D SHOPPING MALLS LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

Company Registration No: C 87499

Holding Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo
Secretary :	Ms Diane Izzo
Company number :	C 87499
Registered office :	Dizz Buildings Carob Street Santa Venera Malta
Auditors :	KSi Malta The Core, Valley Road, Msida MSD 9021, Malta (EU)
Banker :	Bank of Valletta plc 58, Zachary Street, Valletta Malta

Contents

Report of the Directors
For the year ended 31 December 2023

The directors present their report and the audited financial statements of the Group, composed of D Shopping Malls Limited (hereinafter referred to as the "Guarantor" or "Company") and D Shopping Malls Finance P.L.C. (hereinafter referred to as the "Issuer" or the "Subsidiary"), for the year ended 31 December 2023.

Principal Activity

The Group is principally engaged in investing in, acquiring, holding and/or managing any land, building or other property for the purpose of deriving income therefrom. The Guarantor's principal activity is the management, operation and lease of the following shopping malls and properties:

- A 15-year lease agreement with Sliema Wanderers Football Club to operate D Malls, a commercial centre located in Tigne Point, Sliema, with an option to extend the agreement further. The Company has subleased all retail units or kiosks at its disposal to related or third parties.

- A 15-year agreement with Center Parc Holding Limited to operate part of the Center Parc commercial centre located in Triq it-Tigrija, Qormi. The Company has subleased all the retail units or kiosks at its disposal to related or third parties.

- Leasing of owned properties: Flat 13, Waterside Apartments and Flat 6, Byron Court, Ix-Xatt ta' Qui-si-Sana, Sliema which flats are interconnected.

The D Shopping Malls Limited's subsidiary, D Shopping Malls Finance P.L.C.'s principal activity, is to act as a finance company and its business is limited to the raising of capital and the lending of such capital to D Shopping Malls Limited, the collection of interest from the Guarantor and the settlement of interest payable on capital raised from third parties. The activities of the Company are expected to remain consistent for the foreseeable future.

D Shopping Malls Finance P.L.C., raised € 7,500,000 5.35% Unsecured Bonds on 1 October 2018 on Prospects MTF. These Bonds are repayable at par on 28 October 2028. The Bond proceeds were advanced by way of a loan to the Guarantor and subsequently been allocated to the projects as per the Company Admission Document.

Review of Business

During the year under review the Group registered a profit before tax of € 222,218 (2022: 199,325). Income was principally derived from leasing of immovable property amounting to € 1,897,443 (2022: €1,713,611). Furthermore, as noted in note 5, the Group generated other income of €480,186 (2022: €812,996) throughout the year.

Report of the Directors (continued)
For the year ended 31 December 2023

Review of Business (continued)

As set out in the Company Admission Document, the Issuer of the Bond, D Shopping Malls Finance P.L.C, is to set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. Although the first mandatory payment into the sinking fund is due by 31 December 2024, given that in FY2022 the Company sold the Laguna property, whereby as described in section E1 "Use of Proceeds" of the Company Admission Document a maximum of €611k from the Bond were earmarked to acquire this apartment. Hence €611k of the proceeds received in FY2023 were allocated to meet part of the sinking fund requirements of FY2024 as set out in the Company Admission Document. The funds were used to purchase back the Company's bond, as detailed in the notes to the financial statements.

Principal Risks and Uncertainties

D Shopping Malls Finance P.L.C. ("Issuer") main objective is that of a finance company. Given that the Subsidiary does not carry out any trading activities, it is dependent on the business prospects of D Shopping Malls Limited ("the Guarantor) in relation to Bond proceeds which it has advanced in the form of a loan. Therefore, the Subsidiary is dependent on the business prospects of the D Shopping Malls Limited, and inherently, the operating results of D Shopping Malls Limited have a direct effect on the Subsidiary's financial position and performance, including the ability of the Subsidiary to service its payment obligations under the issued bonds. The Company and its Subsidiary are also inherently economically dependent on the wider Dizz Group (Dizz Group of Companies Limited and its subsidiaries) which they also form part of, given that the majority of retail outlets are leased to related parties forming part of the Dizz Group.

The Subsidiary's main assets consist of loans receivable issued to related companies forming part of the Group. Therefore, the ability of these companies to effect payments to the Company under such loans will depend on their respective cash flows and earnings which may be restricted by:

- loss of tenants
- decrease in rental rates
- changes in applicable laws and regulations;
- the terms contained in the agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or
- other factors beyond the control of the Company.

In this respect, the Parent, intends to continue to manage the properties in order to ensure optimal utilisation thereof and achieve positive and sustainable financial results. The directors monitor closely the impact of events and the ability of the parent to honour its financial commitments. In this regard, the directors are of the view that the amount receivable from the parent by the Subsidiary is recoverable. D Shopping Malls Limited is also inherently economically dependent on the wider Dizz Group (Dizz Group of Companies Limited and its subsidiaries) which it also forms of, given that the majority of retail outlets are leased to related parties forming part of the Dizz Group.

