy within local regulators which slowed down the Group's momentum in attaining its financial and non-financial targets. As a result during the year the Group generated turnover of €2.6 million (FY2023: €1.9 million) principally due to a sale of PV Solar Farm. Gross profit has increased to €2.1 million (FY2023: €0.9 million), and the Group's gross profit margin increased to 81% (FY2023:47.7%).

The Group's administrative expenses increased from €921k in FY2023 to €991k in FY2024. This was mainly as a result of the continued diversification the Group had undertaken and the need for further support services for these different operations. This includes the engagement of more engineers, a marketing and social media operator and further strengthening the Finance and HR department.

As a result, the Group generated an operating profit of €1.1 Million (FY2023: operating loss of €38k). This is testament of the work being done by the management and executive team in generating sales that contribute more to its profits.

Outlook for 2025

The objective for Luxury Living Group is to further strengthen and expand its core business by investing further in photovoltaic farms and the new industries it is now operating in. While the licensing process for PV systems has been stabilised by REWS and the Ministry, this remains a very complex and ambiguous one. The Group has continued to submit more tenders issued by the Ministry and has been by far more successful in its bids. In one 2024 Invitation to Bid (ITB) issued by the Ministry, the Group has managed to win over 27MW out of 39MW available of solar farms which will be delivered over the next 24 months. This will amount in excess of €30 Million investment for these solar farms.

The Group has continued to diversify its operations into the hospitality sector. The hostel is now operating to the maximum of the license issued by the MTA given that works carried out by the contractor has restricted the hostel from opening the upper 3 floors.

The Group continues to grow its manufactured products and continues to work to tap into the export market by expanding its product base. The Group has also entered into the import business of food and beverages and has acquired the agency of three large manufacturers and distributors of wines, spirits, liqueurs and syrups.

The Group is excitingly looking forward to grow its property portfolio to operate within the hospitality division. Within the next 24 months the Group will be operating 5 new properties, some of which have already been acquired by a related company.

Directors' report**For the year ended 30 June 2024**

Dividends and Reserves

The results for the year are set in the Consolidated Statement of Comprehensive Income on page 9.

The Board of Directors does not propose the payment of a dividend.

Registration

Luxury Living Technologies Limited is registered in Malta as a limited liability company under the Companies Act. (Cap. 386) with registration number C 74593.

Board of Directors

Mr. Carlo Mifsud

Mr. Jean Paul Busuttil

Mr. William Wait

Ms. Maria Mirjam Busuttil

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:-

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

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

Auditors

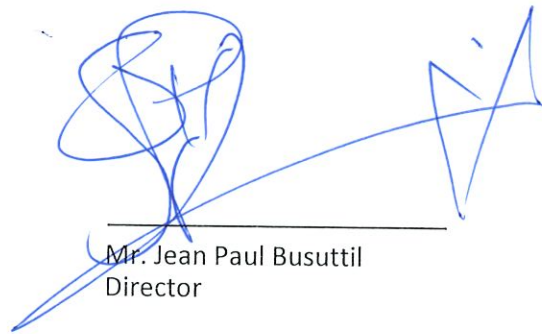
The auditors, RJV Audit Limited have intimated their willingness to remain in office and a resolution proposing their reappointment will be put before the members at the annual general meeting.

Directors' report
For the year ended 30 June 2024

Approved by the Board and signed by:



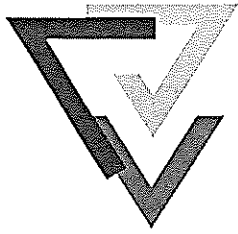
Mr. Carlo Mifsud
Director



Mr. Jean Paul Busuttill
Director

Registered Address:
Greentek Business Complex,
New Street in Triq il-Hofor,
Qormi
Malta

31 October 2024



RJV Audit Limited

Audit | Assurance Services

Raymond J. Vella B.A (Hons) Accty., FIA., CPA
Certified Public Accountant – Managing Director

193, Ursuline Sisters Street,
Pieta' PTA 1222
Malta

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w www.rjvella.com

Independent auditor's report

Page 5.

to the shareholders of Luxury Living Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Luxury Living Technologies Limited, set out on pages 9 to 46 which comprise the consolidated statement of financial position as at 30 June 2024 and consolidated statement of changes in equity, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

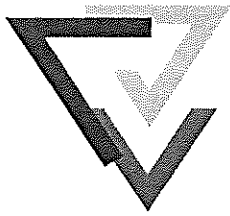
In our opinion, the accompanying financial statements give a true and fair view of the financial position of Luxury Living Technologies Limited as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.



Independent auditor's report (cont.)

Page 6.

to the shareholders of Luxury Living Technologies Limited

Other Information (cont.)

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

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

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of our 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

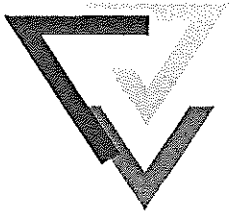
The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent auditor's report (cont.)

to the shareholders of Luxury Living Technologies Limited

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the financial statements of the current period and are therefore the key audit matters.



RJV Audit Limited

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Page 8.

Independent auditor's report (cont.)

to the shareholders of Luxury Living Technologies Limited

Report on Other Legal and Regulatory Requirements (cont.)

