CCFinance Group

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by CC Finance Group plc the "Company", in terms of the Rules of Prospects MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ('Prospects MTF Rules').

Annual Report & Audited Financial Statements 2022

Date: 21st April 2023

Reference: CCF/CA- 65/23

Quote

In a meeting of the Board of Directors held today, the 21st April 2023, the Board of Directors of the Company approved the Annual Report and Audited Financial Statements for the financial year ending 31st December 2022.

The Group reported results with the following highlights:

- *Net flows of €73m*
- *Assets under management & administration of €2.1bn*
- *Revenue €12.6m*
- *EBITDA to €1.2m*
- *Total Assets €30.4m*
- *New Clients 10,000*

The Annual Report and Audited Financial Statements are also available for viewing on the website of the company at: https://cc.com.mt/investor-relations/

Unquote

Kari Pisani
B.A, LL.D. MSc.
Company Secretary

ANNUAL REPORT 2022

CCFinance Group

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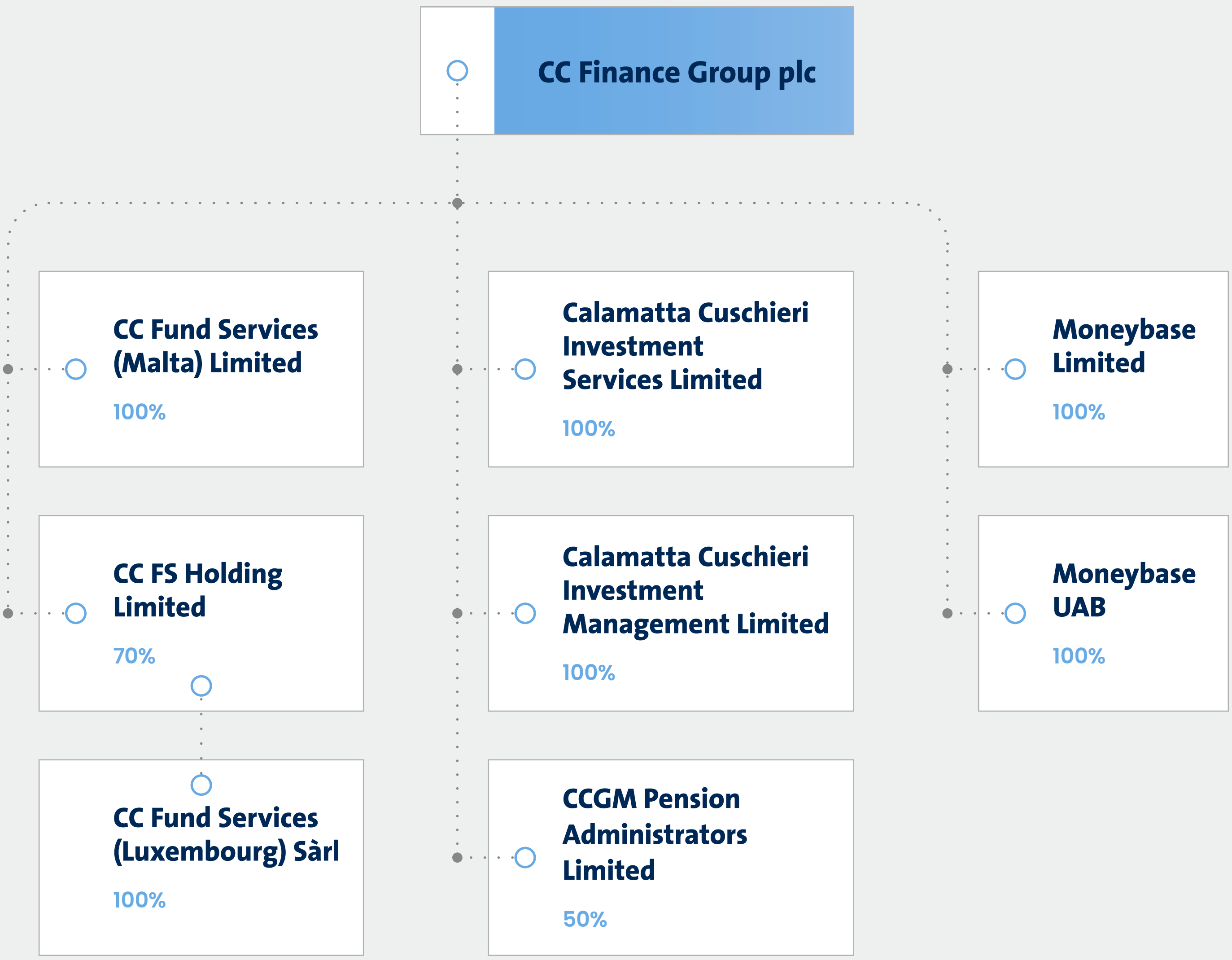
Strategic Report

1 CC Finance Group at a glance

Who we are

CC Finance Group is a privately held diversified financial services group, operating in the fields of investment services, Fintech and fund services. We pioneered the local financial services industry in 1971, offering independent investment advice. Today, we continue to evolve at a fast pace whilst keeping our core values at heart; that of providing our clients with the best possible service, utilising the latest technology, and employing top professionals in the field, whilst also ensuring the strictest governance and ethics.

We exist to protect and help grow our clients' wealth whilst providing our clients with a personalised and professional service. The Group operates three business lines, and we have amassed experience in these key areas. We strive to be disruptive, thinking outside the box, whilst providing high-quality services and products.



2 Chairman's Statement

Charles Borg
Chairman

I am pleased to be reporting on my 4th Annual Report as Chair of the CC Finance Group. 2022 was yet again a year that was impacted by external factors, this time being macro economic and geopolitical forces. Following the COVID-19 pandemic in 2020, and Malta being added to the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring in 2021, 2022 saw the Ukraine-Russia conflict take centre stage and the consequential economic forces of inflation and sharp interest rate rises, left global markets reeling with investor confidence at all time lows by mid year.

Despite the macro environment, the positive developments during 2022 include the removal of Malta from the greylist, with the Maltese economy powering ahead despite rampant inflation and the threat of a recession in Europe and beyond.

As reflected across the financial industry, our performance was affected by a shift in investor confidence, mainly caused by the geopolitical situation that played out at the end of the first quarter of the year. However, all Group companies successfully navigated the year to finish with satisfactory aggregate top line revenues of just under €13m, a drop of just 4% over the previous year. Furthermore, despite the turbulent macroeconomic environment, we are also reporting very encouraging Group net inflows of €73m.

During the year, the Board, together with executive management, formulated key strategic objectives to be implemented in 2023. These include cost rationalisation and further strengthening of our capital structure as well as consolidation and revenue focus of the 3 business segments, all of which have tremendous potential for growth in the years ahead.

With a clearly defined roadmap ahead, the Group has taken the strategic decision to take the Group public by 2026.

There were no changes to the composition of the Board in 2022 which continues to function well and effectively. The Group's control functions report regularly to the Board, and each unit is performing its oversight effectively.

CC Finance Group is a diversified and robust financial services group that is focusing on delivering industry-leading financial services.

Despite international volatility which has persisted into 2023, we are comfortable in expecting the Group to increase on all financial metrics throughout 2023.

We remain cautiously optimistic on the local economy and the increasing demand for financial services.

Charles Borg
Chairman

3 Chief Executive Officers' Review

Nick Calamatta
Co-CEO

Alan Cuschieri
Co-CEO

2022 will be remembered as a unique year for the financial markets. Unlike the last 50 years, there was no safety for investors in the age-old portfolio distribution across equity and bonds, with both distinct asset classes ending the year in significant declines. At the end of the year, the NASDAQ ended 33.1% down, the S&P 500 down 19.44%, and EuroStoxx 600 markets down 12.9% overall.

The main reasons world markets were affected negatively for a sustained period included the war in Ukraine, supply-chain issues, lingering COVID-19 effects, as well as rampant inflation that has seen central banks increase rates substantially in a short time frame, repricing bonds in the major currencies.

The business in which we operate is intrinsically linked to the financial markets and therefore the resulting uncertainty and sharp decreases in global assets had direct ramifications on the Group's financial performance. We saw an overall decrease in trading and a cautious attitude from investors throughout the year. We also received lower management fees due to lower asset prices, which translated in a decline in revenue of 4% on the previous year.

On a positive note however, market decline was partially offset by record activity in the local primary market that also included the return of the Malta Government raising debt from retail investors. However, inflation brought about rising costs primarily related to employee salaries and software licensing fees, which also impacted the Group's performance for the year.

2022 was another successful year where we achieved important milestones that will fuel revenue growth in 2023 and beyond. We continued to increase our market share on several fronts; we acquired new payment capabilities which brought new revenue streams and we grew our online client base by over 50%.

At the end of April 2022, we rebranded our award winning and market leading trading platform CCTrader and launched Moneybase, a state-of-the-art digital platform which offers retail clients an easy way to manage their money and investments, and which is backed by ISO Certified customer support 7 days a week.

Our clients now have the possibility to send or receive payments easily and they can also spend across the world using a multi-currency card or make currency conversions instantly.

This marked a watershed moment for the Group which now has additional capabilities that complement existing services and also further diversifies into new revenue streams that are not linked to the financial markets.

Moneybase has been an outstanding success, it achieved some impressive figures within months from launch and also won the prestigious "Best Financial Institution Award" at the Malta Business Awards. As a Group, we are now in a position to truly offer our clients a one-stop-shop for all things finance and compete at the highest levels, both locally and internationally.

Over the last 18 years, we continued to invest relentlessly to maintain our market-leading position and the elevated levels of customer satisfaction that we enjoy today. Now that we have established a solid foundation and infrastructure, our strategy is to work towards taking the Group public by 2026.

During the last quarter of 2022, we embarked on a consolidation exercise to ensure that the Group transitions into a leaner structure, with emphasis on bottom line growth. The restructuring that was announced in Q1 2022 has been approved by the MFSA and is expected be completed by Q2 2023.

With a Group IPO now in view, aside from growing revenues, we also plan to continue our investment in governance, as well as adding to our existing ISO certifications and quality marks. We commissioned external audits in areas such as AML, an area where we have invested heavily in people and robust, state-of-the-art systems, achieving highly satisfactory results. In the coming years, we will continue to build upon such achievements across other areas such as attaining ISO 27001, the international standard for Information Security.

The first quarter of 2023 has been positive, with a record Net New Money figure of €45.5 million. The Group is also already feeling the benefits of its consolidation exercise together with an improvement in the macro environment. We are therefore optimistic for the Group's financial performance in 2023, aiming to achieve several other milestones throughout the year, which we look forward to sharing in due course.

4 Business Lines Overview

Calamatta Cuschieri	moneybase	CCFundServices
Investment Services	Fintech	Fund Services

Calamatta Cuschieri

Calamatta Cuschieri has offered investment services since 1971, gaining a reputation of offering unbiased and honest investment advice along the way. Today, the company is considered to be Malta's best in class investment services firm, with €1 billion in clients' assets.

Calamatta Cuschieri offers a comprehensive suite of investment services for retail investing clients as well as servicing professional clients through capital markets, asset management, and treasury execution services.

