LUXURY LIVING TECHNOLOGIES LIMITED

Annual Report
and
Financial Statements
1 March, 2017 to 30 June 2017

Company Registration Number C 74593

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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.

Directors

Mr. Jean Paul Busuttil
Ms. Mirjam Busuttil (Resigned on 2 May, 2018)
Mr. William Wait (Appointed on 2 May, 2018)
Mr. Carlo Mifsud (Appointed on 2 July, 2018)

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 auditor, Mr Louis Padovani CPA has expressed his willingness to remain in office and a resolution proposing his reappointment will be put before the members at the annual general meeting.

Approved and signed by the Directors:

Mr. Jean Paul Busuttil
Director

Mr. William Wait
Director

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

28 September 2018

Independent Auditor's Report

To the Shareholders of LUXURY LIVING TECHNOLOGIES LIMITED

I have audited the accompanying financial statements of LUXURY LIVING TECHNOLOGIES LIMITED set out on pages 5 - 15 which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Opinion

In my opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 30 June 2017, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my 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 I have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Other Information

The directors are responsible for the other information. The other information comprises the General Information. My opinion on the financial statements does not cover this information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I are required to report that fact. I have nothing to report in this regard.

Auditor's Responsibility

My objective is 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.
- 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.

I 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 I identify during our audit.

I also provide those charged with governance with a statement that I 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.

Independent Auditor's Report

To the Shareholders of LUXURY LIVING TECHNOLOGIES LIMITED

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) I am required to report to you if, in my opinion:

- I have not received all the information and explanations I 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.

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

Louis Padovani
Certified Public Accountant & Registered Auditor

'Kyle', Apartment 4,
Triq il-Mediterran,
St. Julians. STJ 1870.

28 September 2018.

Income Statement
Period ended 30 June 2017

	Notes	4 months 2017 €	12 months 2017 €
Turnover		**208,492**	1,026,782
Cost of turnover		**(118,076)**	(709,115)
Gross Profit		**90,416**	317,667
Administrative expenses		**(101,165)**	(440,429)
Operating loss		**(10,749)**	(122,762)
Profit on sale of assets		**3,528**	-
Interest paid		**(9,017)**	(19,289)
Wages re-charged		**-**	7,464
Loss before Taxation	3	**(16,238)**	(134,587)
Taxation	4	**-**	-
LOSS FOR THE YEAR		**(16,238)**	(134,587)

Balance Sheet
Period ended 30 June 2017

	Notes	4 months to 30/06/2017 €	12 months to 28/02/2017 €
ASSETS			
Tangible Fixed Assets			
Plant and equipment	5	66,932	83,843
		66,932	83,843
Current Assets			
Inventories	6	375,737	443,159
Trade and other receivables	7	569,908	436,201
Cash at bank		49,009	18,811
		994,654	898,171
Total Assets		1,061,586	982,014
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	8	100,000	100,000
Accumulated losses		(150,825)	(134,587)
Total equity		(50,825)	(34,587)
Non-Current Liabilities			
Interest bearing borrowings	9	735,000	735,000
		735,000	735,000
Current Liabilities			
Bank overdraft		296,084	165,660
Trade and other payables	10	81,327	115,941
Taxation		-	-
Total current liabilities		377,411	281,601
Total Equity and Liabilities		1,061,586	982,014

The financial statements on pages 5 to 15 were approved and signed by the Directors on 28 September 2018

Mr Jean Paul Busuttil
Director

Mr William Wait
Director

	Share Capital €	Accumulated Losses €	Total €
Balance at 1 March 2016	-	-	-
Transactions with owners			
Issue of share capital	100,000	-	100,000
Loss	-	(134,587)	(134,587)
Total comprehensive income for the year	100,000	(134,587)	(34,587)
Balance at 28 February 2017	**100,000**	**(134,587)**	**(34,587)**
Balance as at 1 March, 2017	100,000	(134,587)	(34,587)
Loss	-	(16,238)	(16,238)
Total comprehensive income for the year	100,000	(150,825)	(50,825)
Balance as at 30 June, 2017	**100,000**	**(150,825)**	**(50,825)**

	Notes	4 months 2017 €	12 months 2017 €
Operating Activities			
Loss for the year before taxation		(16,238)	(134,587)
Adjustments for:			
Depreciation		5,869	17,469
Interest paid		9,017	19,289
		(1,352)	(97,829)
Working capital changes:			
Change in inventories		67,422	(443,159)
Change in trade and other receivables		(133,707)	(436,201)
Change in trade and other payables		(34,614)	75,941
Cash generated from/(used in) operations		(102,251)	(901,248)
Interest paid		(9,017)	(19,289)
Net Cash used in Operating Activities		(111,268)	(920,537)
Investing Activities			
Disposal of assets		11,042	-
Aquisition of property, plant and equipment		-	(101,312)
Net Cash used in Investing Activities		11,042	(101,312)
Financing Activities			
Issue of share capital		-	140,000
Advance from bank		-	735,000
Net Cash generated from Financing Activities		-	875,000
Movement in Cash and Cash Equivalents		(100,226)	(146,849)
Cash and cash equivalents at beginning of year		(146,849)	-
Cash and Cash Equivalents at End of Year	11	(247,075)	(146,849)

1. General Information

Statement of compliance

The financial statements of LUXURY LIVING TECHNOLOGIES LIMITED ("the Company") have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

Functional and presentation currency

These financial statements are presented in Euro (€) which is the Company's functional currency.