Dividends and Reserves

The directors do not recommend the payment of a dividend.

Future Developments

The directors intend to continue to operate in line with the current business plan and therefore do not foresee significant changes to future operations.

Report of the Directors (continued)
For the year ended 31 December 2023

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in notes 22.4 to 22.5 of the financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2024 through 15 April 2024, the date these financial statements were approved. Through such assessment, the directors have determined that there were no subsequent events post balance sheet date.

Directors

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

Ms Diane Izzo
Mr Karl Izzo

In accordance with the Company's Articles of Association the present directors remain in office.

Directors' Interest

The directors do not hold direct shares in D Shopping Malls Limited as at 31 December 2023, however the directors are the Ultimate Beneficial Owners of the Dizz Group of Companies Limited and of the company.

Statement of Directors' Responsibilities

The Companies Act (Cap. 386) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors (continued)
For the year ended 31 December 2023

Statement of Directors' Responsibilities (continued)

The directors, through oversight of management, are responsible to ensure that the Company establishes and maintains internal control, to provide reasonable assurance with regards to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

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

In pursuant to Prospects MTF Rules, the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the holding company at 31 December 2023, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and

- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Going Concern Statement

After making enquiries and having taken into consideration the future plans of the Group and the D Shopping Malls Limited, the directors have reasonable expectation that the Group and the D Shopping Malls Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopted the going concern basis in the preparation of the financial statements. The directors intend to continue to operate in line with the current business plan.

Auditors

KSi Malta have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

Ms Diane Izzo
Director

Mr Karl Izzo
Director

15 April 2024

Independent Auditors' Report

To the shareholders of D Shopping Malls Limited

Opinion

We have audited the accompanying consolidated financial statements of D Shopping Malls Limited (the holding Company), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly in all material respects the Group's financial position as at 31 December 2023, and of the Group's financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated 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.

Key Audit Matters

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

Independent Auditors' Report (continued)

Key Audit Matters (continued)

Right-of-use assets under IFRS 16 – refer to Note 11

We identified the right-of-use assets as a Key Audit Matter due to their significance to the financial statements of the entity. These are carried at EUR 14,444,773 which correspond to more than 73% of total non-current assets. Similarly, the corresponding lease liability accounts for a significant portion of total liabilities. The Company sub-leases property, most of which is leased to related parties, originally leased from third parties. The valuation and recognition of right-of-use assets require significant judgment, particularly in the determination of lease terms in the agreements.

Our audit procedures included reviewing the lease agreements and the Company's IFRS 16 workings. We also assessed the completeness and accuracy of the data used in the determination of the lease terms, including the discount rates applied and residual values. In addition, we evaluated the appropriateness of the accounting policy applied by the Company and cross-checked agreements with the workings to verify input data.

We also reviewed the Company's controls over the calculation of the right-of-use assets and the completeness and accuracy of disclosures in the financial statements.

Nothing has come to our attention that would indicate the Company's IFRS 16 calculations are unreasonable in material respects, and the right-of-use assets are unfairly stated in the financial statements. We have determined that our audit risk related to the valuation and recognition of right-of-use assets is appropriately addressed, and our audit procedures are sufficient to support our opinion on the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Statement of Directors' Responsibilities. Our opinion on the consolidated financial statements does not cover this information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Directors

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 the directors 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 the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

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

Our Responsibilities

We have responsibilities under the Companies Act, (Cap.386) enacted in Malta to report to you if, in our opinion:

- The information given in the Report of the Directors is not consistent with the consolidated financial statements.
- Adequate accounting records have not been kept.
- The consolidated financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.

Our Opinion

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

Use of this Report

Our report, including the opinions, has been prepared for and only for the Group's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Bernard Charles Gauci (Partner) for and on behalf of
KSi Malta
Certified Public Accountants

Msida
Malta (EU)

15 April 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

	Notes	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Revenue	4	1,897,443	1,713,611	1,872,900	1,713,611
Other income	5	480,186	812,996	474,459	813,716
Administrative expenses		(264,781)	(389,268)	(220,355)	(413,756)
EBITDA		2,112,848	2,137,339	2,127,004	2,113,571
Depreciation and amortisation		(889,428)	(864,505)	(890,525)	(865,600)
Operating profit		1,223,420	1,272,834	1,236,479	1,247,971
Finance costs	6	(1,001,202)	(1,073,509)	(1,030,986)	(1,073,532)
Profit before tax	7	222,218	199,325	205,493	174,439
Tax expense	8	(72,134)	(38,931)	(72,134)	(38,931)
Profit after tax		150,084	160,394	133,359	135,508
Other comprehensive income					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		150,084	160,394	133,359	135,508
Earnings per share	9	0.21	0.22	0.18	0.19