Financial Planning	Wealth Management	Capital Markets	Institutional Services
Investment advice	Discretionary management portfolios	Structuring	Trading & settlement
Pensions	Fund management	Regulatory approval	FX trading
Monthly investment plans	Pension management	Annual reporting	Custody
Life insurance		Sponsoring brokers	Occupational pensions
		Manager & Registrar	Corporate life cover

Calamatta Cuschieri is a founding member of the Malta Stock Exchange and is licensed by the Malta Financial Services Authority. Our mission is to guide our clients to ensure their savings are protected and their wealth achieves their desired targets within their risk tolerance.

Despite the macro economic scenario in 2022 the company still attracted net new money of €100 million and ended the year with Assets under Management of €1 billion.

Net Flows	AuM
+€100m	€1Bn

Financial Planning

For over 51 years, CC has provided investment advice to thousands of clients. It provides holistic financial planning that includes investments, pensions and life insurance. This service is delivered with personal attention by its experienced financial advisors through its four branches.

Savings & Pensions

Towards the end of 2022 we launched a 'Monthly Investment Plan' product, which provides investors with the facility to invest on a monthly basis across all our fund strategies. This low cost and convenient savings product allows savers to invest as little as €100 per month through a Direct Debit mandate.

We also continued to grow the number of members that contribute to our pensions, both through the Lifetime Private Pension Scheme and the Lifetime Occupational Pension Scheme. The number of members at the end of the period stood at 861 whilst the schemes assets grew to €4.9m.

Institutional Services

Since 2010, CCIS has been providing execution and settlement of debt instruments on international markets to a number of institutional counterparties. Over the years, it has acquired the expertise and amassed a growing a network of counterparties in order to source the best execution for its clients.

Wealth Management

We offer discretionary portfolio services to a number of clients that include UCITS funds, large corporate clients, and high net worth individuals. We also provide ongoing support and guidance to a number of investment committees. Our wealth management team is made up of experienced and qualified professionals who oversee the investment process.

Calamatta Cuschieri

Capital Markets

2022 saw the largest ever amount of local issuances in terms of both number of transactions and also the aggregate value of the transaction, which included the Government of Malta that have returned to tapping the retail market with a €300m bond in October after a number of years.

During 2022, our capital markets team continued to cement itself as a top player for local capital markets projects, accounting for more than one third of the market share for newly listed local bond issues.

In fact, CC completed 11 transactions which include the regulatory approval of 7 main market transactions and 1 Prospects MTF transaction.

This replicates the success achieved in 2019, which was the last financial year before the onset of the pandemic where Calamatta Cuschieri led 11 transactions. CCIS has continued to enjoy growth in this segment, subsequently growing the team and its expertise. 2023 promises to be similarly successful, with a substantial number of projects in the pipeline expected to be brought to the market.

It is pertinent to state that an increasing number of companies are understanding the various advantages of obtaining a listing. We expect this to be the basis of future growth of the capital markets in Malta.

Issued Securities	Number of Transactions
€193m	11

Our Capital Markets seminar organised in conjunction with the Chamber of Commerce included panellists from leading representatives of the industry.

Calamatta Cuschieri

Completed deals 2022

St. Anthony Co. p.l.c.
An issue of
€15,500,000
4.55% Secured Bonds 2032

Smartcare Finance p.l.c.
An issue of
€7,500,000
4.65% Secured Bonds 2032

Class Finance p.l.c.
An issue of
€3,000,000
5% Unsecured Bonds 2032

CF Estates Finance p.l.c.
An issue of
€3,500,000
4.9% Secured Bonds 2028-2033

Hili Finance Company p.l.c.
An issue of
€50,000,000
4% Unsecured Bonds 2027

Endo Finance p.l.c.
An issue of
€5,000,000
6% Notes 2027

Fortytwo Invest p.l.c.
An issue of
€3,000,000
6.25% Unsecured Bonds 2025

JD Capital p.l.c.
An issue of
€16,000,000
4.85% Secured Bonds 2032

Multitude Bank p.l.c.
An issue of
€5,000,000
6% Unsecured Bonds 2032

Von Der Heyden Group Finance p.l.c.
An issue of
€35,000,000
5% Unsecured Bonds 2032

Mercury Projects Finance p.l.c.
An issue of
€50,000,000
4.3% Secured Bonds 2032

CC Funds Sicav

CC Funds is Calamatta Cuschieri's range of in-house funds. CC Funds SICAV plc was launched in September 2011 and, as at end of Q1 2023, has an aggregate Assets Under Management of over €180m spread over 11 distinct sub-funds.

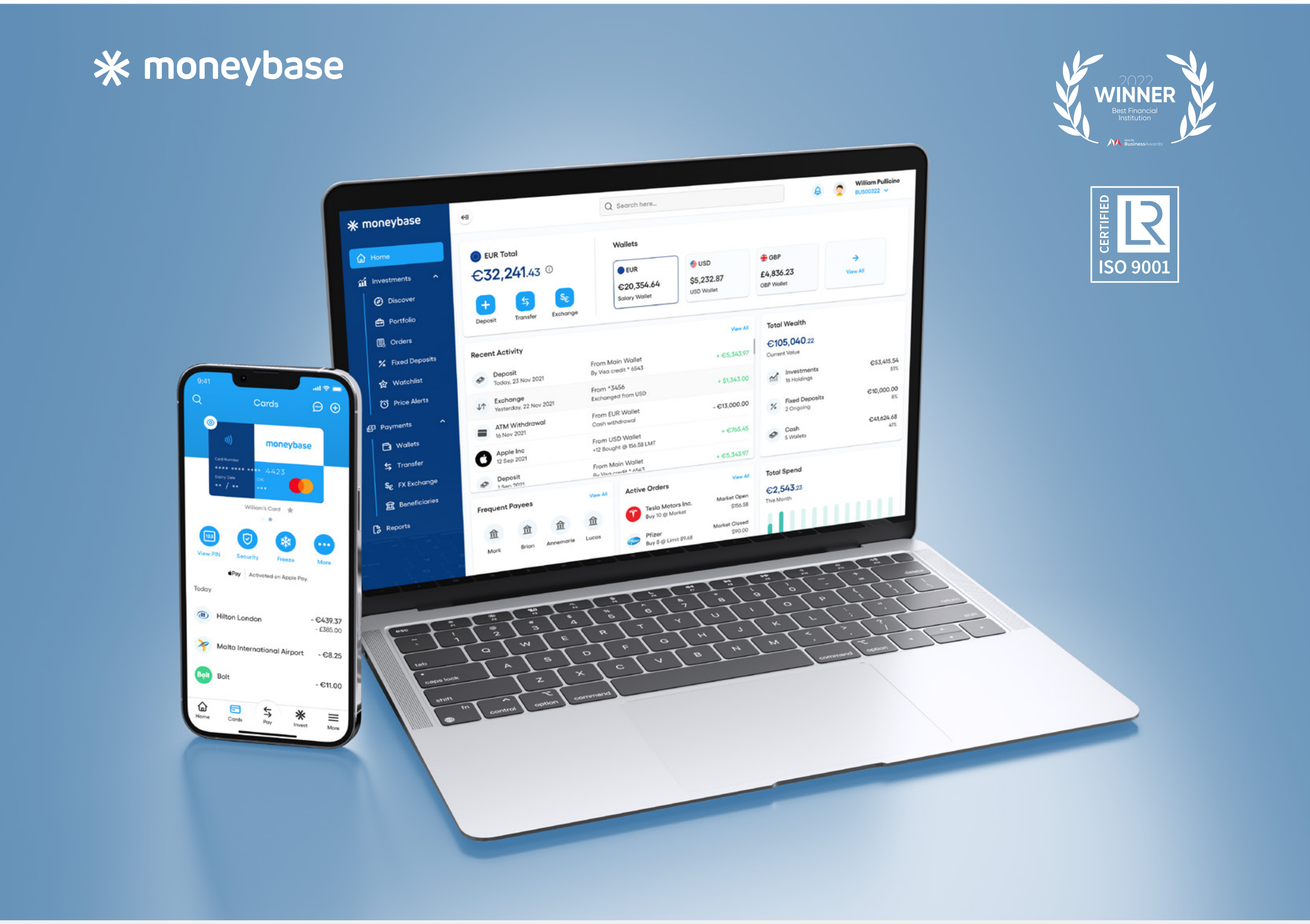
In line with global markets, our in-house funds were also affected by market movements for the year.

Despite the market movement, our team of experienced investment managers managed to beat, on a gross basis, the benchmark for all the sub funds, bar one.

Moreover, our funds compared well ahead of peers, with the SICAV reporting positive net inflows during the year of €6.6m, closing the period at a Net Asset Value of €147.4m, a reduction of just 9% over 2021.

At the end of the year two additional sub-funds were licensed, namely; the Global Active Return Fund (GARF), and the Global Flexible Return Fund (GFRF), with encouraging inflows of €11m up till the end of the first quarter of 2023. An improvement all round in asset prices during the first quarter of 2023 translated in the increase of the net assets of the SICAV at the end of the first quarter, increasing to €157m.

CC Funds SICAV plc is a UCITS scheme and is managed by a dedicated team of investment professionals at Calamatta Cuschieri Investment Management Limited, an investment services firm licensed by the Malta Financial Services Authority.



Moneybase Platform

A better way to manage your finances.

Moneybase is a platform that offers payments and investments under a single ecosystem. Designed for the smart generation, we provide a simple way for individuals to manage their finances effortlessly and entirely digitally.

Moneybase was awarded 'Best Financial Institution of the Year' at the 2022 edition of the Malta Business Awards.

This prestigious recognition was made possible thanks to a passionate team that worked hard to deliver our next generation core banking system which we will continue to built upon for the next decade.

At the very core of our values lies our strong belief that managing your finances should be simple, easy and straightforward. With this in mind, Moneybase was born.

We are focused on making finance easier and we are on a mission to redefine the way you grow and manage your money. We also leverage over 50 years of expertise in finance to help people improve their financial lives.

Moneybase is for all things finance, offering sending and receiving SEPA payments, instant person to person payments, physical and virtual cards, as well as access to over 20,000 investments, all under the same ecosystem. Our customers also save when spending across the globe thanks to our competitive currency rates.

We provide a unified experience for payments and investments that is offered via desktop and also on mobile via IOS and Android native applications.

We bring a human touch to the digital experience, thanks to our ISO certified customer support that is available 7 days a week to support our clients.

€54.9m
Deposited

€319m
AuM

32,258
Accounts

571,074
Transactions

Moneybase grew its client base by over 50% during 2022 with revenues expected to continue to grow in 2023.

Our proprietary platform is the result of decades of investment and development and is uniquely positioned in the market. We continue to work closely with the local community as well as local businesses to develop innovative wealth solutions with an aim to expand our services across several European markets.

Payments

Moneybase provides a wide range of payment services which include:

- Sending and receiving of SEPA payments across 34 countries
- Multicurrency Mastercard, physical and virtual
- Live FX conversions in 25 currencies
- Google Pay and Apple Pay
- A wide range of card security settings
- Person to person instant transfers

Investing

The Moneybase platform goes far beyond providing access to stocks. Whilst retaining an interface that is easy to use, we provide access to 40 stock exchanges including live connection to the Malta Stock Exchange.