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

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

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

This copy of the audit report has been signed by



**Raymond J Vella CPA
Director
RJV Audit Limited**

31 October 2024

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	The Group		The Company	
		2024 EUR	2023 EUR	2024 EUR	2023 EUR
Revenue	5	2,582,786	1,850,871	1,972,692	1,528,610
Cost of sales		(496,294)	(967,712)	(139,885)	(725,557)
Gross profit		2,086,492	883,159	1,832,807	803,053
Administrative expenses		(991,930)	(921,108)	(879,503)	(845,624)
Operating profit/(loss)		1,094,562	(37,949)	953,304	(42,571)
Other income		-	4,507	-	1,435
Earnings before interest, depreciation, tax and amortisation		1,094,562	(24,435)	953,304	(41,136)
Amortisation on bond issue cost		(8,736)	(8,736)	-	-
Amortisation on development and operational rights on property		(113,240)	(113,240)	-	-
Depreciation on right-of-use assets		(176,790)	(179,991)	(169,620)	(172,821)
Depreciation on property, plant and equipment		(312,151)	(295,838)	(269,142)	(262,177)
Finance income	6	-	47	-	47
Finance cost	6	(636,592)	(622,887)	(614,732)	(591,827)
Loss before taxation	6	(152,947)	(1,254,087)	(100,190)	(1,067,914)
Income tax credit	8	13,732	253,294	12,917	240,036
Loss for the year		(139,215)	(1,000,793)	(87,273)	(827,878)
Attributable to:					
Equity holders of the parent		(139,215)	(1,000,793)	(87,273)	(827,878)
Non-controlling interests		-	-	-	-
		(139,215)	(1,000,793)	(87,273)	(827,878)

The accounting policies and explanatory notes on pages 14 to 46 form an integral part of these financial statements.

Consolidated statement of financial position
As at 30 June 2024

	Note	The Group		The Company	
		2024 EUR	2023 EUR	2024 EUR	2023 EUR
ASSETS					
Non-current assets					
Investment in subsidiaries	9	-	-	58,400	58,400
Intangible assets	10	3,012,317	3,134,867	3,012,317	3,134,867
Right-of-use assets	11	1,636,266	1,813,056	1,514,371	1,683,991
Property, plant and equipment	12	5,956,405	6,249,383	4,858,220	5,153,741
Deferred tax asset	15	772,225	758,493	758,967	746,050
Trade and other receivables	14.1	139,331	156,225	139,331	156,225
		<u>11,516,544</u>	<u>12,112,024</u>	<u>10,341,606</u>	<u>10,933,274</u>
Current assets					
Inventories	13	2,225,686	1,837,776	2,136,348	1,762,741
Trade and other receivables	14.2	2,768,351	1,224,396	4,107,557	2,715,204
Cash and cash equivalents	20	215,370	687,036	44,715	171,920
		<u>5,209,407</u>	<u>3,749,208</u>	<u>6,288,620</u>	<u>4,649,865</u>
Total assets		<u>16,725,951</u>	<u>15,861,232</u>	<u>16,630,226</u>	<u>15,583,139</u>
EQUITY AND LIABILITIESx					
Equity					
Share capital	16	2,931,000	2,931,000	2,931,000	2,931,000
Retained earnings		(2,552,207)	(2,412,992)	(2,377,808)	(2,290,535)
Total equity		<u>378,793</u>	<u>518,008</u>	<u>553,192</u>	<u>640,465</u>
Liabilities					
Non-current liabilities					
Borrowings	17	8,973,792	9,131,309	8,450,246	8,577,009
Finance liabilities	18	1,827,981	1,956,063	1,702,435	1,825,688
		<u>10,801,773</u>	<u>11,087,372</u>	<u>10,152,681</u>	<u>10,402,697</u>
Current liabilities					
Borrowings	17	2,984,997	2,243,789	2,774,940	2,203,315
Finance liabilities	18	128,234	107,077	123,405	102,499
Trade and other payables	19	2,426,007	1,899,839	3,022,669	2,230,824
Current tax liabilities		6,147	5,147	3,339	3,339
		<u>5,545,385</u>	<u>4,255,852</u>	<u>5,924,353</u>	<u>4,539,977</u>
Total equity and liabilities		<u>16,725,951</u>	<u>15,861,232</u>	<u>16,630,226</u>	<u>15,583,139</u>

The consolidated financial statements set on pages 9 to 46 were approved and authorised for issue by the Board of Directors on 31 October 2024 and signed on its behalf by:

Jean Paul Busuttill
Director

Carlo Mifsud
Director

Consolidated statement of changes in equity
For the year ended 30 June 2024

The Group	Share capital Eur	Retained earnings Eur	Total Eur
Balance at 1 July 2022	2,931,000	(1,412,199)	1,518,801
Loss for the year	-	(1,000,793)	(1,000,793)
Balance as at 30 June 2023	<u>2,931,000</u>	<u>(2,412,992)</u>	<u>518,008</u>
Balance at 1 July 2023	2,931,000	(2,412,992)	518,008
Loss for the year	-	(139,215)	(139,215)
Balance as at 30 June 2024	<u>2,931,000</u>	<u>(2,552,207)</u>	<u>378,793</u>

The accounting policies and explanatory notes on pages 14 to 46 form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
For the year ended 30 June 2024

The Company	Share capital Eur	Retained earnings Eur	Total Eur
Balance at 1 July 2022	2,931,000	(1,462,657)	1,468,343
Loss for the year	-	(827,878)	(827,878)
Balance as at 30 June 2023	<u>2,931,000</u>	<u>(2,290,535)</u>	<u>640,465</u>
Balance at 1 July 2023	2,931,000	(2,290,535)	640,465
Loss for the year	-	(87,273)	(87,273)
Balance as at 30 June 2024	<u>2,931,000</u>	<u>(2,377,808)</u>	<u>553,192</u>

The accounting policies and explanatory notes on pages 14 to 46 form an integral part of these financial statements.

Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	The Group		The Company	
		2024 EUR	2023 EUR	2024 EUR	2023 EUR
Cash flows from operating activities					
Loss for the year before taxation	6	(152,947)	(1,254,087)	(100,190)	(1,067,914)
<i>Adjustment for:</i>					
Depreciation and amortisation		653,595	647,451	605,868	606,619
Interest on lease liability		112,213	121,641	104,791	113,980
Net interest expense		524,379	501,246	509,941	477,847
Lease payments		(219,138)	(224,641)	(207,138)	(212,641)
		<u>918,102</u>	<u>(208,390)</u>	<u>913,272</u>	<u>(82,109)</u>
<i>Working capital changes</i>					
Change in inventories	13	(387,910)	(573,946)	(373,607)	(498,911)
Change in trade and other receivables	14	(1,527,279)	2,588,925	(1,367,190)	(796,067)
Change in trade and other payables	19	526,168	(509,048)	776,046	247,780
		<u>(470,919)</u>	<u>1,297,541</u>	<u>(51,479)</u>	<u>(1,129,307)</u>
Cash generated generated from operating		(524,379)	(501,246)	(494,141)	(477,847)
Net interest paid		1,000	(56)	-	(6)
Tax movement	8				
Net cash generated from/(used in) operating activities		<u>(994,298)</u>	<u>796,239</u>	<u>(545,620)</u>	<u>(1,607,160)</u>
Cash from investing activities					
Investment in subsidiaries	9	-	-	-	1,200
Disposal/(acquisition) of intangible assets	10	9,310	(690)	9,310	(690)
Acquisition of property, plant and equipment	12	(70,587)	(640,400)	(27,487)	(71,596)
Net cash used in investing activities		<u>(61,277)</u>	<u>(641,090)</u>	<u>(18,177)</u>	<u>(71,086)</u>
Cash from financing activities					
Amounts advanced by related parties	17	714,740	624,835	545,959	2,096,963
Movement in bank loans	17	(179,071)	(191,678)	(150,324)	(312,654)
Net cash generated from financing activities		<u>535,669</u>	<u>433,157</u>	<u>395,635</u>	<u>1,784,309</u>
Increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of year		146,088	(442,218)	(369,028)	(475,091)
Cash and cash equivalents at end of year	20	<u>(373,818)</u>	<u>146,088</u>	<u>(537,190)</u>	<u>(369,028)</u>

The accounting policies and explanatory notes on pages 14 to 46 form an integral part of these financial statements.

**Notes to the consolidated financial statements
For the year ended 30 June 2024**

1. Going concern

During the year ended 30 June 2024, the Group incurred a loss of Eur139,215 (in 2023; a group loss of Eur1,000,793) but the equity remained positive at Eur378,793 (in 2023; Eur518,008). The Board of directors believe that it remains appropriate to prepare these financial statements on a going concern basis.

2. Corporate information

The consolidated financial statements of Luxury Living Technologies Limited (“the Company”) and its subsidiaries (“the Group”) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution approved by the Board of Directors on 31 October 2024.

Luxury Living Technologies Limited is registered in Malta as a limited liability company under the Companies Act, 1995, with its registered office at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta.

The Group is principally engaged in holding investments related to renewable energies, food industry and hospitality tourism. During the year 2023, the Company also took over a restaurant in Mellieha which started operating in February 2023.

A list of all subsidiary undertakings is provided in Note 9.

Information on related party relationships of the Group is provided in Note 21.

3. Significant accounting policies**3.1 Basis of measurement and statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Companies Act, Cap. 386 of the Laws of Malta. The financial statements have been prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value as stated in particular notes to the financial statements.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company’s and the Group’s accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believe to be reasonable under the circumstances. The consolidated financial statements are presented in Euro (€), which is the functional and presentation currency of the Company and the Group.

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

Notes to the consolidated financial statements

For the year ended 30 June 2024

3. Significant accounting policies (cont.)

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.3 New or revised standards, interpretations and amendments adopted

During the year under review, Luxury Living Technologies Limited has adopted a number of new standards and interpretations, or amendments thereto, issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee, and endorsed by the European Union. The director is of the opinion that the adoption of these standards, interpretations or amendments thereto, did not have a material impact on these financial statements.

At the date of the statement of financial position, certain new standards, interpretations or amendments thereto, were in issue and endorsed by the European Union, but not yet effective for the current financial year. There have been no instances of early adoption of standards, interpretations or amendments ahead of their effective date. The director anticipates that the adoption of the new standards, interpretations or amendments thereto, will not have a material impact on the financial statements upon initial application.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.4 Property, plant & equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When a revaluation surplus is recorded in OCI, it is credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

PV farms	5% per annum
Improvements to buildings	2% per annum
Motor vehicles	20% per annum
Furniture & fittings	10% per annum
Other equipment	10% per annum
Computer equipment	25% per annum
Plant and machinery	20% per annum

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.4 Property, plant & equipment (cont.)

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit and loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. No impairment resulted in the year under review.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Amortisation of intangible assets is charged to profit or loss on a straight-line basis over their estimated useful life commencing from the year in which the asset is first brought into economic use. The group amortises license rights with finite lives over a three year period. Goodwill is not amortised.

3.6 Impairment

Property, plant and equipment, intangible assets and investment in subsidiaries

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.6 Impairment (cont.)

Property, plant and equipment, intangible assets and investment in subsidiaries (cont.)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flow have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, then the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value, and mainly includes photovoltaic farms which are in the course of construction. Consequently, costs include material, labour, borrowing costs and any other costs directly attributable to the photovoltaic farms. Once photovoltaic farms are connected to the grid, these are transferred from inventory to property, plant and equipment.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Investment in subsidiaries

A subsidiary is an entity that is controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investment in subsidiaries is stated at cost less any impairment loss which may have arisen. Income from the investment is recognised only to the extent of distributions received from the Company from post-acquisition profits. Distributions received in excess of such profits are regarded as recovery of investment and are recognised as a reduction of the cost of investment.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.9 Leased assets

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.9 Leased assets (cont.)