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)
For the year ended 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	€	€	€	€
Profit for the year attributable to:					
Owners of Company	16	150,084	160,394	133,359	135,508
Total comprehensive income for the year attributable to:					
Owners of Company	16	150,084	160,394	133,359	135,508

Consolidated Statement of Financial Position
As at 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	€	€	€	€
Assets					
Property, plant and equipment	10	2,303,753	2,395,511	2,311,434	2,404,289
Right of use assets	11	14,444,773	14,955,060	14,444,773	14,955,060
Investment property	12	2,270,250	2,250,000	2,270,250	2,250,000
Investment in subsidiaries	13	-	-	49,999	49,999
Deferred tax asset	8	405,524	476,038	405,524	476,038
Total non-current assets		19,424,300	20,076,609	19,481,980	20,135,386
Trade and other receivables	14	4,920,216	4,493,767	5,220,189	5,736,407
Total current assets		4,920,216	4,493,767	5,220,189	5,736,407
Total assets		24,344,516	24,570,376	24,702,169	25,871,793
Equity					
Issued capital	15	721,200	721,200	721,200	721,200
Retained earnings	16	1,297,370	1,147,286	1,214,730	1,081,371
Non-controlling interest	17	1	1	-	-
Total equity		2,018,571	1,868,487	1,935,930	1,802,571

Consolidated Statement of Financial Position (continued)
As at 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Notes	€	€	€	€
Liabilities					
Lease liabilities	18	11,292,569	11,695,478	11,292,569	11,695,478
Borrowings	19	6,835,166	7,451,789	-	-
Loan payable	20	-	-	7,417,230	7,417,230
Deferred tax liability	8	181,620	180,000	181,620	180,000
Total non-current liabilities		18,309,355	19,327,267	18,891,419	19,292,708
Trade and other payables	21	3,613,301	2,612,156	3,471,814	4,015,482
Lease liabilities	18	402,908	760,642	402,909	760,642
Borrowings	19	381	1,824	97	390
Total current liabilities		4,016,590	3,374,622	3,874,820	4,776,514
Total liabilities		22,325,945	22,701,889	22,766,239	24,069,222
Total equity and liabilities		24,344,516	24,570,376	24,702,169	25,871,793

The consolidated financial statements set out on pages 9 to 46 were approved and authorised for issue by the Board of Directors on 15 April 2024 and were signed on its behalf by:

Ms Diane Izzo
Director

Mr Karl Izzo
Director

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

Group

Changes in equity for the year	Issued capital €	Retained earnings €	Non-controlling interest €	Total €
Balance at 1 January 2022	721,200	986,892	1	1,708,093
Profit for the year	-	160,394	-	160,394
Balance at 31 December 2022	721,200	1,147,286	1	1,868,487
Balance at 1 January 2023	721,200	1,147,286	1	1,868,487
Profit for the year	-	150,084	-	150,084
Balance at 31 December 2023	721,200	1,297,370	1	2,018,571

Company

Changes in equity for the year	Issued capital €	Retained earnings €	Total €
Balance at 1 January 2022	721,200	945,863	1,667,063
Loss for the year	-	135,508	135,508
Balance at 31 December 2022	721,200	1,081,371	1,802,571
Balance at 1 January 2023	721,200	1,081,371	1,802,571
Profit for the year	-	133,359	133,359
Balance at 31 December 2023	721,200	1,214,730	1,935,930

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Cash flows from operating activities				
Profit before tax	222,218	199,325	205,493	174,439
Adjustments for:				
Lease modification	-	(310,311)	-	(310,311)
Depreciation of property, plant and equipment	379,141	354,218	380,238	355,313
Amortisation right of use asset	510,287	510,287	510,287	510,287
Profit from the sale of investment property	-	(1,078,924)	-	(1,078,924)
Finance costs	989,658	1,060,615	1,029,725	1,071,033
Amortisation of bond issue costs	8,277	8,277	-	-
Expected credit losses	20,745	6,571	23,007	2,505
Movement in fair value of investment property	-	978,920	-	978,920
Operating profit before working capital changes:	2,130,326	1,728,978	2,148,750	1,703,262
Movement in trade and other receivables	2,012,226	337,436	1,965,693	182,588
Movement in trade and other payables	(605,710)	71,187	(560,193)	131,795
Net cash generated after working capital changes	3,536,842	2,137,601	3,554,250	2,017,645
Bank interest paid	(63)	(198)	-	(238)
Tax paid	-	(106,565)	-	(106,565)
Net cash generated from operating activities	3,536,779	2,030,838	3,554,250	1,910,842