Our customers can invest at low cost in Bonds, Funds, ETFs and Stocks easily. Additionally, thanks to our state-of-the-art advanced platform, they also benefit from a wide range of functionalities:

- Access to extended trading hours and live pricing on the US markets
- Invest by value with fractional shares on US markets
- Access the Malta Stock Exchange live order book
- Place orders for Maltese Bond and Equity IPOs
- Create advanced order types
- Set price alerts
- Create personalised watch lists
- Access our daily news and investment research
- View a live trade feeds and trending investments

Moneybase customers can open accounts online in minutes and instantly avail themselves of all-encompassing financial services that provide an easy solution for managing finances.

CC Fund Services

CC Fund Services ("CCFS") provides an all-inclusive service, starting from the consultation in set-up phase and assistance in the launch of the fund, through to the Net Asset Value calculation, Transfer Agency, Registrar, and related Corporate Services.

The team is equipped to service the entire range of investment fund structures including daily UCITS funds, alternative asset classes, and private equity. CCFS offers competitive and transparent fee structures and its aim is to deliver a tailored client experience. CCFS uses state-of-the-art comprehensive fund accounting and transfer agency systems which are fully integrated together, providing flexible reporting as necessary, giving CCFS the ability to automate processes, and generating rich reports adding value to its clients and facilitating the day-to-day running of the clients' operations.

Over the past 13 years, CCFS has built an experienced team of over 45 individuals who share a high level of technical accounting knowledge, resulting in accurate, timely and consistent Net Asset Value calculations. The CCFS corporate services team work together to provide a one-stop-shop, backed by a wealth of experience.

Revenue	AuA
€2.6m	€950m

CC Fund Services achieved a record revenue of €2.6m during 2022, an increase of €392k or 18% over the previous year.

During the year, a strategic review of our business was undertaken, and it was decided to close the Luxembourg subsidiary that had been licensed by the CSSF since March 2021. The decision was taken as a result of lower-than-expected activity from the new operation, the substantial costs to operate in the jurisdiction and our strategic focus on the resurgent Malta jurisdiction that has returned to growth during 2022 and the launch of the NPIF in 2023 that now offers yet another attractive product for prospective fund promoters.

At the beginning of the year, the company substantially increased its business development efforts by attending more than 10 events during the year, to promote our services as well as Malta as a fund jurisdiction. The previously announced implementation of new software was completed in Q4 2022. This software has now allowed the company to effectively automate several processes, provide new features to clients and further increased the attractiveness of the company which is already well known for providing a personalised service to its clients.

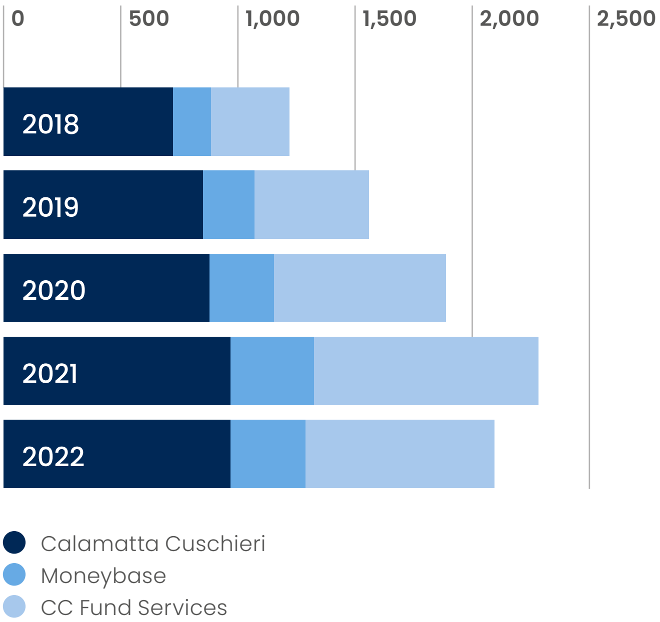
CCFundServices

5 Group Financial Highlights

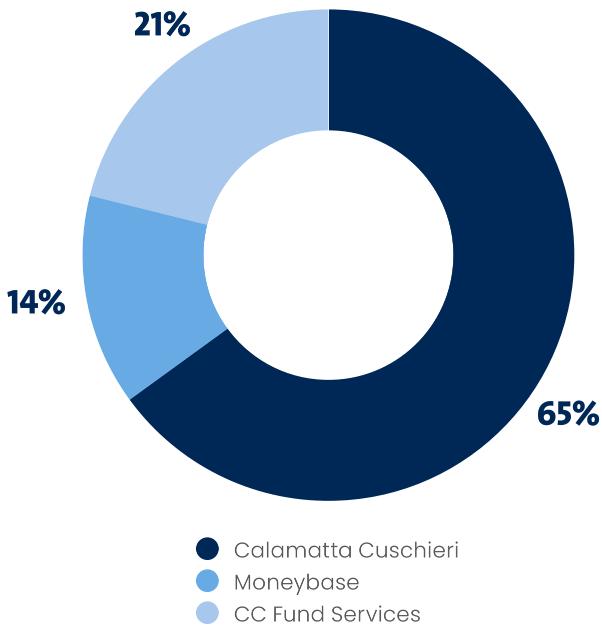
Net Inflows	AuMA	Revenue	EBITDA	Total Assets	New Clients
€73m	€2.1Bn	€12.6m	€1.2m	€30.4m	10,000

	AuMA 31.12.2021 €m	Net Flows 2022 €m	Net Flows Change %	Market Movements 2022 €m	Market Movements Change %	AuMA 31.12.2022 €m	AuMA Change %
Calamatta Cuschieri	1,173.9	99.6	8%	(119.1)	(10%)	1,154.4	(2%)
Moneybase	356.4	14.1	4%	(51.4)	(14%)	319.1	(10%)
CC Fund Services	1,117.6	(27.2)	(2%)	(137.0)	(12%)	953.4	(15%)
	2,647.9	86.5	3%	(307.5)	(12%)	2,426.9	(8%)
Less double counting	(370.3)	(13.3)	4%	47.6	13%	(336.0)	(9%)
	2,277.6	**73.2**	**3%**	**(259.9)**	**(11%)**	**2,090.9**	**(8%)**

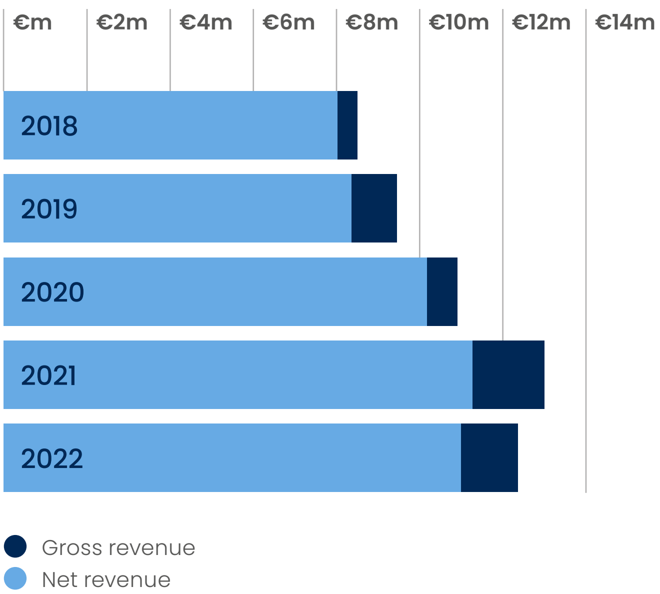
AuMA



Revenue by division



Revenue



Group assets

6 Risk Management

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Define Risk Universe	Define Risk Appetite	Estimate Risk	Risk Treatment	Estimate Residual Risk	Is the residual risk within risk appetite?

The Group seeks to carefully balance revenue generation, sustainable growth, and risk mitigation. A key consideration in the Group's risk taking remains the commitment to long term growth through quality service, relationships built on the notion of trust, as well as relevant product offerings. To this end, the Board of Directors of the Group works to maintain a solid reputation and to gain the trust of the Group's stakeholders whilst investing in growth.

The Group's overall risk tolerance is established in the context of its earning power, capital and business model. A key factor determining the risk-bearing capacity is stable earnings, allowing the build-up of a strong capital base to absorb potential losses. This, in turn, is dependent on having a stable client base and strong enough products to ensure ongoing growth of this base.

The Group's risk capacity is seen in a sectorial context, with management actively working to monitor industry trends and pro-actively act upon any indications provided therein. The final objective of such actions is to preserve earnings whilst ensuring the robustness of the capital base.

The capital management objectives are:

- To meet the capital ratios required by its regulators and the Board of Directors;
- To generate enough capital to support asset growth;
- To generate optimal return on capital after adjusting for risk.

The Group monitors its capital adequacy and reports the position to the Board of CCFG regularly.
In addition, at least annually, CCIS conducts a more thorough and rigorous internal assessment of its capital adequacy and provides the outcomes of the assessment to the Board of Directors of CCIS.
This exercise, also known as Internal Capital and Risk Assessment (ICARA) aims to ensure that the company holds sufficient capital and liquidity to withstand its current and potential future risks, including adverse macroeconomic conditions. The framework provides a holistic view on the level of risks and the robustness of risk controls. The ICARA covers all material risks identified in the risk identification process. The capital requirement is assessed on a risk-by-risk basis. The assessment and conclusions build on both the use of quantitative data and other available information. The scope and risk coverage of the assessment is reviewed regularly.

The Group has a decentralised approach to risk management, operating on a 'multiple lines of defence' basis. The Risk Manager acts as the second line of defence and reports directly to the Board of Directors of the group.

The risk management function is hierarchically and functionally independent from operating units, having the following primary responsibilities:

- the implementation of the risk management policy and other related policies and procedures;
- the provision of reports and advice to senior management and the Risk Committee;
- the development of the Group's risk strategy and participation in all material risk management decisions;
- identify the risks to which the Group is/could be exposed;
- manage those risks, in the light of the level of risk tolerance set by the Group.

The activity of the Risk Function shall be governed by the Risk Management Programme which is updated at least yearly and is approved by the Board of Directors of the licensed entities (Moneybase, CCIS, CCIM, CCGM).

The Board of Group ensures that sufficient time is devoted to discussing the risk reports and is responsible for allocating enough resources to the management of all material risks of the Group.

7 Corporate Social Responsibility

Our dedicated CSR function within the Group is in its 5th year. Each year we focus on one main area to have a better impact on the community we function in. With the effects of the pandemic still effecting the more vulnerable members of our community, in 2022 we mainly supported Lifeline Foodbank with charitable donations directly from our employees as well as through fundraising events. Other charities also benefitted from events held including 'Spring clean' events with clothing, furniture and toys being donated to those in need.

This year we will continue in our endeavours to support those in need with PC donations to Moas, monetary donations to Jays of sunshine and more.

Environment

We continuously strive to reduce its impact on the environment. We continue to encourage our clients to use paperless communication, opting for digital banking to reduce transport emissions. Our employees help us in our strive to become carbon neutral, by being mindful of their energy use as well as ensuring minimal waste and good waste disposal at all times.

