

LUXURY LIVING FINANCE p.l.c

Half-Yearly Report

31 December 2018

Company Registration Number C 85987

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The Directors present their half yearly report in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the audited financial statements of Luxury Living Finance p.l.c. (the Company) for the eight month period ended 31 December 2018 prepared in accordance with IAS 34, 'Interim Financial Reporting'.

Principal Activities

Luxury Living Finance p.l.c. was incorporated on 25 April 2018. The principal objects of the Company relate to carry on the business of a finance company, principally by advancing capital raised to its parent company, Luxury Living Technologies Limited, when and as required.

Review of Business

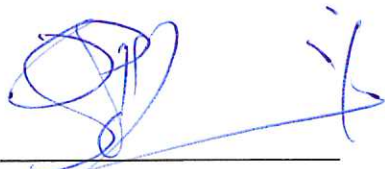
During the period under review the Company's objectives remained focused on financing. To this end, during the eight month period, the Company generated interest income.

Dividends and Reserves

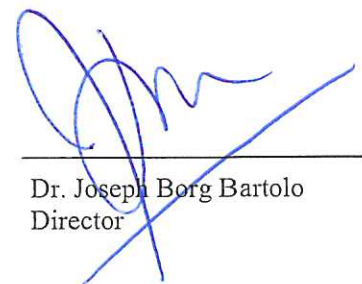
The results for the year are set in the financials on page 6 to 13.

The Board of Directors does not propose the payment of a dividend. Retained earnings carried forward at the reporting date amounted to €3,785.

Approved and signed by the Directors:



Mr. Jean Paul Busuttill
Director



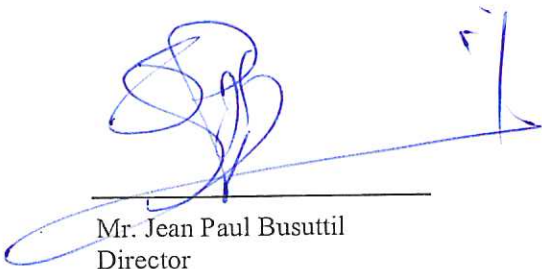
Dr. Joseph Borg Bartolo
Director

Registered Address:

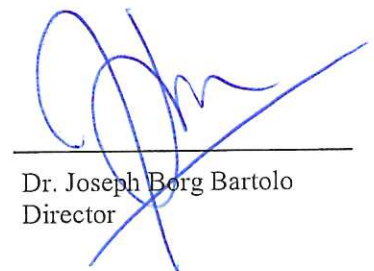
Greentek Business Complex,
New Street in Triq il-Hofor,
Qormi.

28 February 2019

We confirm that, to the best of our knowledge, the condensed Interim Financial Statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting give a true and fair view of the assets, liabilities, financial position and profit of Luxury Living Finance p.l.c as at 31 December, 2018 and the Interim Directors' report comprises a fair review of the information required in terms of the Prospects Rule 4.11.12.



Mr. Jean Paul Busuttil
Director



Dr. Joseph Borg Bartolo
Director

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

28 February 2019

Independent Auditor's Report

To the Shareholders of LUXURY LIVING FINANCE p.l.c.

I have audited the accompanying financial statements of LUXURY LIVING FINANCE PLC set out on pages 6 - 13 which comprise the statement of financial position as at 31 December 2018, 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 31 December 2018, and of its financial performance and its cash flows 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 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 am required to report that fact. I have nothing to report in this regard.

Independent Auditor's Report

To the Shareholders of LUXURY LIVING FINANCE p.l.c.

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 FINANCE p.l.c.

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

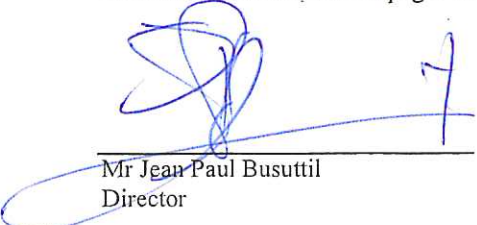
'Kyle', Apartment 4,
Triq il-Mediterran,
St. Julians. STJ 1870.