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2023

	Note	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Cash flows from investing activities					
Acquisition property, plant and equipment		(287,383)	(111,533)	(353,732)	(111,533)
Acquisition of investment property		(20,250)	-	(20,250)	-
Net cash used in investing activities		(307,633)	(111,533)	(373,982)	(111,533)
Cash flows from financing activities					
Proceeds from related companies		-	-	-	520,067
Bond interest paid		(367,818)	(401,250)	-	-
Repayment to related companies		(852,555)	(147,244)	(1,797,555)	(956,275)
Buy back of bonds		(624,900)	-	-	-
Repayment of lease liabilities		(1,382,430)	(1,374,739)	(1,382,420)	(1,374,739)
Net cash used in financing activities		(3,227,703)	(1,923,233)	(3,179,975)	(1,810,947)
Net movement in cash and cash equivalents		1,443	(3,928)	293	(11,638)
Cash and cash equivalents at beginning of year		(1,824)	2,104	(390)	11,248
Cash and cash equivalents at end of the year	24	(381)	(1,824)	(97)	(390)

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1 REPORTING ENTITY AND OTHER INFORMATION

D Shopping Malls Limited (the Company) is a limited liability company incorporated in Malta on 13 August 2018. The Company's registered office is stated in the introduction to the annual report. Dizz Group of Companies Limited is the ultimate controlling party, which is owned by Diane Izzo and Karl Izzo, who each own 50% of Dizz Group of Companies Limited's issued share capital.

These financial statements are presented in Euro.

1.1 APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorised for issue on 15 April 2024.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Standards and interpretations applied during the current period

Amendments and interpretations applicable for the first time in 2023 shown here under have been implemented. The application of the below standards and interpretations do not have an impact on the consolidated financial statements of the Group, except for IFRS 16 Leases.

Standard	Subject of amendment	Effective date
IFRS 4 Insurance Contracts	Amendments regarding the expiry date of the deferral approach	1 January 2023
IFRS 17 Insurance Contracts	Original issue	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023)	1 January 2023
IAS 1 Presentation of Financial statements	Amendment regarding the disclosure of accounting policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Amendments regarding the definition of accounting estimates	1 January 2023
IAS 12 Income Taxes	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard	**Subject of amendment**	**Effective date**
IFRS 7 Financial Instruments: Disclosures	Amendments regarding supplier finance arrangements	1 January 2024
IFRS 16 Leases	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information	Original issue	1 January 2024
IFRS S2 Climate-related Disclosures	Original issue	1 January 2024
IAS 1 Presentation of Financial statements	Amendments regarding the classification of liabilities	1 January 2024
	Amendment to defer the effective date of the January 2020 amendments	1 January 2024
	Amendments regarding the classification of debt with covenants	1 January 2024
IAS 7 Statement of Cash Flows	Amendments regarding supplier finance arrangements	1 January 2024

The directors are of the opinion that the adoption of these Standards (where applicable) will not have a material impact on the consolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

These consolidated 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). The financial statements have been prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value.

The preparation of the consolidated 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 believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these 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.

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 period presented, unless otherwise stated.

3.1.1 Going Concern

The Company's principal activity is the management, operation and lease of D Malls, part of the Center Parc Shopping Mall and Qui-si-Sana property. Although the Company generates income in line with its agreements, given that a significant part of its outlets are rented to the companies forming part the Dizz Group (ultimate holding parent being Dizz Group of Companies Limited), it is inherently dependent on the Dizz Group, whose core activities are operating retail and catering outlets.

In preparing these financial statements, given that the Company is economically dependent on the operations of the Parent and on the wider Dizz Group (Dizz Group of Companies Limited and its subsidiaries), the directors of the Parent Company commissioned its external financial advisors to prepare a report covering the Dizz Group's operations and forecasts. Taking into consideration all of these factors, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

3.2 BASIS OF CONSOLIDATION

The Group's financial statements consolidate those of the parent company and of its subsidiary as at 31 December 2023. The subsidiary has a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.2 REVENUE RECOGNITION

The Group recognises revenue from the following major sources as detailed here under:

3.2.1 Rental Income

Rental income from investment property and right of use asset is recognised in profit or loss on a straight-line basis over the term of the lease on the annual income received.

3.2.2 Dividends and interest income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.3 LEASES

3.3.1 The Group as a Lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either identified in the contract or implicitly specified by being identified at the time asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct how and for what purpose the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use 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.

The Group amortises the right-of-use assets 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.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 LEASES (continued)

3.3.1 The Group as a Lessee (continued)

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 interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

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 for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3.3.2 The Group as a Lessor

As a lessor the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Finance Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset.

Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Group obtains ownership of the asset at the end of the lease term.

For leases of land and buildings the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interest. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See note 11 in the period-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element is charged to profit or loss, as finance costs over the period of the lease.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.3 LEASES (continued)

3.3.2 The Group as a Lessor (continued)

Operating Leases

Rental income is recognised on a straight-line basis over the term of the lease.