Wellbeing and Social

Combining employee wellbeing and social events, CC Finance Group organised a number of events throughout the year. Countryside walks, yogalates, drinks and dinners are some of the social activities' employees participated in. Cancer awareness month with fundraising activities like the bake sales remain popular and are firmly etched in our social calendar. With mental health being a main priority for the Group, we continue to offer services to our employees throughout the year.

The year ahead

During 2023, we will be concentrating our charitable efforts on assisting children, with particular focus on education and brightening the days of those children who are receiving medical care. To achieve this, we will be partnering with various charities already established in these areas. CC Foundation has also joined Academy of Givers, to gain industry insight as well as aim *to give better*.

Our social calendar is back to its old ways, with several events already held and many in the pipeline. Our employees' wellbeing is of utmost importance to us and social activities ensure we can enjoy each other's company in a more relaxed atmosphere!

Environmental

Our 'Environmental Goal' is to understand and reduce the group environmental footprint.

Social

Our 'Social Goal' is to ensure the wellbeing of our colleagues as well as ensuring ongoing appraisals and training to achieve continued personal growth. We support our community through our charitable foundation, with donations and volunteering opportunities.

Governance

Our 'Governance Goal' is to have adequate structures to ensure the longevity and robustness of our business for all stakeholders, and also to embed ESG conscious policies in our operation.

CCFoundation™ Investing in life

The CC Charitable Foundation is the Group's Foundation that has been running since 2013. The Foundation's mission is to utilise the skills and time of our workforce and partners to make a positive, sustainable difference in the community around us.

The charities we support are nominated and selected by employees. Our charity partner for 2022 is Jays for Sunshine – a charity whose purpose is to make help dreams come true for children and young people undergoing treatment at the Rainbow Ward at Mater Dei Hospital.

Throughout the year we have a programme of events to engage our employees in fundraising and volunteering activities, including financial education sessions.

8 Our People

Growing our business depends on the quality of our workforce. 2022 was a year in which we maintained a stable headcount and continued to invest in the wellbeing of our staff.

Our people remain our biggest asset and the human resources ("HR") department continued its mission to be focused and committed to recruit, develop, reward and retain our talented workforce.

The Group employee complement remained stable and only saw a marginal increase from 185 at the end of 2021 to 187 in December 2022, a growth of 1%. Our personnel is now based in 19 different countries spanning 3 different continents. Considering the limited talent pool of human resources in Malta, it remains naturally challenging to employ quality personnel only from Malta.

Considering today's different working setups where communication might be seen as a challenge, we continue to strive that this is not seen as an obstacle as a growth opportunity. Virtual recruitment and on-boarding remained key in our recruitment efforts with the focus remaining on the quality of the people we engage in order to drive the mission of the Group going forward. Recruiting quality people was the focus of CC Finance Group so as to ensure that we continue to offer our clients high-quality products and an efficient personalised service. Having a stable headcount, helped in strengthening our systems to continue to support our employees in their development within the Group.

Learning and Development continued to be a key pillar of success for our people. We continued to ensure all our people across the Group have access to training opportunities throughout the year. A testament to this is the fact that in 2022 over 5,500 hours of training were recorded across the Group. Training undertaken varied from role specific technical training or otherwise soft skills training to continue to build our future leaders. Having a consistent dialogue between management and employees mostly through open door policy, accentuates our efforts to maintain a healthy employee and industrial relations environment. No disputes were registered, and we will continue to make sure that communication is consistent, clear, relevant and open, to build robust and healthy working relationships.

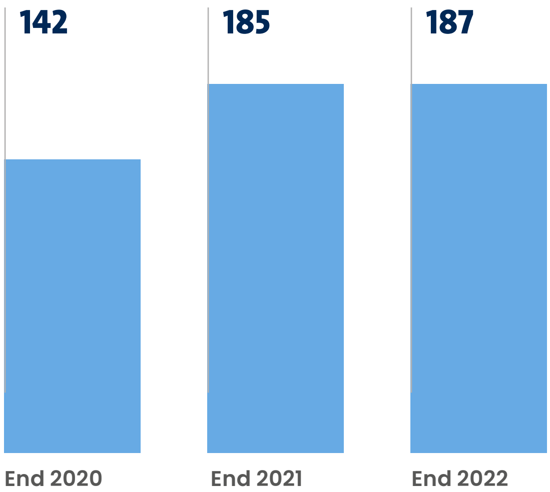
Having our workforce return to office has improved communication within the Group and overall efficiency as a result.

For those employees that are based outside of Malta, we maintained the technological investment and processes needed to have the right setup to continue to operate seamlessly whilst driving the strategy of our Group forward.

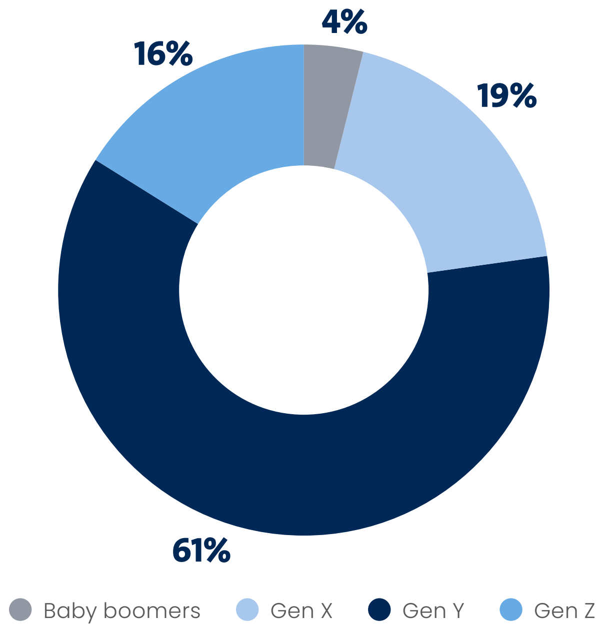
Being holders of two national recognitions, namely, the HR Quality Mark by the Foundation for Human Resources Development (FHRD) and the Equality Mark by the National Commission for the Promotion of Equality (NCPE) helped us continue with our drive to ensure that our human resources function is competent, structured and professional. Moreover, we remain committed to promote gender equality in all the services we offer at the workplace.

As an equal opportunity employer, our focus is to continue building a diverse and inclusive workforce. We believe this will lead to a more successful business as we can better serve a diverse range of customers. Through diversity we continue to build a strong reputation for the Group that started over 50 years ago. This results in a positive working space for our employees to thrive and drive our business forward, and ensures an upward sustainable growth trend.

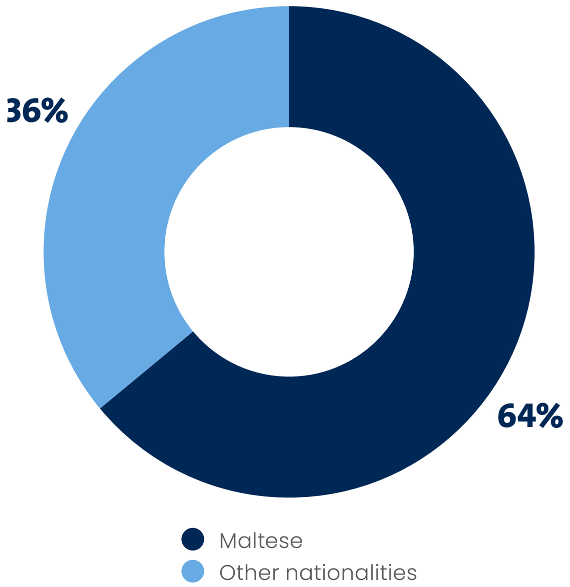
Headcount remained stable from 2021 to 2022



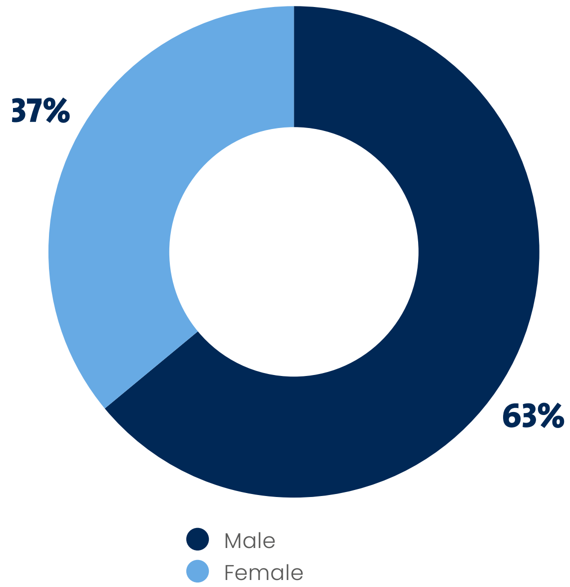
A young workforce with Generation Y being the most prevalent



An increasing international workforce



With a 63:37 male to female ratio



Governance

9 Board of Directors

Charles Borg
Non-Executive Chairman

Gabriella Calamatta
Executive Director

Kari Pisani
Non-Executive Director

Alan Cuschieri
Executive Director

Alex Cuschieri
Executive Director

Nick Calamatta
Executive Director

10 Group Executive Management Team

Alan Cuschieri
Co-Chief Executive Officer

Nick Calamatta
Co-Chief Executive Officer

Michael Galea
Chief Operating Officer

Mark De Cesare
Chief Financial Officer

Ian Farrugia
Chief Technology Officer

11 Company Information

Company Name	CC Finance Group plc
Directors	Charles Borg (Chairman) Kari Pisani Nicholas Calamatta Gabriella Calamatta Alan Cuschieri Alexander Cuschieri
Company Secretary	Kari Pisani
Registered office	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta
Country of incorporation	Malta
Company registration number	C 85280
Banker	Bank of Valletta p.l.c. 45, Republic Street, Valletta, Malta
Auditor	Deloitte Audit Limited, Triq L-Intornjatur, Central Business District CBD 3050, Malta
Legal advisor	GANADO Advocates, 171, Old Bakery Street, Valletta, Malta

12 Directors' Report

The directors present their report and the audited consolidated financial statements of CC Finance Group plc (the "Company") and its subsidiaries (together the "Group" or "CC Finance Group") for the year ended 31 December 2022.

12.1 Principal activities

The Company was incorporated on 9 March 2018, with the principal objective of holding shares in corporate bodies and financing of the Group.

The principal activity of the CC Finance Group comprises of financial services, including investment services, stockbroking, wealth management, fund management, fund administration and related fund services and Electronic Money, payments and cards.

12.2 Performance review

The Group registered an EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) of €1m for the year, with Profit before Tax (PBT) of €283k and a Profit after Tax (PAT) of €460k.

The Group's revenue for the year was €12.6m. The Group's total assets stood at €31.3m whereas shareholder funds stood at €11m at year end. The Group's current ratio (current assets divided by current liabilities) stood at 1.35 at the end of 2022 (2021: 1.05)

12.3 Financial risk management

Note 18.39 to the consolidated financial statements provides details in connection with the Company's use of financial instruments, its financial risk management objectives, policies and the financial risks to which it is exposed.