Measurement and recognition of leases as a lessee (cont.)

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.10 Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.10 Financial instruments – initial recognition and subsequent measurement (cont.)

i) Financial assets (cont.)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IFRS 9.

Financial assets at fair value through profit and loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IFRS 9 are satisfied. The company has not designated any financial assets at fair value through profit or loss.

The company evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the company may elect to reclassify these financial assets.

The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition. Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss.

These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the consolidated statement of comprehensive income. The losses arising from impairment are recognised in the consolidated statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.10 Financial instruments – initial recognition and subsequent measurement (cont.)

i) Financial assets(cont.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

ii) Impairment of financial assets

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.10 Financial instruments – initial recognition and subsequent measurement (cont.)

ii) Impairment of financial assets (cont.)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the consolidated statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss and other comprehensive income.

iii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3.10 Financial instruments – initial recognition and subsequent measurement (cont.)

iii) Financial liabilities

Initial recognition and measurement (cont.)

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.10 Financial instruments – initial recognition and subsequent measurement (cont.)

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.11 Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

3.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.13 Cash and cash equivalents

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and deposits at banks, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 Share capital

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

3.15 Revenue

Revenue from contracts with customers is measured at the fair value of the consideration received or receivable for goods sold and services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and these can be measured reliably.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.15 Revenue (cont.)

The following specific recognition criteria must also be met before revenue is recognised:

The Group is in the business of selling, providing maintenance and installation of photovoltaic panels and water softening and purifying systems and related ancillary products. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 5.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with the date of the invoice. In case of commercial sales, the Group considers whether there are other premises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Rendering of services

Revenue from rendering of services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably. Revenue from the provision of maintenance support services is recognised in proportion to the stage of completion of the transaction at the balance sheet date.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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.

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).

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 or 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.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.15 Revenue (cont.)

Contract balances (cont.)

Provision of services

Revenue from the provision of services is recognised in the year in which the services are rendered, by reference to the completion of the specific transaction assessed based on the actual service provided as a proportion of the total services to be provided.

Interest and investment income

Interest income is accounted for when it is probable that the economic benefits associated with the transaction will flow to the Group and these can be measured reliably.

Dividend income

Dividend income is recognised on the date the Group's right to receive income is established.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Foreign currencies

Translations denominated in foreign currencies are translated at the exchange rate ruling on the date of the transactions. Monetary receivables and payables denominated in foreign currencies are translated at the rates of exchange prevailing at each reporting date. Translation differences are dealt within the consolidated statement of profit or loss and other comprehensive income.

3.18 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the consolidated statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.18 Taxes (cont.)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.18 Taxes (cont.)

Deferred tax (cont.)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3.19 Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

3.20 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property, are capitalised as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway, during the period of time that is required to compete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed.

3.21 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the consolidated financial statements
For the year ended 30 June 2024

3. Summary of significant accounting policies (cont.)

3.21 Business combinations and goodwill (cont.)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4. Judgement in applying accounting policies and key sources of estimation uncertainty

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

In the opinion of the management, except for the above, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) – 'Presentation of Financial Statements'.

5. Revenue

	The Group		The Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Revenue from sale of PV equipment	1,364,088	720,427	1,343,266	720,427
Revenue from feed-in-tariffs	656,312	598,725	481,515	537,583
Revenue from sale of goods	268,779	270,600	142,524	270,600
Revenue from boutique hotel	279,684	261,119	-	-
Others	13,923	-	5,387	-
Total revenue	<u>2,582,786</u>	<u>1,850,871</u>	<u>1,972,692</u>	<u>1,528,610</u>

Notes to the consolidated financial statements
For the year ended 30 June 2024

6. Loss before taxation

The loss before tax has been arrived at after deducting the following expenses:

	The Group		The Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Depreciation on property, plant and equipment (note 12)	363,565	354,220	323,007	320,558
Depreciation on right-of-use asset (note 11)	176,790	179,991	169,620	172,821
Amortisation on bond issue cost (note 17)	8,736	8,736	-	-
Interest on finance liability (note 18)	112,213	121,641	104,791	113,980
Audit fee	15,765	15,765	5,500	5,315
Staff costs (note 7)	690,273	536,315	485,526	456,844
Directors' remuneration (note 7)	115,898	177,619	98,198	159,619

Finance cost

	The Group		The Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Interest on loan from subsidiary	-	-	415,800	400,000
Interest on bond borrowings	400,000	400,000	-	-
Interest on bank borrowings	124,379	101,246	94,141	77,847
Interest on lease liability	112,213	121,641	104,791	113,980
	636,592	622,887	614,732	591,827

Finance income

	The Group		The Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Interest income from bank	-	47	-	47

Notes to the consolidated financial statements
For the year ended 30 June 2024

7. Staff costs and employee information

Staff costs for the year comprised of the following:

	The Group		The Company	
	2024	2023	2024	2023
	EUR	EUR	EUR	EUR
Gross wages and SS contribution	690,273	536,315	485,526	456,844
Directors' remuneration	115,898	177,619	98,198	159,619
	<u>806,171</u>	<u>713,934</u>	<u>583,724</u>	<u>616,463</u>

The average number of persons (including directors) employed by the Company during the year was as follows:

	The Group	
	2024	2023
	Eur	Eur
Operational	26	20
Administration	10	9
	<u>36</u>	<u>29</u>

8. Income tax

8.1 Amounts recognised in profit or loss

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Current tax expense	-	-	-	-
Final withholding tax	-	(6)	-	(6)
Deferred tax credit	13,732	253,300	12,917	240,042
	<u>13,732</u>	<u>253,294</u>	<u>12,917</u>	<u>240,036</u>