2. Significant Accounting Policies

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

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts.

Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a company has delivered goods to its customer, the customer has accepted the products and collectibility of the related debts is reasonably assured. It is the company's policy to sell its products with a right of return. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

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

2. Significant Accounting Policies *(continued)*

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment except for land and buildings, are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see note 4.2). Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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 financial position 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Motor vehicles 20%
- Other equipment 10%
- Computer equipment 25%
- Furniture and Fittings 10%

2. Significant Accounting Policies *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property held for development and resale
When the main object of a property project is the development for resale purposes, the asset is classified in the financial statements as inventory. Any elements of the project which are identified for business operation or long term investments properties are transferred at their carrying amount or fair value to property, plant and equipment or investment property when such identification is made and the cost thereof can be reliably segregated.

The development property is carried at the lower of cost and net realisable value. The purchase cost of acquiring the property represents the cash equivalent value of the contracted price. In case of land previously held as tangible non-current assets, the transfer value is the carrying value of the land as last revalued prior to its transfer to inventories.

Cost comprises the purchase cost of acquiring the property together with other costs incurred during its subsequent development by specifically identifying the cost of individual items including:

- The costs incurred on development works and construction works in progress, including demolition, site clearance, excavation, construction and acquisition costs, together with the expenses incidental to acquisition and costs of ancillary activities such as site security;

- The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith;

- Any borrowing costs, including imputed interests, attributable to the development phases of the property project.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at invoiced amount and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2. Significant Accounting Policies *(continued)*

Trade payables

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3. Loss before tax

3.1 Loss before tax is stated after charging the following:

	2017
	€
Depreciation	5,869
Audit fees	700

4. Income Taxation

4.1 Income tax recognised in statement of comprehensive income

	4 months to 30-Jun-17 €	12 months to 28-Feb-17 €
Current tax	-	-
Deferred tax	-	-
Tax charge/(credit)	-	-

4.2 The tax on the company's results before tax differs from the theoretical amount that would arise using the statutory tax rate of 35% ,as follows:

	4 months to 30-Jun-17 €	12 months to 28-Feb-17 €
Loss for the year before taxation	(16,238)	(134,587)
Tax charge/ (credit) at the statutory tax rate	(5,683)	(47,105)
Tax effect of:		
Unabsorbed capital allowances	5,683	47,105
Tax charge/(credit)	-	-

5. Tangible Fixed Assets

	Motor Vehicles €	Furniture & Fittings €	Other Equipment €	Computers & Equipment €	Total €
As at 01 March 2016					
Cost	-	-	-	-	-
Depreciation charge	-	-	-	-	-
Closing net book value	-	-	-	-	-
As at 28 February 2017					
Cost	-	-	-	-	-
Additions	56,920	10,663	22,758	10,971	101,312
Disposal	-	-	-	-	-
Depreciation charge	(11,384)	(1,066)	(2,276)	(2,743)	(17,469)
Depreciation release on disposal	-	-	-	-	-
Closing net book value	45,536	9,597	20,482	8,228	83,843
As at 30 June 2017					
NBV	45,536	9,597	20,482	8,228	83,843
Additions	-	-	-	-	-
Disposal	(15,120)	-	-	-	(15,120)
Depreciation charge	(3,291)	(356)	(758)	(914)	(5,319)
Depreciation release on disposal	3,528	-	-	-	3,528
Closing net book value	30,653	9,241	19,724	7,314	66,932

6. Inventories

	30/06/2017 €	28/02/2017 €
Goods held for re-sale	375,737	434,596
Works in progress	-	8,563
	375,737	443,159

7. Trade and other receivables

	30/06/2017 €	28/02/2017 €
Trade debtors	126,663	78,321
Accrued income	-	180
Prepayments	309,939	240,999
Directors' loans	133,306	116,701
	569,908	436,201

8. Share Capital

	4 months to 30/06/2017 €	12 months to 28/02/2017 €
Authorised		
100,000 ordinary shares of €1.00 each	**100,000**	100,000
	100,000	100,000
Issued and Fully paid up		
100,000 ordinary shares of €1.00 each	**100,000**	100,000
	100,000	100,000

9. Non-current Liabilities

	4 months to 30/06/2017 €	12 months to 28/02/2017 €
Bank loan	**735,000**	735,000
	735,000	735,000

10. Trade and Other Payables

	4 months to 30/06/2017 €	12 months to 28/02/2017 €
Trade payables	**26,672**	38,915
Shareholders loans	-	40,000
Accruals	**32,479**	15,503
Indirect taxation	**22,176**	21,523
	81,327	115,941

11. Cash and Cash Equivalents

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

	4 months to 30/06/2017 €	12 months to 28/02/2017 €
Cash at bank	**49,009**	18,811
Bank overdraft	**(296,084)**	(165,660)
	(247,075)	(146,849)