12.4 Principal risks and uncertainties

The successful management of risk is essential to enable the Group to achieve its objectives. The ultimate responsibility for risk management rests with the Company's directors, who evaluate the Group's risk appetite and formulate policies for identifying and managing such risks. The principal risks and uncertainties facing the Group are included below:

a Market and competition
The Group operates in a highly competitive environment and faces competition from various other entities. Technological developments also have the ability to create new forms of quickly evolving competition. An effective, coherent and consistent strategy to respond to competitors and changing markets, enables the Group to sustain its market share and its profitability. The Group continues to focus on service quality and performance in managing this risk.

b Legislative risks
The Group is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Group's ability to operate. The Group has embedded operating policies and procedures to ensure compliance with existing legislation.

c Technology and business interruption
The Group relies on information technology in all aspects of its business. In addition, the services that the Group offers to its customers are reliant on complex technical infrastructure. A failure in the operation of the Group's key systems or infrastructure could cause a failure of service to its customers, thus negatively impacting its brand, and subsequently increased costs. The Group makes significant investment in technology infrastructure to enable it to continue to support the growth of its business and has a robust selection and monitoring process of third-party providers. The company also organises regular business continuity exercises to ensure ongoing readiness of key systems and sites.

Critical accounting estimates and judgements, Note 18.4. Investment property disclosing the significant observable inputs, Note 18.17. Deferred tax asset and Note 18.18 Intangible assets covering details on the Group's capitalised research and development costs.

12.5 Result and dividends

The result for the year ended 31 December 2022 is shown in the statement of profit or loss and other comprehensive income on page 33. The profit for the year after taxation was €460k for the Group (2021: €5.37m) and €4.74m for the Company (2021: €3.02m). This amount was added to the reserves that amounted to €9.3m for the Group and €14.8m for the Company at the end of the year. The directors of the company do not recommend the payment of final dividend.

12.6 Compliance with Standard Licence Conditions

In accordance to the Investment Services Rules, the directors confirm that during the reporting period there were no breaches of Standard Licence Conditions ('SLC's) or other regulatory requirements which were subject to an administrative penalty or other regulatory sanction in respect to the regulated subsidiaries in the Group, namely Calamatta Cuschieri Investment Services Limited and Calamatta Cuschieri Investment Management Limited.

12.7 Likely future business developments

The directors consider that the year-end financial position was satisfactory and that the Group is well placed to sustain the present level of activity in the foreseeable future.

12.8 Directors

The directors who served during the period were:

Charles Borg
Kari Pisani
Nicholas Calamatta
Gabriella Calamatta
Alan Cuschieri
Alexander Cuschieri

In accordance with the Company's articles of association, all the directors are to remain in office.

12.9 Events after the reporting period

In Q2 2023, subject to MFSA approval, the Group plans to re-organise the Group with the aim of achieving 2 main objectives:

- To bring Moneybase Holding Limited into the CCFG Group. Moneybase Holding Limited currently owns the IP being used by the Group; and
- To create 3 sub-groups, in line with our 3 core businesses (CC, Moneybase and CCFS) all under CCFG.

12.10 Auditors

A resolution to reappoint Deloitte Audit Limited as auditor of the Group will be proposed at the forthcoming annual general meeting.

12.11 Statement of directors' responsibilities

The directors are required, as set out by the Companies Act (Cap. 386), to prepare consolidated financial statements in accordance with generally accepted accounting principles and practice, which give a true and fair view of the state of affairs of the Group at the end of each financial year and of the profit or loss of the Group for the year then ended.

In preparing the consolidated financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Group; and which enable the directors to ensure that the consolidated financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining 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. The directors are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of directors and signed on its behalf on 21st April 2023 by:

Charles Borg
Director

Nicholas Calamatta
Director

13 Corporate Governance - Statement of Compliance

In order for a Prospects Multilateral Trading Facility ("Prospects MTF") company to remain admitted on the exchange, the Prospects MTF Rules, issued by the Malta Stock Exchange, require that the company complies with, provides equivalent disclosure on, or explains the extent to which it adheres to the relevant corporate governance standards, in this case Appendix 5.1 to the Capital Markets Rules – The Code of Principles of Good Corporate Governance (the "Code"), published by the MFSA.

The Board of Directors of the Company are responsible for corporate governance. The Board has carried out a review of the Group's governance structure for the year ended 31st December 2022, as set out in the below sections, providing future details to the structures and processes in place in order to achieve the principles as set out in the Code.

Compliance with the Code

Principle 1: The Board

The board of directors is responsible for the Company's affairs, in particular, setting the strategy for the Group and reviewing the financial performance and other Key Performance Indicators (KPIs) of its subsidiaries. The board is also responsible to ensure the Company is compliant with the Prospects MTF Rules and continuing obligations. The board of directors consists of six directors, two of which are independent from the Company or any related companies. Board meetings are held regularly in order to provide all relevant information to each board member and to ensure that each director is adequately informed of all key items specifically relating to operations and general day-to-day management of the Group.

In line with the provision 3.4 set out in the Code, the non-executive Directors of the Company have declared in writing to the board that they undertake:

I To maintain in all circumstances their independence of analysis, decisions and action;

II Not to seek or accept unreasonable advantages that could be considered as compromising their independence; and

III To clearly express their opposition in the event that they find that a decision of the Board may harm the Company and the Group.

The Board sets the strategy and direction of the Group and is responsible for reviewing financial and operational performance of the Group. The Board ensures that it acts in the interest of shareholder, bondholders and other stakeholders.

Principle 2: The Company's Chairman and Chief Executive

The Company and Group have a clear separation of roles between the Chairman, whose role it is to run the Board, and the Chief Executive Officers of the Group, whose role is to run the Company's business.

The position of the Chairman and that of the Chief Executive is occupied by different individuals.

The Chairman of CC Finance Group plc is Charles Borg. The Chairman's function is to lead the board of directors and set the agenda, whilst ensuring that the Board receives precise, timely and objective information through the Company Secretary and to ensure effective communication with bondholders.

The Group has 2 Chief Executive Officers, being Mr Nicholas Calamatta and Mr Alan Cuschieri, who have clear and separate duties of running the Company and its subsidiaries.

Principle 3: Composition of the Board

The Company's Board of Directors is composed of members with considerable knowledge and experience in the underlying business of the Group. The Company's board is composed of six directors, two of which are independent of the Company and Group. The Non-Executive Directors are free from any business or other relationship which could interfere materially with the exercise of their independent and impartial judgment.

Board of Directors

The Members of the Board of Directors are:

- Charles Borg (Chairman and Independent, Non-Executive Director)
- Kari Pisani (Independent, Non-Executive Director)
- Nicholas Calamatta (Co-Chief Executive Officer and Executive Director)
- Gabriella Calamatta (Executive Director)
- Alan Cuschieri (Co-Chief Executive Officer and Executive Director)
- Alexander Cuschieri (Executive Director)

Kari Pisani is also secretary to the Company's Board and other Group companies.

Principle 4: Responsibilities of the Board

The Board's responsibility is to ensure a system of accountability, monitoring and setting strategy and policy. The Board meets regularly, with the agenda consistently being drawn up to ensure the following points are adequately discussed and reported on:

I Clear definition of the Company's strategy, through assessing management performance and business policies;

II Monitor management's application of Company policies;

III Continuously assess and monitor the Company's present and future operations, opportunities, threats and risks, both internally and in the external environment;

IV Review of policies and procedures in place to ensure that the Company and its employees maintain the highest standards of corporate conduct;

V Regular information sessions to ensure that Directors are made aware of their duties and responsibilities;

VI Discussions on business risk and KPIs benchmarked against the Company's historic performance and budgeted performance;

VII Ensuring that the financial statements of the Company and the annual audit thereof are complete within the stipulated time periods; and

VIII Ensuring that the business is compliant with the necessary rules and regulations

Principle 5: Board Meetings

The Board ensures regular review and overall evaluation of corporate strategy, major operational and financial plans, risk policy, performance objectives, as well as implementation and corporate performance. During 2022, the Board met regularly, as is required in line with the demands of the business and during the period under review the Board held six (6) meetings. It also maintained an Audit Committee whose role and competencies are further described in Principle 8 below.

The Board has targeted and set meetings to be held at least quarterly and Executive Directors are entrusted to keep independent Non-Executive Directors informed on matters arising even between such planned meetings.

Internal Control System

The Company's internal control system is designed to ensure, as is reasonably possible, transparency, independence and segregation of duties. The process is also designed to ensure reliable financial reporting, effective and efficient operations as well as compliance with applicable laws and regulations.

The board of directors is responsible for an effective internal control system and receives reports from the Audit Committee, Compliance Committee and Risk Management Committee. The Board also receives regular reports from the Executive Committee, who is responsible for the identification and evaluation of key risks applicable to their respective areas of business. The Directors continually asses risk factors that are identified and manage them accordingly.

Risk Management

The objective of the Risk Management function of the Company is to ensure that risks are identified and evaluated on an ongoing basis. The Board reviews regular reports prepared by the Group's Risk Manager as well as minutes drawn up from the Group's Risk Committee meetings.

Dealings by Directors and Senior Officers in the Company's Bonds

Conscious of its responsibility for monitoring dealings by Directors and senior officers in the Company's bonds, the board approved a code of conduct for the transactions completed by Directors and senior officers in compliance with the Prospects MTF rules. The List of Insiders, which includes names of Directors and senior officials together with all close relations who have to comply with the code, has been filed with the Malta Financial Services Authority.

Audit Committees

The Group has an established audit committee.
The audit committee is composed of two non-executive directors and one executive director. The following directors sit on the committee:

Chairman - Charles Borg (Non-Executive Director)
Member - Kari Pisani (Non-Executive Director)
Member - Alan Cuschieri (Executive Director)
Secretary to the Board - Kari Pisani

The committee's primary objective is to assist the Board in fulfilling the oversight responsibilities over the financial reporting processes, financial policies and internal control structure.

The audit committee reports directly to the board of directors and has continued to meet regularly over 2022 to ensure that all reporting requirements are met accordingly. The Company Secretary is responsible in ensuring that board procedures are complied with and to aid the Chairman to ensure that all members receive precise, timely and objective information.

Principle 6: Information and Professional Development

Executive directors and management are committed to ensure that the Board is adequately informed and receives detailed reports to ensure, in advance of meetings, that the Directors are able to put forward their recommendation as well as ensuring they reach well-informed decisions. CCFG pledges to make available to the Directors all training and advice as required. The Company also ensures that Directors have access to independent professional advice at the Company's expense, where they judge it necessary to discharge their responsibilities as directors.

Principle 7: Evaluation of the Board's performance

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of CCFG. The Board considers its own performance and that of the Audit Committee, having oversight of the underlying business as satisfactory and not meriting a revision to the Company's corporate governance structures.

Principle 8: Nomination and Remuneration Committee

Although the Group has established a Nomination and Remuneration Committee which meets on a monthly basis to evaluate remuneration of all Group employees, this committee does not evaluate directors' remuneration given that this is not performance related.

Principle 9: Relations with Bondholders and the Market

CCFG is committed to maintain an informed market. Communication with bondholders has, to date, been handled by way of the Annual Report and Financial Statements. CCFG also communicates with bondholders via company announcements issued through the Malta Stock Exchange as well as regular updates as may be required on the Company's website.