Notes to the consolidated financial statements
For the year ended 30 June 2024

8. Income tax (cont.)

8.2 The tax expense for the year can be reconciled to the results of the consolidated statement of profit or loss and other comprehensive income as follows:

	The Group		The Company	
	2024 Eur	2023 Eur	2024 Eur	2023 Eur
Loss before taxation for the year	(152,947)	(1,254,087)	(100,190)	(1,067,914)
Income tax credit	13,732	253,294	12,917	240,036
Loss after tax from continued operations	<u>(149,994)</u>	<u>(1,000,793)</u>	<u>(67,252)</u>	<u>(827,878)</u>
Tax at the applicable rate of 35%	53,531	438,930	35,066	373,771
<i>Tax effect of:</i>				
Disallowed expenses	(266,200)	(281,935)	(209,097)	(212,576)
Utilised tax loss	35,253	-	-	-
Absorbed capital allowances	97,333	-	97,333	-
Increase in unabsorbed capital allowances and tax losses	227,613	232,661	227,613	219,403
Different tax rates on investment income	-	9	-	9
Difference between NBV and WDV	(214,696)	(214,995)	(214,696)	(214,995)
Other allowable deductions	80,898	78,624	76,698	74,424
Others	-	-	-	-
	<u>13,732</u>	<u>253,294</u>	<u>12,917</u>	<u>240,036</u>

9. Investment in subsidiaries

	The Company	
	2024 Eur	2023 Eur
As at beginning of year	58,400	59,600
Disposal	-	(1,200)
As at end of year	<u>58,400</u>	<u>58,400</u>

The subsidiaries as at 30 June 2024 are shown below:

	Registered office	% shares held	2024 Eur
Luxury Living Finance p.l.c. C 85987	Greentek Business Complex New Street in Triq il-Hofor, Qormi	99.99%	49,999
Luxury Living Technologies (Trading) Ltd (Formerly TG Solar Limited) C 88888	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
Holstein Solar Farm Limited C 97134	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
JD Solar Farm Limited C 98418 (note)	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200

Notes to the consolidated financial statements
For the year ended 30 June 2024

9. Investment in subsidiaries (cont.)

The subsidiaries as at 30 June 2024 are shown below (cont.):

	Registered office	% shares held	2024 Eur
Tal-Qampiena Solar Farm Limited C 98452	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
Luxury Living Building & Construction Services Ltd) (formerly Kafe Solar Farm Limited C 98786	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
Luxury Living Hospitality Limited C 101587	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
Luxury Living Marketing & Distribution Limited C 102388	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200
Luxury Living Manufacturing Limited C 102387	Greentek Business Complex New Street in Triq il-Hofor, Qormi	100%	1,200

Note: During the year ended 30 June 2023, the company disposed off one of its subsidiaries for a consideration of Eur1,200.

The share capital and reserves of the subsidiaries at reporting date stood as follows:

	2024 Eur	2023 Eur
Ordinary share capital	58,400	58,400
Retained earnings	155,806	96,936
	<u>214,206</u>	<u>155,336</u>

10. Intangible assets

	The Group		The Company	
	2024 Eur	2023 Eur	2024 Eur	2023 Eur
Development and operational rights on property	2,831,000	2,831,000	2,831,000	2,831,000
Less accumulated amortisation	(273,663)	(160,423)	(273,663)	(160,423)
Goodwill on acquisition of Smoochie brand	303,600	303,600	303,600	303,600
Goodwill on take-over of restaurant	150,000	160,000	150,000	160,000
Trademarks	1,380	690	1,380	690
	<u>3,012,317</u>	<u>3,134,867</u>	<u>3,012,317</u>	<u>3,134,867</u>

Notes to the consolidated financial statements
For the year ended 30 June 2024

11. Right-of-use assets

The Group	Total
	Eur
Cost	
As at 1 July 2022	2,423,503
Additions	64,018
Balance as at 30 June 2023	<u>2,487,521</u>
Accumulated depreciation	
As at 1 July 2022	(494,474)
Depreciation for the year	(179,991)
Balance as at 30 June 2023	<u>(674,465)</u>
Carrying amount as at 30 June 2023	<u>1,813,056</u>
Cost	
As at 1 July 2023	2,487,521
Additions	-
Balance as at 30 June 2024	<u>2,487,521</u>
Accumulated depreciation	
As at 1 July 2023	(674,465)
Depreciation for the year	(176,790)
Balance as at 30 June 2024	<u>(851,255)</u>
Carrying amount as at 30 June 2024	<u>1,636,266</u>

Note: The Group leases a number of roofs. The terms of the leases range from 9 to 23 years, the earliest commencing in 2017.

Notes to the consolidated financial statements
For the year ended 30 June 2024

11. Right-of-use assets (cont.)

The Company	Total
	Eur
Cost	
As at 1 July 2022	2,280,098
Additions	64,018
	<hr/>
Balance as at 30 June 2023	2,344,116
	<hr/>
Accumulated depreciation	
As at 1 July 2022	(487,304)
Depreciation for the year	(172,821)
	<hr/>
Balance as at 30 June 2023	(660,125)
	<hr/>
Carrying amount as at 30 June 2023	1,683,991
	<hr/>
Cost	
As at 1 July 2023	2,344,116
Additions	-
	<hr/>
Balance as at 30 June 2024	2,344,116
	<hr/>
Accumulated depreciation	
As at 1 July 2023	(660,125)
Depreciation for the year	(169,620)
	<hr/>
Balance as at 30 June 2024	(829,745)
	<hr/>
Carrying amount as at 30 June 2024	1,514,371
	<hr/>

Note: The Company leases a number of roofs. The terms of the leases range from 9 to 23 years, the earliest commencing in 2017.