3.3.3 The Group as Lessor

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

3.3.4 The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.4 FOREIGN CURRENCY AMOUNTS

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

3.5 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 TAXATION

The income tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 TAXATION (continued)

3.6.1 Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other period and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

3.6.2 Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 TAXATION (continued)

3.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.7 PROPERTY, PLANT AND EQUIPMENT

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 PROPERTY, PLANT AND EQUIPMENT (continued)

The annual rates used:

	%
Furniture and fittings	10
Improvements to premises	10
Electrical installations	6.67
Office equipment	25
Air-condition	16.67
Plant and machinery	10

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

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.8 INVESTMENT PROPERTY

Investment properties are properties held to earn rentals or for capital appreciation, or both, and are accounted for using the fair value model.

Investment properties are revalued every three years with resulting gains and losses recognised in profit or loss. These are included in the consolidated statement of financial position at their fair values.

3.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.10 FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 FINANCIAL ASSETS (continued)

3.10.1 Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3.10.2 Write off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.10.3 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime Expected Credit Losses (ECL) for trade receivables, contract assets and lease receivables.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 FINANCIAL ASSETS (continued)

3.10.3 Impairment of financial assets (continued)

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.10.4 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3.11 FINANCIAL LIABILITIES

3.11.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11.2 Subsequent measurement

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 are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group 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 profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

3.11.3 Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss 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 as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 20.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.11.4 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 statement of profit or loss.

3.12 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 the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.12 PROVISIONS (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 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. Dividends are recognised as liability in the period in which they are declared.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

4 REVENUE

The Group derives its revenue as disclosed in note 3.3 and as per below:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Rental income from owned properties	81,000	142,030	81,000	142,030
Rental income from leased properties	1,816,443	1,571,581	1,791,900	1,571,581
	1,897,443	1,713,611	1,872,900	1,713,611

5 OTHER INCOME

As per accounting policies of the Group, investment property is measured at fair value and any profit or losses are accounted for through the statement of profit or loss.

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Service charge	193,915	215,960	223,907	218,791
Other income	286,271	186,721	250,552	184,610
Lease modification	-	310,311	-	310,311
Sale of property	-	100,004	-	100,004
	480,186	812,996	474,459	813,716

6 FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Finance interest on finance lease	621,777	659,169	621,777	659,169
Interest payable to related company	-	-	407,948	411,626
Bank interest	63	198	-	238
Bank charges	2,103	2,887	1,261	2,499
Bond interest and other charges	368,982	402,978	-	-
Amortisation of bond issue costs	8,277	8,277	-	-
	1,001,202	1,073,509	1,030,986	1,073,532

7 PROFIT BEFORE TAX

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Profit before tax is stated after charging:				
Auditors' remuneration	11,250	10,815	2,250	2,160
Directors' remuneration	2,000	2,000	-	-
Depreciation of property, plant and equipment	379,141	354,218	380,238	355,313
Amortisation right of use assets	510,287	510,287	510,287	510,287

8 INCOME TAX

8.1 Income tax recognised in statement of comprehensive income

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Current tax:				
In respect of current year	-	106,565	-	106,565
Deferred tax:				
Capital allowances and tax losses	70,514	42,366	70,514	42,366
Investment property	1,620	(110,000)	1,620	(110,000)
	72,134	(67,634)	72,134	(67,634)
Total tax recognised in the current year	72,134	38,931	72,134	38,931

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

8 INCOME TAX (continued)

8.1 Income tax recognised in statement of comprehensive income (continued)

The income tax expense for the year can be reconciled to the accounting loss as follows:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Profit before tax	222,218	199,325	205,493	174,439
Theoretical taxation expense at 35%	77,776	69,764	71,923	61,053
Group loss relief	(15,074)	(10,325)	-	-
Impairment	-	342,622	-	342,622
Lease modification	-	(108,609)	-	(108,609)
Income taxed with different rate of tax	-	(271,058)	-	(271,058)
Other income	-	(31,024)	-	(31,023)
Expected credit losses	7,260	(546)	8,051	877
Deferred tax on property	1,620	(110,000)	1,620	(110,000)
Disallowable expenses	10,012	3,168	-	131
Depreciation on improvements	78,164	79,158	78,164	79,158
IFRS 16 permanent difference	(87,624)	75,781	(87,624)	75,780
	72,134	38,931	72,134	38,931

8.2 Deferred tax balances in statement of financial position

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Deferred tax asset	405,524	476,038	405,524	476,038
Deferred tax liability	(181,620)	(180,000)	(181,620)	(180,000)
	223,904	296,038	223,904	296,038

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

8 INCOME TAX (continued)

8.3 Deferred tax balances

The Group's deferred tax can be analysed as follows:

	Opening balance €	Recognised in profit or loss €	Recognised in other comprehensive income €	Other €	Closing balance €
2022					
Investment property	(290,000)	110,000	-	-	(180,000)
	(290,000)	110,000	-	-	(180,000)
Tax losses	518,404	(42,366)	-	-	476,038
	518,404	(42,366)	-	-	476,038
2023					
Investment property	(180,000)	(1,620)	-	-	(181,620)
	(180,000)	(1,620)	-	-	(181,620)
Tax losses	476,038	(70,514)	-	-	405,524
	476,038	(70,514)	-	-	405,524