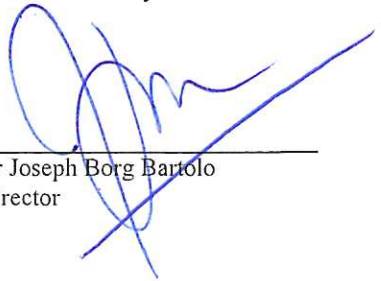
28 February 2019

	Notes	8 months to 31-Dec-18 €
Finance income		197,892
Finance cost		<u>(166,667)</u>
Operating profit		31,225
Administrative expenses		<u>(25,402)</u>
Profit before Taxation	3	5,823
Income Tax	4	<u>(2,038)</u>
Profit for the period		<u><u>3,785</u></u>
Total Comprehensive income for the period		<u><u>3,785</u></u>

	Notes	2018 €
ASSETS		
Fixed Assets		
Intangible Asset	5	<u>83,686</u>
		<u>83,686</u>
Current Assets		
Trade and other receivables	6	<u>8,066,335</u>
Cash at bank		<u>100,000</u>
		<u>8,166,335</u>
Total Assets		<u><u>8,250,021</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	7	<u>50,000</u>
Retained earnings		<u>3,785</u>
Total equity		<u>53,785</u>
Non-Current Liabilities		
Borrowings	8	<u>8,023,027</u>
		<u>8,023,027</u>
Current Liabilities		
Trade and other payables	9	<u>171,171</u>
Taxation		<u>2,038</u>
Total current liabilities		<u>173,209</u>
Total Equity and Liabilities		<u><u>8,250,021</u></u>

The financial statements on pages 6 to 13 were approved and signed by the Directors on 28 February 2019


Mr Jean-Paul Busuttill
Director


Dr Joseph Borg Bartolo
Director

	Share Capital €	Accumulated Profits €	Total €
Balance at 25 April 2018	-	-	-
Transactions with owners			
Issue of share capital	50,000	-	50,000
Profit	-	3,785	3,785
Total comprehensive income for the period	50,000	3,785	53,785
Balance at 31 December 2018	50,000	3,785	53,785

	8 months to 31-Dec-18 €
Notes	
Operating Activities	
Profit/(Loss) for the period before taxation	5,823
	<u>5,823</u>
<i>Working capital changes:</i>	
Interest due from parent	(197,892)
Change in trade and other payables	<u>171,171</u>
Cash generated from/(used in) operations	<u>(20,898)</u>
Net Cash used in Operating Activities	<u>(20,898)</u>
Investing Activities	
Amount due from Holding Company	<u>(7,868,443)</u>
Net Cash used in Investing Activities	<u>(7,868,443)</u>
Financing Activities	
Bond Issue costs	(83,686)
Issue of share capital	50,000
Advance from related companies	23,027
Issue of Bond proceeds	<u>8,000,000</u>
Net Cash generated from Financing Activities	<u>7,989,341</u>
Movement in Cash and Cash Equivalents	100,000
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>100,000</u></u>

Notes to the condensed interim Financial Statements
31 December 2018

1. General Information

Statement of compliance

The financial statements of LUXURY LIVING FINANCE p.l.c. (“the Company”) have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared on the historical cost basis except for land and buildings which are stated at their revalued amount. These financial statements present information about the Company as an individual undertaking.

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.

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.

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.

2. Significant Accounting Policies (*continued*)

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.

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. Profit/(Loss) before tax

3.1 Profit/(Loss) before tax is stated after charging the following:

	8 months to 31-Dec-18 €
Amortisation	3,689
Audit fees	1,500
	<u>5,189</u>

4. Income Taxation

4.1 Income tax recognised in statement of comprehensive income

	8 months to 31-Dec-18 €
Current tax	2,038
Deferred tax	-
	<u>2,038</u>
Tax charge/(credit)	<u><u>2,038</u></u>

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:

	8 months to 31-Dec-18 €
Profit/(Loss) for the year before taxation	<u>5,823</u>
Tax charge/ (credit) at the statutory tax rate	2,038
<i>Tax effect of:</i>	
Adjustment to tax charge	
	<u>2,038</u>
Tax charge/(credit)	<u><u>2,038</u></u>

5. Intangible Assets

	2018 €
Bond expenses	<u>83,686</u>
	<u><u>83,686</u></u>

6. Trade and other receivables

	2018 €
Amount due from parent	<u>8,066,335</u>
	<u><u>8,066,335</u></u>

7.	Share Capital		2018
			€
	Authorised		
	50,000 ordinary shares of €1.00 each		50,000
			50,000
	Issued and Fully paid up		
	50,000 ordinary shares of €1.00 each		50,000
			50,000
8.	Non-current Liabilities		2018
			€
	Amounts due to parent		23,027
	Interest bearing borrowings (5% Secured Bonds 2028)		8,000,000
			8,023,027
9.	Trade and Other Payables		2018
			€
	Accruals		171,171
			171,171
10.	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:		
			31-Dec-18
			€
	Cash at bank		100,000
			100,000