CCFG also holds an Annual General Meeting with its shareholders where a number of resolutions are considered, mainly referring to:

- The consideration for approval of the audited financial statements both of CCFG as a standalone company and of the Group of which it forms part;
- Consideration of the reappointment the auditors of CCFG, as well as the consideration to authorise the Board of Directors to determine their remuneration; and
- The consideration to reappoint the directors up to the next Annual General Meeting in accordance with CCFG's Articles of Association.

Principle 10: Institutional Shareholders

CCFG has no institutional shareholders.

Principle 11: Conflicts of Interests
The Directors always act in the interest of CCFG and its shareholders. If any director happens to have a conflict of interest, they are not allowed to vote on the matter or may even be asked to abstain or not be present during specific discussions.

Principle 12: Corporate Social Responsibility
The Directors are committed to behave ethically and contribute to economic development, whilst improving the quality of life of CCFG's workforce, their families and society in general. Initiatives have been put in place aimed at investing in human capital, health and safety, employee training and environmental awareness, amongst others.

During 2022, the Groups' Corporate Social Responsibility function carried out a number of initiatives throughout the year including various environmental and social projects as well as a number of wellbeing events organised for Group employees. The Board agrees to an annual budget and approves the initiatives to be undertaken throughout the year.

Non-Compliance with the Code

Below are the Code provisions with which the Company is not in compliance for the reasons outlined.

Principle 7: Evaluation of the board's performance
The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance, in accordance with the requirements of Code Provision 7.1. Given the small size of the Board, CCFG does not deem it necessary to carry out a board evaluation and believes that the performance of the Board is reflected in the Company's annual performance. The Board undertakes to review this stance annually, as the Company and Group develop.

Approved by the Board of Directors on 21st April 2023 and signed on its behalf by:

Charles Borg
Director

Nicholas Calamatta
Director

Financial Statements

14 Consolidated statement of profit or loss and other comprehensive income

		Group		Company	
		2022	2021	**2022**	2021
	Notes	€	€	€	€
Revenue	18.7	**12,552,377**	13,056,179	**5,737,206**	5,454,491
Direct costs	18.8	**(962,904)**	(1,617,898)	**(2,106)**	(3,136)
Gross profit		**11,589,473**	11,438,281	**5,735,100**	5,451,355
Staff costs	18.15	**(6,658,714)**	(7,679,906)	**(3,862,463)**	(4,684,949)
Other operating expenses		**(3,749,760)**	(3,897,002)	**(2,022,294)**	(1,462,060)
Fair value gain/(loss) on fair value through profit or loss on investments		**(145,960)**	59,857	**(145,960)**	59,857
Fair value gain on disposal of intangible asset	18.11	**-**	4,427,407	**-**	1,277,407
Share of loss on joint venture		**(53,930)**	(48,742)	**(53,930)**	(48,742)
Other income	18.9	**65,910**	191,272	**6,033,436**	741,005
EBITDA		**1,047,019**	4,491,167	**5,683,889**	1,333,873
Interest income	18.10	**132,744**	221,188	**132,744**	195,745
Finance costs	18.12	**(222,554)**	(193,957)	**(222,554)**	(267,087)
Depreciation and amortisation		**(673,744)**	(771,670)	**(398,347)**	(318,209)
Profit before tax	18.13	**283,465**	3,746,728	**5,195,732**	944,322
Income tax credit/(expense)	18.16	**176,433**	1,621,344	**(452,428)**	2,072,779
Profit for the year / total comprehensive income for the year		**459,898**	5,368,072	**4,743,304**	3,017,101
Discontinued operations	18.6	**(541,198)**	-	**-**	-
Comprehensive income/(expense) from continued operations		**(81,300)**	5,368,072	**-**	-
Loss attributable to minority shareholder		**162,360**	69,444	**-**	-
Profit attributable to the parent		**81,060**	5,437,516	**4,743,304**	3,017,101

15 Consolidated statement of financial position

		Group		Company	
		2022	2021	**2022**	2021
	Notes	€	€	€	€
ASSETS					
Non-current assets					
Intangible assets	18.19	**63,569**	190,594	**43,194**	72,778
Property, plant and equipment	18.20	**565,343**	730,174	**342,352**	434,375
Right-of-use asset	18.20	**1,196,607**	1,499,441	**751,263**	965,908
Investment property	18.21	**306,000**	3,615,185	**306,000**	306,000
Investment in subsidiaries	18.23	**-**	-	**10,980,342**	10,800,342
Investments in joint venture	18.24	**95,983**	149,912	**95,983**	149,912
Fair value through profit or loss on investments	18.25	**1,005,537**	1,164,270	**1,003,486**	1,153,168
Loans and receivables	18.26	**6,711,471**	6,934,655	**6,666,471**	6,889,655
Deferred tax asset	18.17	**1,815,533**	1,914,054	**1,730,661**	1,824,615
		11,760,043	16,198,285	**21,919,752**	22,596,753
Current assets					
Investment property held for sale	18.22	**3,150,000**	-	**-**	-
Trade and other receivables	18.28	**3,999,567**	3,196,565	**2,593,878**	927,147
Inventories		**55,680**	69,034	**-**	-
Cash and cash equivalents	18.29	**2,421,342**	2,709,290	**99,805**	93,082
Advances to bank	18.27	**9,092,221**	2,449,711	**-**	-
Current tax asset		**846,078**	197,198	**648,883**	3,288
		19,564,888	8,621,798	**3,342,566**	1,023,517
Total assets		**31,324,931**	24,820,083	**25,262,318**	23,620,270
Current liabilities					
Trade and other payables	18.30	**3,429,192**	4,128,540	**1,480,321**	5,201,276
Amounts due to customers	18.31	**9,092,221**	2,449,711	**-**	-
Lease liability - current	18.34	**307,017**	295,209	**220,633**	212,148
Bank overdraft and loans	18.33	**1,256,924**	1,213,999	**1,256,924**	1,213,999
Current tax liabilities		**396,820**	70,151	**-**	-
		14,482,174	8,157,610	**2,957,878**	6,627,423
Non-current liabilities					
Interest bearing loans and borrowings	18.32	**3,984,221**	3,973,094	**3,984,221**	3,973,094
Bank loans	18.33	**813,050**	96,031	**813,050**	96,031
Lease liability - non-current	18.34	**1,040,487**	1,347,503	**627,900**	848,533
Deferred tax liability		**15,713**	8,141	**-**	-
		5,853,471	5,424,769	**5,425,171**	4,917,658
Total liabilities		**20,335,645**	13,582,379	**8,383,049**	11,545,081
Net assets		**10,989,286**	11,237,704	**16,879,269**	12,075,189

Consolidated statement of financial position (continued)

		Group		Company	
		2022	2021	**2022**	2021
		€	€	€	€
EQUITY					
Share capital	18.35	**2,000,000**	2,000,000	**2,000,000**	2,000,000
Other reserves		**60,776**	-	**60,776**	-
Retained earnings		**9,251,725**	9,173,179	**14,818,493**	10,075,189
Investor compensation scheme reserve	18.36	**8,535**	6,021	**-**	-
Attributable to equity holders of the parent		**11,321,036**	11,179,200	**16,879,269**	12,075,189
Non-controlling interest		**(331,750)**	58,504	**-**	-
Total equity		**10,989,286**	11,237,704	**16,879,269**	12,075,189

These consolidated financial statements were approved by the board of directors, authorised for issue on 21st April 2023 and signed by:

Charles Borg
Director

Nicholas Calamatta
Director

16 Consolidated statement of changes in equity

GROUP	Share capital	Other Reserves	Investor Compensation Scheme	Retained earnings	Total
	€	€	€	€	€
Balance at 01.01.2021	**50,000**	**5,116,592**	**10,442**	**811,556**	**5,988,590**
Increase in share capital through capitalisation of reserves	1,950,000	-	-	(1,950,000)	**-**
Effect of restructuring	-	(5,116,592)	-	5,074,107	**(42,485)**
Investor compensation scheme movement	-	-	(4,421)	-	**(4,421)**
Dividends (note 18.18)	-	-	-	(200,000)	**(200,000)**
Total comprehensive income/(loss) for the year	-	-	-	5,368,072	**5,368,072**
Non-controlling interest	-	-	-	69,444	**69,444**
Balance at 31.12.2021	**2,000,000**	**-**	**6,021**	**9,173,179**	**11,179,200**
Investor compensation scheme movement	-	-	2,514	(2,514)	-
Share Award Scheme reserve	-	60,776	-	-	60,776
Total comprehensive income/(loss) for the year	-	-	-	(81,300)	(81,300)
Non-controlling interest	-	-	-	162,360	162,360
Balance at 31.12.2022	**2,000,000**	**60,776**	**8,535**	**9,251,725**	**11,321,036**

COMPANY	Share Capital	Other Reserves	Retained earnings	Total
	€	€	€	€
Balance at 01.01.2021	**50,000**	**5,116,592**	**(8,082)**	**5,158,510**
Effect of restructuring	-	(5,116,592)	9,216,170	4,099,578
Increase in share capital through capitalisation of reserves	1,950,000	-	(1,950,000)	-
Dividends (note 18.18)	-	-	(200,000)	(200,000)
Total comprehensive income/(loss) for the year	-	-	3,017,101	3,017,101
Balance at 31.12.2021	**2,000,000**	**-**	**10,075,189**	**12,075,189**
Share Award Scheme reserve	-	60,776	-	60,776
Total comprehensive income/(loss) for the year	-	-	4,743,304	4,743,304
Balance at 31.12.2022	2,000,000	60,776	14,818,493	16,879,269

17 Consolidated statement of cash flows

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Cash flows from/(used in) operating activities				
Profit/(loss) before tax before discontinued operations	**283,465**	3,746,728	**5,195,732**	944,322
Discontinued operations	**(541,198)**	-	**-**	-
Profit/(loss) before tax	**(257,733)**	3,746,728	**5,195,732**	944,322
Adjustments for:				
Depreciation and amortisation	**673,744**	771,669	**398,346**	318,209
Payment of interest on lease liability	**57,534**	-	**37,046**	21,665
Amortisation of bond costs	**11,127**	10,932	**11,127**	10,932
Write-off property plant and equipment	**-**	107,319	**-**	-
Effect of termination of leases (included with admin costs)	**-**	128,892	**-**	-
Effect of takeover of lease from subsidiary	**-**	-	**-**	68,716
Fair value loss on investment property	**159,185**	-	**-**	-
Fair value gains and losses on disposal of intangible asset	**-**	(4,427,407)	**-**	(1,277,406)
Fair value movement on fair value through profit or loss financial assets	**158,733**	(89,827)	**149,682**	(81,876)
Royalty fee	**325,000**	162,500	**325,000**	162,500
Share award expense	**60,776**	-	**60,776**	-
Share of loss on joint venture	**53,929**	48,742	**53,929**	48,742
Interest income	**(132,744)**	(273,344)	**(132,744)**	(195,745)
Interest expense	**222,554**	266,203	**222,554**	267,087
Operating profit before working capital movement	**1,332,105**	452,405	**6,321,448**	287,146
Movement in trade and other receivables	**(924,802)**	718,706	**(652,630)**	(120,130)
Movement in inventory	**13,354**	(9,739)	**-**	-
Movement in trade and other payables	**(699,350)**	(366,399)	**(605,192)**	225,403
Movement in advances to bank	**(6,642,510)**	(1,258,430)	**-**	-
Movement in amounts due to customers	**6,642,510**	1,258,430	**-**	-
Cash flows generated from operations	**(278,693)**	794,973	**5,063,625**	392,419
Interest paid	**(222,554)**	(193,957)	**(222,554)**	(170,000)
Payment of interest on lease liability	**(57,534)**	-	**(37,046)**	(21,665)
Interest received	**30,928**	221,188	**30,928**	-
Income tax paid	**(145,776)**	(26,975)	**-**	(26,975)
Income tax refund	**-**	42,237	**-**	-
Net cash flows generated from/(used in) operating activities	**(673,629)**	837,466	**4,834,954**	173,779