9 EARNINGS PER SHARE

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Profit for the year	150,084	160,394	133,359	135,508
Weighted number of ordinary shares	721,200	721,200	721,200	721,200
Basic earnings per share	0.21	0.22	0.18	0.19

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

10 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Improvements to premises €	Air-conditioning €	Furniture and fittings €	Office equipment €	Electrical Installations €	Plant & Machinery €	Total €
Cost/Revalued amount							
At 1 January 2022	2,146,102	289,034	455,479	17,387	316,760	93,681	3,318,443
Additions	104,580	-	5,560	1,393	-	-	111,533
At 31 December 2022/1 January 2023	2,250,682	289,034	461,039	18,780	316,760	93,681	3,429,976
Additions	37,947	-	315,785	-	-	-	353,732
Disposals	(66,349)	-	-	-	-	-	(66,349)
At 31 December 2023	2,222,280	289,034	776,824	18,780	316,760	93,681	3,717,359
Depreciation							
At 1 January 2022	341,934	143,303	122,154	11,436	42,256	19,164	680,247
Charge for the year	225,068	48,173	46,106	4,161	21,128	9,582	354,218
At 31 December 2022/1 January 2023	567,002	191,476	168,260	15,597	63,384	28,746	1,034,465
Charge for the year	222,228	48,173	77,682	348	21,128	9,582	379,141
At 31 December 2023	789,230	239,649	245,942	15,945	84,512	38,328	1,413,606
Carrying amounts							
At 31 December 2023	1,433,050	49,385	530,882	2,835	232,248	55,353	2,303,753
At 31 December 2022	1,683,680	97,558	292,779	3,183	253,376	64,935	2,395,511

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

10 PROPERTY, PLANT AND EQUIPMENT – COMPANY

	Electrical installations	Improvements to premises	Furniture & fittings	Office equipment	Air-conditioning	Plant and Machinery	Total
	€	€	€	€	€	€	€
Cost							
At 1 January 2022	316,760	2,157,073	455,478	15,249	289,034	95,820	3,329,414
Additions	-	104,580	5,560	1,393	-	-	111,533
At 31 December 2022/ 1 January 2023	316,760	2,261,653	461,038	16,642	289,034	95,820	3,440,947
Additions	-	37,947	315,785	-	-	-	353,732
Disposals	-	(66,349)	-	-	-	-	(66,349)
At 31 December 2023	316,760	2,233,251	776,823	16,642	289,034	95,820	3,728,330
Depreciation							
At 1 January 2022	42,256	343,031	122,155	11,436	143,303	19,164	681,345
Charge for the year	21,128	226,165	46,104	4,161	48,173	9,582	355,313
At 31 December 2022/ 1 January 2023	63,384	569,196	168,259	15,597	191,476	28,746	1,036,658
Charge for the year	21,128	223,325	77,682	348	48,173	9,582	380,238
At 31 December 2023	84,512	792,521	245,941	15,945	239,649	38,328	1,416,896
Carrying amounts							
At 31 December 2023	232,248	1,440,730	530,882	697	49,385	57,492	2,311,434
At 31 December 2022	253,376	1,692,457	292,779	1,045	97,558	67,074	2,404,289

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

11 RIGHT OF USE ASSET

GROUP

	Buildings €	Total €
Cost		
At 1 January 2023	16,369,019	16,369,019
Additions	-	-
At 31 December 2023	16,369,019	16,369,019
Amortisation		
At 1 January 2023	1,413,959	1,413,959
Amortisation	510,287	510,287
At 31 December 2023	1,924,246	1,924,246
Carrying amounts		
At 31 December 2023	14,444,773	14,444,773
At 31 December 2022	14,955,060	14,955,060
Amounts recognised in profit or loss		
Amortisation expense on right of use assets	510,287	510,287
Interest expense on lease liabilities	621,777	621,777

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

11 RIGHT OF USE ASSET (continued)

COMPANY

	Buildings €	Total €
Cost		
At 1 January 2023	16,369,019	16,369,019
Additions	-	-
At 31 December 2023	16,369,019	16,369,019
Amortisation		
At 1 January 2023	1,413,959	1,413,959
Amortisation	510,287	510,287
At 31 December 2023	1,924,246	1,924,246
Carrying amounts		
At 31 December 2023	14,444,773	14,444,773
At 31 December 2022	14,955,060	14,955,060
Amounts recognised in profit or loss		
Amortisation expense on right of use assets	510,287	510,287
Interest expense on lease liabilities	621,777	621,777

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

12 INVESTMENT PROPERTY

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Cost/revalued amount				
At 1 January	2,250,000	4,450,000	2,250,000	4,450,000
Movement in fair value for the year	-	(978,920)	-	(978,920)
Additions	20,250		20,250	
Disposal	-	(1,221,080)	-	(1,221,080)
At 31 December	2,270,250	2,250,000	2,270,250	2,250,000

12.1 Fair value measurement of the Group's investment property

The Company has engaged an independent asset valuer to value its properties using a fair value measurement approach in accordance. The properties have been valued using Level 2 inputs, which are observable inputs, direct or indirect, such as quoted prices for similar assets or liabilities in markets that are not active.