LUXURY LIVING TECHNOLOGIES LIMITED

Notes to the consolidated financial statements For the year ended 30 June 2024

12. Property, plant and equipment																
The Group	pV farms Eur		Plant & machinery Eur		Improv. to buildings Eur		Motor vehicles Eur		Furniture & fittings Eur		Other equipment Eur		Computer equipment Eur		Total Eur	
As at 1 July 2023																
Cost	5,738,192		57,459		1,370,153		114,219		32,387		139,064		117,355		7,568,829	
Accumulated depreciation	(1,005,450)		(22,984)		(62,323)		(96,045)		(14,508)		(57,054)		(61,082)		(1,319,446)	
Closing net book value	4,732,742		34,475		1,307,830		18,174		17,879		82,010		56,273		6,249,383	
As at 30 June 2024																
Opening net book value	4,732,742		34,475		1,307,830		18,174		17,879		82,010		56,273		6,249,383	
Additions	-		-		-		45,111		-		12,746		12,730		70,587	
Reclassification	-		-		-		-		-		10,361		(10,361)		-	
Depreciation charge	(259,410)		(11,491)		(27,403)		(20,305)		(3,238)		(19,195)		(22,523)		(363,565)	
Reclassification	-		-		-		-		-		(2,590)		2,590		-	
Closing netbook value	4,473,332		22,984		1,280,427		42,980		14,641		83,332		38,709		5,956,405	
As at 30 June 2024																
Cost	5,738,192		57,459		1,370,153		159,330		32,387		162,171		119,724		7,639,416	
Accumulated depreciation	(1,264,860)		(34,475)		(89,726)		(116,350)		(17,746)		(78,839)		(81,015)		(1,679,137)	
Closing net book value	4,473,332		22,984		1,280,427		42,980		14,641		83,332		38,709		5,956,405	

LUXURY LIVING TECHNOLOGIES LIMITED

Notes to the consolidated financial statements For the year ended 30 June 2024

12. Property, plant and equipment (cont.)

The Company	PV farms Eur	Plant & machinery Eur	Improv. to buildings Eur	Motor vehicles Eur	Furniture & fittings Eur	Other equipment Eur	Computer equipment Eur	Total Eur
As at 1 July 2023								
Cost	4,598,192	57,459	1,370,153	114,219	32,387	132,574	105,041	6,410,025
Accumulated depreciation	(946,448)	(22,984)	(62,323)	(96,045)	(14,508)	(55,972)	(58,004)	(1,256,284)
Closing net book value	3,651,744	34,475	1,307,830	18,174	17,879	76,602	47,037	5,153,741
As at 30 June 2024								
Opening net book value	3,651,744	34,475	1,307,830	18,174	17,879	76,602	47,037	5,153,741
Additions	-	-	-	18,569	-	1,973	6,945	27,487
Depreciation charge	(229,912)	(11,491)	(27,403)	(16,957)	(3,238)	(13,455)	(20,552)	(323,008)
Closing netbook value	3,421,832	22,984	1,280,427	19,786	14,641	65,120	33,430	4,858,220
As at 30 June 2024								
Cost	4,598,192	57,459	1,370,153	132,788	32,387	134,547	111,986	6,437,512
Accumulated depreciation	(1,176,360)	(34,475)	(89,726)	(113,002)	(17,746)	(69,427)	(78,556)	(1,256,284)
Closing net book value	3,421,832	22,984	1,280,427	19,786	14,641	65,120	33,430	4,858,220

Notes to the consolidated financial statements
For the year ended 30 June 2024

13. Inventories

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Finished goods and work in progress	<u>2,225,686</u>	<u>1,837,776</u>	<u>2,136,348</u>	<u>1,762,741</u>

14. Trade and other receivables

14.1 Non-current assets

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Trade receivables	<u>139,331</u>	<u>156,225</u>	<u>139,331</u>	<u>156,225</u>

14.2 Current assets

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Trade receivables and accrued income	1,983,998	317,239	1,792,101	290,133
Other receivables	74,526	136,394	71,539	127,427
Deferred cost	5,498	5,498	5,498	5,498
Prepayments	4,000	64,718	-	62,024
Related party balances (note)	700,329	700,547	2,238,419	2,230,122
	<u>2,768,351</u>	<u>1,224,396</u>	<u>4,107,557</u>	<u>2,715,204</u>

Note: The amounts due from related parties are unsecured, interest free and repayable on demand.

Notes to the consolidated financial statements
For the year ended 30 June 2024

15. Deferred taxation

Recognised deferred taxation

Deferred taxation is attributable to the following:

The Company	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	Eur	Eur	Eur	Eur	Eur	Eur
<i>Tax effect of:</i>						
Unabsorbed capital allowances and trading losses	1,886,515	1,658,902	-	-	1,886,515	1,658,902
Excess of capital allowances over depreciation	-	-	(1,127,548)	(912,852)	(1,127,548)	(912,852)
As at 30 June 2024	<u>1,886,515</u>	<u>1,658,902</u>	<u>(1,127,548)</u>	<u>(912,852)</u>	<u>758,967</u>	<u>746,050</u>
The Group	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	Eur	Eur	Eur	Eur	Eur	Eur
<i>Tax effect of:</i>						
Unabsorbed capital allowances and trading losses	1,923,865	1,695,437	-	-	1,923,865	1,695,437
Excess of capital allowances over depreciation	-	-	(1,151,640)	(936,944)	(1,151,640)	(936,944)
As at 30 June 2024	<u>1,923,865</u>	<u>1,695,437</u>	<u>(1,151,640)</u>	<u>(936,944)</u>	<u>772,225</u>	<u>758,493</u>

16. Share capital

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Authorised				
2,931,000 Ordinary shares of Eur1 each	<u>2,931,000</u>	<u>2,931,000</u>	<u>2,931,000</u>	<u>2,931,000</u>
Issued and fully paid up				
2,931,000 Ordinary shares of Eur1 each	<u>2,931,000</u>	<u>2,931,000</u>	<u>2,931,000</u>	<u>2,931,000</u>