Consolidated statement of cash flows (continued)

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and intangibles	**4,140**	-	**4,140**	-
Purchase of property, plant and equipment and intangibles	**(83,194)**	(239,189)	**(66,234)**	(134,388)
Investment in joint venture	**-**	(100,000)	**-**	(100,000)
Investment in subsidiary	**-**	(60,000)	**(180,000)**	(560,000)
Net cash flows generated from/(used in) investing activities	**(79,054)**	(399,189)	**(242,094)**	(794,388)
Cash flows from financing activities				
Proceeds from bank borrowings	**800,000**	-	**800,000**	-
Amounts due from related companies	**-**	-	**(5,125,446)**	(102,932)
Finance lease payments	**-**	-	**(220,633)**	(212,148)
Repayments of borrowings	**(64,964)**	(61,630)	**(64,966)**	(61,630)
Payment of lease liabilities	**(295,209)**	(347,512)	**-**	-
Dividends paid	**-**	(200,000)	**-**	(200,000)
Net cash flows generated from/(used in) financing activities	**439,827**	(609,142)	**(4,611,045)**	(576,710)
Net movement in cash and cash equivalents	**(312,856)**	(170,865)	**(18,185)**	(1,197,319)
Cash taken over on restructuring / mergers	**-**	1,031,539	**-**	53,519
Cash and cash equivalents at the beginning of the year	**1,558,039**	697,365	**(1,058,169)**	85,631
Cash and cash equivalents at the end of the year (note 18.29)	**1,245,183**	1,558,039	**(1,076,354)**	(1,058,169)

18 Notes to the consolidated financial statements

18.1 The Group and its operations

The Group consists of CC Finance Group plc, i.e. Holding Company and its subsidiaries.

CC Finance Group plc (the "Company")

The Company was incorporated on 9 March 2018 in Malta, under the Companies Act (Cap. 386), as a public limited company having limited liability, with the registration number C 85280. The registered office of the Company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. The Company was formed to act as a holding company for the "CC Finance Group" (the "Group"). The Company was also set up for the issuance of a bond on the Prospects MTF market. The Group is made up of the following subsidiaries and joint venture:

Calamatta Cuschieri Investment Services Limited ("CCIS")

CCIS was incorporated on 30 March 1992 in Malta, under the Companies Act (Cap. 386), as a limited liability company, with the registration number C 13729. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. CCIS provides advice and financial consultancy to its customers in return for a commission on brokerage dealings in securities. CCIS is licensed by the Malta Financial Services Authority to carry out investment services in terms of Investment Services Act (Cap. 370). This licence gives CCIS the full right to deal directly in international markets and to hold and control clients' money and assets. On 15th June 2021, the directors submitted draft terms for the merger of Financial Planning Services Limited into CCIS. The merger took effect after 3-month contestation period. Furthermore, on 30th December 2022, Crystal Finance Investments Limited, has been liquidated.

Calamatta Cuschieri Investment Management Limited ("CCIM")

CCIM was incorporated on 10 June 2011 in Malta, under the Companies Act (Cap. 386), as a limited liability company, with the registration number C 53094. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta.

The principal activity of CCIM is the provision of fund management services and is licensed as a UCITS management company by the Malta Financial Services Authority ("MFSA") in terms of the Investment Services Act (Cap. 370).

CC Fund Services (Malta) Limited ("CCFS")

CCFS was incorporated on 2 December 2008 in Malta, under the Companies Act (Cap. 386), as a limited liability company, with the registration number C 45733. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta.

The principal objective of CCFS is to provide administration, transfer agency and related services to collective investment schemes in terms of the Investment Services Act, 1994. CCFS is also involved in the provision of corporate and advisory services to local companies in accordance with the Company Service Provider Act, 2013.

Moneybase Limited ("MB")

Moneybase Limited was incorporated on 4 July 2018 in Malta as a limited liability company with registration number C 87193. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta.

The principle objectives of the company is to provide electronic money and payment services as defined in the Second and Third Schedule to the Financial Institutions Act (Chapter 376 of the Laws of Malta).

Moneybase UAB

Moneybase UAB was incorporated on 12 September 2019 in Lithuania as a limited liability company with registration number 305286882. The registered office of the company is located at Upes str 23, Vilinus, the Republic of Lithuania.

The principle objectives of the company is to provide electronic money and payment services.

CC FS Holding Limited

CCFS Holding was incorporated on 22 January 2019, under the laws of Malta, as a limited liability company, with the registration number C 90343. The registered office of the company is located at Ewropa Business Centre, Dun Karm, Birkirkara, Malta.

The company acts as a holding company and invests in fund services business worldwide. The company owns 100% of CC Fund Services (Luxembourg) Sàrl.

CCGM Pension Administrators Limited ("CCGM")

CCGM, which is a 50% joint venture, was incorporated on 31 August 2016 in Malta, under the Companies Act (Cap. 386), as a limited liability company, with the registration number C 77072. The registered office of the company is located at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta, and its main object is to act as a retirement scheme administrator for the purpose of the Retirement Pensions Act.

CC Fund Services (Luxembourg) Sàrl
CC Fund Services (Luxembourg) Sàrl was incorporated on 28 October 2020, with the registration number B248341. The registered office of the company is 20, Rue Eugene Ruppert, L-2453 Luxembourg. The company obtained its regulatory license on 1 March 2021. The company was set up to provide fund services in Luxembourg. To note that the company will be liquidated in 2023.

18.2 Basis of consolidation and preparation

These consolidated financial statements incorporate the financial statements of the Company and subsidiary entities ("the subsidiaries") controlled by the Company. Control exists when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of its returns. In assessing control, potential voting rights that give the Company the current ability to direct the investee's relevant activities are taken into account.

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are stated at their fair value, and in accordance with International Financial Reporting Standards as adopted by the EU. The significant accounting policies adopted are set out in note 18.3.

The Company gained control of its subsidiaries highlighted in note 18.1 on 1 January 2019. The acquisition of these subsidiaries by the Company falls outside the scope of International Financial Reporting Standard 3 – Business Combinations ("IFRS 3") because in terms of paragraph 2(c) of IFRS 3, the acquisition of these entities by the Company is a combination of businesses under common control in which all the combining entities are ultimately controlled by the same party, both before and after the business combination and that control is not transitory.

In accordance with 'International Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors' ("IAS 8"), in the absence of an IFRS that specifically applies to a transaction, other event or condition, management should use its judgment in developing and applying an accounting policy that is relevant to the decision-making needs of the users and is reliable. In relation to this specific transaction, the use of predecessor accounting by Calamatta Cuschieri Finance Group plc is considered to be a generally accepted accounting approach to account for the acquisition of the entities under common control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by group entities. Intra-group balances, transactions, income and expenses are eliminated on consolidation.

The significant accounting policies adopted are set out below.

18.3 Significant accounting policies

Property, plant and equipment
The company's property, plant and equipment are classified into the following classes - buildings, improvement to premises and furniture, fittings and other equipment.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Land and buildings are held for use in the production or supply of goods or services or for administrative purposes. Subsequent to initial recognition, land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	1% per annum
Improvements to premises	10% per annum
Furniture, fittings and other equipment	10% - 33% per annum
Motor vehicles	20% per annum

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the profit or loss. Any gain on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition.

Intangible assets acquired separately and internally generated intangible asset

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately and internally generated intangible asset

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group's entities and the cost of the asset can be measured reliably.

Intangible assets consist of computer software and customer lists.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives.

The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

i Computer software
In determining the classification of an asset that incorporates both intangible and tangible elements, judgement is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified as property, plant and equipment and accounted for in accordance with the Group's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset and carried

at cost less any accumulated amortisation and any accumulated impairment losses. Computer software classified as an intangible asset is amortised on a straight-line basis over five years.

ii Research and development costs
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the company's development of is recognised only if all of the following can be demonstrated by the company:

- the technical feasibility, the availability of resources and the intention and ability of completing the asset so that it will be available for use or sale,
- how the asset will generate probable future economic benefits, and
- the ability to measure reliably the expenditure attributable to the asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in administrative expenses. During the period of development, the asset is tested for impairment annually.

Investment in subsidiary

A subsidiary is an entity that is controlled by the company. The company controls an investee when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Dividends from the investment are recognised in profit or loss.

Other financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for de-recognition.

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the company does not have any financial assets categorised as FVOCI.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Expected credit losses are recognised for trade and other receivables. In the event of a significant increase in credit risk, an allowance (or provision) is required for expected credit losses resulting from all possible default events over the expected life of the financial instrument.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

i Trade receivables
Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

ii Investments
The Company's investments as required by IFRS9 are classified as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are those that are held for trading purposes or those financial assets that are designated by the Company upon initial recognition. After initial recognition, financial assets at fair value through profit or loss are measured at their fair value. Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise.

Where applicable, dividend income on financial assets at fair value through profit or loss is recognised with other dividend income, if any, arising on other financial assets. Where applicable, interest income on financial assets at fair value through profit or loss is disclosed within the line item Investment income. Fair value gains and losses are recognised within the line items investment income and investment losses respectively.

iii Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the company may not recover substantially all of its initial investment other than because of the credit deterioration.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial asset is derecognised or impaired through the amortisation process.

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

v Trade payables
Trade payables are classified with current liabilities and are stated at their nominal value.

vi Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Dividends on these equity instruments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the line item Investment income.

vii Shares issued by the Company
Ordinary shares issued by the Company are classified as equity instruments.

Impairment

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements include trade and other receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

IFRS 9 requires an assessment of the extent of increase in credit risk of a financial instrument since initial recognition. In this regard, IFRS 9 introduces a rebuttable presumption that credit risk is deemed to have significantly increased if an amount is 30 days past due. If a financial instrument has low credit risk (equivalent to investment grade quality), then an entity may assume no significant increases in credit risk have occurred. Assessment for such credit risk, is performed by considering the change in the risk of default occurring over the remaining life of the financial instrument. As a result, the definition of default is important. IFRS 9 does not specifically define default, but requires it to be applied on a consistent basis with internal credit risk management practice for the relevant instruments and requires consideration of qualitative factors where appropriate. In addition, IFRS 9 also introduces a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging criterion is more appropriate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable.

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and these can be measured reliably.

To determine whether to recognise revenue, the Company follows a 5-step process:

1 Identifying the contract with a customer;

2 Identifying the performance obligations;

3 Determining the transaction price;

4 Allocating the transaction price to the performance obligations; and

5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by effecting the promised services to its customers.