The Level 2 inputs used in the valuation included market data for similar properties in the same location. For higher value properties, more in-depth data has been analysed and provided by the valuer. The independent asset valuer also considered the physical condition of the property and its current and potential use.

The fair value measurement of the properties as at the reporting date was determined to be €2,270,250.

The Company has reviewed the valuation report prepared by the independent asset valuer and has assessed the appropriateness of the valuation methodology and the inputs used in the valuation. The Company believes that the fair value measurement of the property represents a reasonable estimate of the property's value as at the reporting date.

12.2 Assets hypothecated as security

Land and buildings with a carrying amount of approximately € 2,270,250 have been pledged to secure borrowings of the Dizz Group of Companies Limited. The land and buildings have been hypothecated as security for bank overdraft.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

13 INVESTMENT IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Company
	€
Cost	
At 31 December 2023	49,999
At 31 December 2022	49,999

Details of the Company's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2023	2022
D Shopping Malls Finance PLC	Finance	Dizz Buildings Carob Street St. Venera Malta	99.99%	99.99%

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
		€	€	€
Amounts falling due within one year:				
Trade receivables	140,501	111,137	216,910	121,307
Other receivables	36,701	2,079,770	51,142	2,110,368
Prepayments	16,676	12,230	10,498	12,225
Amounts due from related companies (note)	4,726,342	2,290,630	4,941,639	3,492,507
	4,920,216	4,493,767	5,220,189	5,736,407

Note:

The amounts due from related companies are unsecured, interest-free and repayable on demand. Amounts are net of expected credit losses as outlined in Note 3.10.3. Expected credit losses for the group amount to € 52,417, whilst for the Company amount to €44,431.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

15 ISSUED CAPITAL

	Company	
	2023	2022
	€	€
Authorised		
1,400,000 ordinary shares of €1 each	1,400,000	1,400,000
Called-up, issued and fully paid		
721,200 ordinary shares of €1 each	721,200	721,200

16 RETAINED EARNINGS

Group	€
1 January 2023	1,147,286
Profit for the year attributable to owners	150,084
At 31 December 2023	1,297,370

Company	
1 January 2023	1,081,371
Profit for the year	133,359
At 31 December 2023	1,214,730

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

17 NON-CONTROLLING INTEREST

Group	€
1 January 2023	1
Profit for the year attributable to non-controlling interest	-
At 31 December 2023	1

Company	
1 January 2023	-
Loss for the year	-
At 31 December 2023	-

18 LEASE LIABILITY

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Amounts falling due within one year:				
Lease liability	402,908	760,642	402,909	760,642
Amounts falling due after more than one year:				
Lease liability falling due between 2 and 5 years	561,121	720,449	561,121	720,449
Lease liability falling due after 5 years	10,731,448	10,975,029	10,731,448	10,975,029
	11,292,569	11,695,478	11,292,569	11,695,478
Total lease liability	11,695,477	12,456,120	11,695,477	12,456,120

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

19 BORROWINGS

		Group		Company	
		2023	2022	2023	2022
	Note	€	€	€	€
Amounts falling due after five year:					
5.35% Bonds 2028	19.1	6,835,166	7,451,789	-	-
		6,835,166	7,451,789	-	-
Amounts falling due within one year:					
Bank balance overdrawn		381	1,824	97	390
Total borrowings		6,835,547	7,453,613	97	390

19.1 Summary of borrowing arrangements

During the period 23 July 2018 to 31 December 2019, D Shopping Malls Finance P.L.C. issued € 7,500,000, 5.35% unsecured bonds to the general public. These bonds were fully subscribed and admitted to Prospects MTF. Total proceeds from these bonds amounted to € 7,500,000. Total costs incurred by the D Shopping Malls Finance P.L.C. to issue the bonds amounted to € 82,770. These costs are being amortised in the Income Statement of the D Shopping Malls Finance P.L.C. over the period of the bond.

As set out in the Company Admission Document, the Issuer is to set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. During FY2022, the Guarantor sold the Laguna property, whereby as described in section E1 "Use of Proceeds" of the Company Admission Document, €611k from the Bond were earmarked to acquire this apartment. Hence, the Board agreed to allocate €611k of the proceeds in FY2023 to meet part of the sinking fund requirements of FY2024 onwards as set out in the Company Admission Document. During FY2023, these funds were used to purchase back and cancel € 625k worth of the Issuer's Bonds as permitted by the Issuer's Treasury Management Policy contained within the Company Admission Document.