Notes to the consolidated financial statements
For the year ended 30 June 2024

17. Borrowings

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Non-current liabilities				
5% Secured Bonds 2028 (note 17.1)	7,964,362	7,955,626	-	-
Bank loan I (note 17.2)	187,145	274,141	187,145	274,171
Bank loan II (note 17.2)	344,580	372,819	344,580	372,819
Bank loan III and IV (note 17.2)	-	11,498	-	11,498
Bank loan V (note 17.2)	477,705	517,225	-	-
Loan due to subsidiary (note 17.4)	-	-	7,918,521	7,918,521
	<u>8,973,792</u>	<u>9,131,309</u>	<u>8,450,246</u>	<u>8,577,009</u>
Current liabilities				
Bank overdraft (note 17.3)	581,905	540,976	581,905	540,976
Overdrawn bank balance	7,823	-	-	-
Bank loan I (note 17.2)	96,182	92,334	96,182	92,334
Bank loan II (note 17.2)	35,364	36,689	35,364	36,689
Bank loan III and IV (note 17.2)	11,820	2,720	11,820	2,720
Bank loan V (note 17.2)	-	35,184	-	35,184
Bank loan VI (note 17.2)	41,907	40,413	-	-
Amount due to subsidiaries (note 17.5)	-	-	439,672	-
Amount due to shareholder (note 17.5)	1,488,926	1,495,473	1,488,926	1,495,412
Amount due to related companies (note 17.5)	721,069	-	121,070	-
	<u>2,984,997</u>	<u>2,243,789</u>	<u>2,774,940</u>	<u>2,203,315</u>
Total	<u>11,985,789</u>	<u>11,375,098</u>	<u>11,225,186</u>	<u>10,780,324</u>

Note 17.1 – Debt securities represent finance which was raised through the issue of bonds by one of the companies within the Group in prior years. The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer, and shall at all times rank pari passu, without any priority or preference among themselves. The Secured Bonds shall be guaranteed in respect of both the interest and the principal amount due under said Secured Bonds by the Guarantor in terms of the Guarantee. The Secured Bonds shall rank with priority in relation to the Pledged Shares. Pursuant to the Pledge Agreement, the Pledgor has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as Beneficiaries, a pledge over the shares held in Luxury Living Technologies Limited. The Pledge will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Secured Bonds. Interest on the 5% Secured Bonds 2028 is payable annually in arrears, on 29 July of each year.

Note 17.2 The bank loans are secured by a general hypothec over the Company's present and future assets, guarantees given by the Company and group companies and by pledge over the affiliate's insurance policies in the name of the Company covering properties. The interest and repayments for each respective loan are as per below:

- Bank loan I and II - bear interest at 3.8% and 3.6% per annum respectively (in 2023; 3.8% and 3.6% per annum respectively) and are repayable in monthly instalments of Eur8,985 and Eur4,135 respectively inclusive of interest (in 2023; Eur8,985 and Eur4,135 inclusive of interest).

Notes to the consolidated financial statements
For the year ended 30 June 2024

17. Borrowings (cont.)

Note 17.2 (cont.)

- Bank loan III and IV – these are repayable in monthly instalments of Eur151 and Eur76 respectively. These loans were part of the COVID-19 assistance granted by the bank with no interest and with a 6-month moratorium period.
- Bank loan V – this loan bears interest at 4% per annum and is repayable in equal monthly instalments of Eur5,166, inclusive of interest.

The current portion of the bank loans which are repayable within twelve months are disclosed as 'current liabilities'.

Note 17.3: The bank overdraft is limited to Eur500,000 (in 2023; Eur500,000). The excess of Eur81,905 represents un-presented cheques as at year-end. The bank overdraft bears interest at 2.25% per annum (in 2023; 2.25% per annum) and is repayable on demand. The bank overdraft is secured by a general hypothec over the Company's present and future assets.

Note 17.4 – The loan due to subsidiary relates to the transfer of funds from the subsidiary to the parent company, generated by the issue of bonds. This loan is unsecured, carries interest at 5.25% per annum and is repayable in full by not later than 30 June 2028.

Note 17.5 - The amount due to the shareholders, related companies and the current portion of the amount due to subsidiaries is unsecured, interest free and repayable on demand.

18. Finance liabilities

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Gross lease payments				
<i>Non-current liabilities</i>				
Due after more than five years	1,118,982	1,248,218	1,015,560	1,138,813
Due after more than one year but within five years	708,999	707,845	686,875	686,875
	1,827,981	1,956,063	1,702,435	1,825,688
<i>Current liabilities</i>				
Due within one year	128,234	107,077	123,405	102,499
	1,956,215	2,063,140	1,825,840	1,928,187

Notes to the consolidated financial statements
For the year ended 30 June 2024

18. Finance liabilities (cont.)

The carrying amount of lease liability recognised during the year is as follows:

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Opening balance	2,063,140	2,102,122	1,928,187	1,962,830
Additions	-	64,018	-	64,018
Interest	112,213	121,641	104,791	113,980
Lease payments	(219,138)	(224,641)	(207,138)	(212,641)
Closing balance	1,956,215	2,063,140	1,825,840	1,928,187

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
The following are the amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases:				
Interest expense	112,213	121,641	104,791	113,980
Depreciation expense	176,790	179,991	169,620	172,821
	289,003	301,632	274,411	286,801

19. Trade and other payables

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Trade payables	684,018	429,352	531,134	417,432
Advance deposits	-	-	-	-
Accruals	892,722	853,345	1,659,366	1,216,201
Indirect taxation	671,445	469,731	671,445	469,731
VAT liability	87,197	115,877	79,927	108,244
Other payables	90,625	31,534	80,797	19,216
	2,426,007	1,899,839	3,022,669	2,230,824

Notes to the consolidated financial statements
For the year ended 30 June 2024

20. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents at the end of the year comprised of the following:

	The Group		The Company	
	2024	2023	2024	2023
	Eur	Eur	Eur	Eur
Cash and bank balances (note)	215,370	687,036	44,715	171,920
Bank overdraft	(589,188)	(540,948)	(581,905)	(540,948)
	<u>(373,818)</u>	<u>146,088</u>	<u>(537,190)</u>	<u>(369,028)</u>

21. 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 party in making financial or operational decisions.