20 LOAN PAYABLE

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Loan payable to subsidiary (note)	-	-	7,417,230	7,417,230

Note –

The loan due to subsidiary carries an interest rate of 5.6%, is unsecured and is repayable according to a specified loan agreement.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Amounts falling due within one year:				
Trade payables	421,360	1,197,095	184,170	1,220,933
Other payables	853,244	619,358	1,098,281	637,348
Accruals and accrued income	155,767	219,647	155,779	140,139
Amounts due to related companies (note)	2,182,930	576,056	2,033,584	2,017,062
	3,613,301	2,612,156	3,471,814	4,015,482

Note:
Amounts due to related companies are unsecured, interest-free and repayable on demand.

22 FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

	2023	2022
	€	€
Financial assets		
Trade and other receivables	177,202	2,190,907
Cash and cash equivalents	-	-
	177,202	2,190,907

22.2 Financial risk management objectives

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial year.

22.3 Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. The Group has no significant currency risk since substantially all assets and liabilities are denominated in Euro.

22 FINANCIAL INSTRUMENTS (continued)

22.3 Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financial position and cash flows. As at the reporting date, the Group has fixed and variable interest-bearing liabilities. Fixed interest-bearing liabilities consists of 5.35% Bonds issued to the general public whilst exposure to variable interest-bearing liabilities consists of bank overdrafts. As at the consolidated statement of financial position date, the Group's exposure to changes in interest rates on bank overdrafts held with financial institutions was limited as the level of borrowings with variable interest-bearing liabilities is immaterial with the level of borrowing with a fixed rate interest rate.

22.4 Credit risk

Credit risk arises from credit exposure to customers and amounts held with financial institutions (note 14). The maximum credit exposure to credit risk at the reporting date in respect of the financial assets was as follows:

	Group	
	2023	2022
	€	€
Trade and other receivables	177,202	2,190,907
	177,202	2,190,907

With respect to amounts receivable arising from rental income, the Group assesses on an ongoing basis the credit quality of the third party tenants, taking into account financial position, past experience and other factors. The Group manages credit limits and exposures actively in a practical manner such that there are no material past due amounts receivable from third party tenants as at the reporting date. The Group has no significant concentration of credit risk arising from third parties. Amounts are net of expected credit losses as outlined in Note 3.10.3. Expected credit losses for the group/company amount to € Nil.

22.5 Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally interest-bearing borrowings and trade and other payables (notes 19, 20 and 21). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

22 FINANCIAL INSTRUMENTS (continued)

22.5 Liquidity risk (continued)

Group	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2022						
Bank overdrawn	1,824	1,824	1,824	1,824	-	-
Trade and other payables	1,816,453	1,816,453	1,816,453	1,816,453	-	-
Bond	7,451,789	9,907,500	401,250	1,605,000	7,901,250	7,451,789
	9,270,066	11,725,777	2,219,527	3,423,277	7,901,250	7,451,789
At 31 December 2023						
Bank overdrawn	381	381	381	381	-	-
Trade and other payables	1,274,604	1,274,604	1,274,604	1,274,604	-	-
Bond	6,835,166	9,082,002	367,817	367,817	8,714,185	-
	8,110,151	10,356,987	1,642,802	1,642,802	8,714,185	-

The Group continues to assess its funding requirements to ensure that adequate funds are in place to meet its financial liabilities when they fall due.

Company	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2022						
Bank overdrawn	390	390	390	390	-	-
Trade and other payables	1,858,281	1,858,281	1,858,281	1,858,281	-	-
	1,858,671	1,858,671	1,858,671	1,858,671	-	-
At 31 December 2023						
Bank overdrawn	97	97	97	97	-	-
Trade and other payables	1,282,451	1,282,451	1,282,451	1,282,451	-	-
	1,282,548	1,282,548	1,282,548	1,282,548	-	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

23 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

23.1 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period was as follows:

	Group	
	2023	2022
	€	€
Directors' remuneration	2,000	2,000

23.2 (Loans to)/loans from related parties/ companies and subsidiary

	Group	
	2023	2022
	€	€
Amounts due to related companies	(2,182,930)	(576,056)
Amounts due from related companies	4,726,338	2,290,630

	Company	
	2023	2022
	€	€
Amounts due from related companies	4,941,639	3,492,507
Amounts due to related companies	(2,033,584)	(2,017,062)
Loan payable to subsidiary	(7,417,230)	(7,417,230)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2023

23 RELATED PARTY TRANSACTIONS (continued)

23.3 Transactions in the Statement of Profit and Loss

	Company	
	2023	2022
	€	€
Income		
Rent receivable	1,283,113	1,229,834
Service charge	222,407	218,791
Expenses		
Management fees	-	60,000
Bond interest	407,948	411,626

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of balances with banks. Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Amounts falling due within one year:				
Bank balance overdrawn	(381)	(1,824)	(97)	(390)
	(381)	(1,824)	(97)	(390)

Note –

The cash and cash equivalents are disclosed net of unrealised differences on exchange.