The Company is ultimately owned by Mr. Jean Paul Busuttill and therefore all companies up to the ultimate beneficial owner, as well as other companies outside the Group which are owned by Mr. Jean Paul Busuttill are considered to be related parties. Trading transactions between the companies include items which are normally encountered in a group context.

Luxury Living Technologies Limited is the parent company of the entities listed in Note 9.

Transactions with related parties

	The Company	
	2024	2023
	Eur	Eur
Expenditure		
Management fee charged by subsidiary	45,000	45,000
Interest payable on loan due to subsidiary	400,000	400,000
Rent payable to related parties	70,000	70,000
<i>Loans and Advances</i>		
Advances/repayments from shareholders	31,986	513,009
Advances to/repayment by related parties	122,667	111,294
Advances to subsidiary	414,778	1,438,097

Year-end balances from related party transactions are disclosed in Notes 14 and 17. Key management personnel compensation consisting of directors' remuneration has been disclosed in note 7.

Notes to the consolidated financial statements
For the year ended 30 June 2024

22. Contingent liabilities

As at 30 June 2024, the Company had a guarantee in favour of Luxury Living Finance p.l.c. in relation to the issue of Eur8,000,000 5% Secured Bonds 2028.

In addition, the Company also has guarantees of Eur22,600 held by APS Bank plc.

The company has a precautionary garnishee order in place for an amount of Eur1,964,042 related to the ongoing litigation with Medavia, which the company is currently contesting.

23. Financial Risk Management

The group and company are exposed to credit risk and liquidity risk through its use of financial instruments which result from its operating and investing activities. The Company is not exposed to currency risk and the directors consider interest rate risk exposure to be minimal due to fixed interest rates stipulated on interest bearing liabilities. Note 17 incorporates interest rates and maturity information with respect to the Company's main interest-bearing liabilities.

The group's and company's risk management is coordinated by the directors and focuses on actively securing the group's and company's short to medium term cash flows by minimizing the exposure to financial instruments. The most significant financial risks to which the group and company are exposed to are described below.

Credit risk

Financial assets which potentially subject the Company to concentrations of credit risk consist trade and other receivables and cash at bank (Note 14 and 20).

The Company's cash at bank is placed with high quality financial institutions.

The Company's receivables consist mainly of trade and other receivables. Customer credit risk is managed by the Group's management subject to the Group's established policy procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on each customer's credit limits. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at the reporting date on an individual basis. The Group exercises a prudent credit control policy. In previous years, the Company entered into commercial contracts for the sale of installed photovoltaic panels. These amounts will be directly repaid through the feed-in-tariffs generated by same photovoltaic panels, thus credit risk in this respect is limited.

Liquidity risk

The group's and company's exposure to liquidity risk arises from their obligations to meet financial liabilities, which comprise principally of borrowings and trade and other payables (Refer to notes 17 and 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

At 30 June 2024 and 30 June 2023, the contractual maturities on the financial liabilities of the group were as summarised below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the consolidated statement of financial position.

Notes to the consolidated financial statements
For the year ended 30 June 2024

23. Financial Risk Management (cont.)

Liquidity risk (cont.)

As at 30 June 2024

	The Group		The Company	
	Current Within 1 year Eur	Non-current 1 to 5 years Eur	Current Within 1 year Eur	Non-current 1 to 5 years Eur
Borrowings	3,045,920	8,973,792	2,835,863	8,450,246
Finance liabilities	128,234	1,827,981	123,405	1,702,435
Trade and other payables	2,365,084	-	2,945,946	-
	<u>4,250,705</u>	<u>11,087,372</u>	<u>4,536,638</u>	<u>10,402,697</u>

As at 30 June 2023

	The Group		The Company	
	Current Within 1 year Eur	Non-current 1 to 5 years Eur	Current Within 1 year Eur	Non-current 1 to 5 years Eur
Borrowings	2,243,789	9,131,309	2,203,315	8,577,009
Finance liabilities	107,077	1,956,063	102,499	1,825,688
Trade and other payables	1,899,839	-	2,230,824	-
	<u>4,250,705</u>	<u>11,087,372</u>	<u>4,536,638</u>	<u>10,402,697</u>

Foreign currency risk

Most of the group's and company's transactions are carried out in Euro. Exposure to currency exchange rates arise from the group's and company's transactions in foreign currencies.

The company's financial assets face minimal foreign currency risk since all sales are made receivable in Euro.

Interest rate risk

The group's and company's exposure to interest rate risk is limited to the variable interest rates on borrowings. Based on observations of current market conditions, the directors consider an upward or downward movement in interest of 1% to be reasonably possible. However, the potential impact of such a movement is considered immaterial.

24. Capital management policies and procedures

The group and the company's capital management objectives are to ensure their ability to continue as a going concern and to provide an adequate return to shareholders by pricing commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital. The group and the company monitor the level of debt, which includes borrowings and trade and other payables less cash and cash equivalents, against total capital on an ongoing basis.

25. Events after the reporting date

As at reporting date, there are no significant transactions/event to be reported.