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

i **Provision of services**
Revenue from the provision of services is recognised in the period in which the services are rendered.

ii **Interest income**
Interest Income is accrued on a time basis, by reference to the principal outstanding.

iii **Dividend income**
Dividend Income is recognised when the shareholder's right to receive payment is established.

iv **Rental income**
Rental income arising from the sub-letting of the office space is accounted for on a straight-line basis over the term of agreement and is included as other operating income in the statement of profit or loss and other comprehensive income due to its operating nature.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition of property are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

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.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised.
Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

Currency translation

The individual financial statements of each subsidiary entity are presented in their functional currency, the Euro, being the currency of the primary economic environment in which the Group operates. For the purposes of the consolidated financial statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the Group.

Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss.

Foreign exchange gains and losses are included with other operating income or other operating expenses as appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Dividends

Dividends to holders of equity instruments are recognised directly in equity.

Leases

The company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company's incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

If a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets relating to property that is classified as investment property and which are sublet under leases classified as operating leases, are measured at fair value in accordance with the Company's policy for investment property.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient where applicable.

The Company as lessor
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception of the lease, which is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease.

Amounts due from lessees under a finance lease are recorded in the statement of financial position as receivables at the amount of the company's net investment in the lease and include initial direct costs. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment in the finance lease.

Leased assets are presented in the statement of financial position according to their nature and are tested for impairment in accordance with the company's accounting policy on impairment. Depreciable leased assets are depreciated in accordance with the company's accounting policy on property, plant and equipment. Rental income from operating leases, less the aggregate cost of incentives given to the lessee, is recognised as income in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense in profit or loss on a straight-line basis over the lease term.

18.4 Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

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

a Fair valuation of investment properties
The determination of the fair value of investment properties at the end of the reporting period requires the use of significant management estimates. Investment Property comprises an old palazzo in Valletta, with full permits to redevelop into an office block.

Details of the valuation methodology and key assumptions of investment property classified as Level 3 are disclosed in Note 18.21 to the consolidated financial statements.

b Application of IFRS 16 Leases
Critical judgements required in the application of IFRS 16 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Classification of lease agreements (when the entity is a lessor);
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;

Key sources of estimation uncertainty in the application of IFRS 16 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

18.5 Initial Application of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective

Initial Application of International Financial Reporting Standards

The following amendments to the existing standards issued by the International Accounting Standards Board is effective for the current year:

Amendments to IAS 16 'Property, plant and equipment – proceeds before intended use'. The amendments address the proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Amendments to IFRS 3 – Reference to the conceptual framework (effective for financial years on or after 1 January 2022). The amendments update an outdated reference in IFRS 3 without significantly changing its requirements.

Amendments to IFRS 9 (as part of the 2018 – 2020 Annual Improvement cycle) 'Financial Instruments'. The amendments clarify which fees an entity includes when it applies the '10 per cent test' in assessing whether to derecognise a financial liability.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Amendments to IAS 1 – `Classification of Liabilities as Current or Non-Current` (effective for financial years on or after 1 January 2024 by virtue of the October 2022 Amendments) and Non-Current Liabilities with Covenants. The amendments affect only the presentation of liabilities in the statements of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments:

a clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability, and covenants that need to be complied with after the reporting period should not affect that classification;

b clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;

c make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services; and

d introduce additional presentation and disclosure requirements for liabilities that are subject to covenants.

Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies'. This is effective for financial years on or after 1 January 2023. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments amend IAS 1 in the following ways:

a An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;

b several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

c the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;

d the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and

e the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback' - These amendments add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. These amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction. This is not yet endorsed by the EU.

Amendments to IAS 8 'Definition of Accounting Estimates'. This is effective for financial years on or after 1 January 2023. The amendments are intended to help entities distinguish between accounting policies and accounting estimates. The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

a The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

b Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

c The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

d A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'. This is effective for financial years on or after 1 January 2023. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

Prior to the Amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions.

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Directors believe that the introduction of such IFRSs will not result in any significant impact on these financial statements.

18.6 Discontinued Operations

On 1st November 2022, the directors of CC Fund Services (Luxembourg) Sàrl announced their decision to discontinue and wind up the operations of the company. This decision was based on a number of external variables which resulted in lower revenue levels than expected and substantial losses suffered by the discontinued operations in these past years.

The result of the joint venture are presented separately on the consolidated income statement as discontinued operations are as follows:

	2022
	€
Revenue	8,530
Administrative costs	(549,728)
Loss before tax	(541,198)

The effect of the discontinued operations on the financial position of the Group analysed as follows:

	2022
	€
Current assets	
- Cash and cash equivalents	34,441
- Trade and other receivables	23,979
	58,420
Current liabilities	
- Trade and other payables	(127,790)
Decrease in Group net assets as a result of discontinued operations	(69,370)

18.7 Revenue

Revenue represents the amount received for services rendered during the year, net of any indirect taxes, as follows:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Commissions receivable	**6,736,982**	7,859,070	**-**	-
Management fees	**1,618,987**	1,654,988	**-**	-
Administration fees	**2,315,514**	2,163,648	**-**	3,614
Directors' fees	**154,577**	110,254	**-**	-
Financial statements preparation fees	**136,635**	153,763	**-**	-
Investment committee fees	**28,501**	30,000	**-**	-
Professional fees	**616,033**	518,156	**62,598**	38,191
Other fees	**945,148**	566,300	**5,674,608**	5,412,686
	12,552,377	13,056,179	**5,737,206**	5,454,491

In addition to the entitlement to management and advisory fees from the funds under management, the Group is also entitled to receive performance fees. The amount of performance fees due, if any, is determined and crystallised on the financial year-end of the funds, which may not coincide with the year-end of the Group.

18.8 Direct costs

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Investment management fees payable	**217,020**	464,610	**-**	-
Other direct costs	**115,102**	211,450	**2,106**	3,136
Advisors commissions	**460,661**	706,230	**-**	-
Discounts on commissions	**170,121**	235,608	**-**	-
	962,904	1,617,898	**2,106**	3,136

18.9 Other income

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Differences on exchange	**35,086**	49,174	**-**	15,798
Dividends received from subsidiaries	**-**	-	**6,008,279**	600,000
Rental income	**8,333**	95,907	**8,333**	-
Other income	**22,491**	46,191	**16,824**	125,207
	65,910	191,272	**6,033,436**	741,005

18.10 Interest income

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Interest income from loan to related party	**101,816**	52,155	**101,816**	143,590
Interest income on bank deposits	**-**	169,033	**-**	-
Interest income on financial assets	**30,928**	-	**30,928**	52,155
	132,744	221,188	**132,744**	195,745

18.11 Fair value gain on disposal of intangible asset

The fair value gain on disposal of intangible asset in 2021 relates to gain on the disposal of intellectual property from CC Finance Group plc to Moneybase Holding Limited, previously named CCIP Holding Limited, which is also a related entity of the Group.

18.12 Finance costs

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Interest on bond	**170,486**	167,861	**170,486**	167,860
Other interest	**2,445**	15,517	**2,445**	-
Interest on bank loan	**49,623**	10,579	**49,623**	99,227
	222,554	193,957	**222,554**	267,087

18.13 Profit/(loss) before tax

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Amortisation of intangible assets	**122,885**	141,654	**25,245**	27,132
Auditor's remuneration	**80,244**	66,000	**16,075**	15,000
Depreciation of property, plant and equipment	**248,026**	378,379	**158,257**	183,754
Movement in allowances for impairment losses (note 18.28)	**10,856**	(1,582)	**-**	-
Differences on exchange	**30,425**	(6,574)	**28,950**	-
Depreciation of leased property	**302,834**	250,139	**214,645**	107,323

18.14 Key management personnel compensation

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Directors' compensation	**987,511**	1,057,077	**75,764**	69,649

18.15 Staff costs and employee information

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Staff costs:				
Wages and salaries	**7,379,540**	7,448,444	**4,725,033**	4,358,650
Social security costs	**279,174**	616,377	**137,430**	326,299
	7,658,714	8,064,821	**4,862,463**	4,684,949
Recharged to related entities	**(1,000,000)**	384,915	**(1,000,000)**	-
	6,658,714	7,679,906	**3,862,463**	4,684,949

During the year under review the Company recharged the amount of €3,814,165 to related parties, this recharged amount is included with the Company's revenue. The average number of persons employed by the Group during the year, including executive directors, amounted to 187 (2021: 144).

18.16 Income tax expense

Tax applying the statutory domestic income tax rate and the income tax expense for the year are reconciled as follows:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Current income tax (credit)/expense	**(282,525)**	92,906	**358,474**	-
Deferred tax (credit)/expense	**106,092**	(1,714,250)	**93,954**	(2,072,799)
	(176,433)	(1,621,344)	**452,428**	(2,072,799)
Profit before tax	**283,465**	3,746,727	**5,195,721**	944,323
Tax at the applicable rate of 35%	**99,213**	1,311,354	**1,818,502**	330,513
Tax effect of:				
Gains on sale of investment property	**-**	(1,102,500)	**-**	(447,092)
Movement in deferred tax	**-**	(2,072,799)	**-**	(2,072,799)
Income not subject to further tax	**(156,118)**	(32,163)	**(1,109,094)**	-
Difference on fair value movement of fair value through profit or loss financial assets	**(46,058)**	-	**(46,058)**	-
Foreign tax not relieved	**3,096**	-	**3,096**	-
Other tax effects	**(76,566)**	274,764	**(214,018)**	116,579
Income tax (credit)/expense for the year	**(176,434)**	(1,621,344)	**452,428**	(2,072,799)

18.17 Deferred tax

GROUP 2022	Opening balance €	Effect of merger €	Recognised in profit or loss €	Closing balance €
Arising on:				
Deferred tax taken over as a result of merger	(247,684)	-	247,684	-
Accelerated capital allowances	1,477,047	-	(9,740)	1,467,307
Accelerated depreciation	385,444	-	(135,234)	250,210
Unabsorbed tax losses	246,045	-	(238,505)	7,540
Unabsorbed capital losses	205	-	(1,943)	(1,738)
Provision for bad debts	4,582	-	3,800	8,382
Right-of-use asset	(186,737)	-	30,866	(155,871)
Lease Liability	203,711	-	(29,072)	174,639
Revaluation of investment property	(264,000)	-	12,000	(252,000)
Other temporary differences	(10,317)	-	22,163	11,846
Unabsorbed Group Losses	305,758	-	(540)	305,218
	1,914,054	**-**	**(98,521)**	**1,815,533**

2021	Opening balance €	Effect of merger €	Recognised in profit or loss €	Closing balance €
Arising on:				
Deferred tax taken over as a result of merger	-	(247,684)	-	(247,684)
Accelerated capital allowances	9,009	-	1,468,038	1,477,047
Accelerated depreciation	-	-	385,444	385,444
Unabsorbed tax losses	-	-	246,045	246,045
Unabsorbed capital losses	205	-	-	205
Provision for bad debts	3,734	-	848	4,582
Right-of-use asset	(630,796)	-	444,059	(186,737)
Lease Liability	673,905	-	(470,194)	203,711
Right-of-use asset - Investment property	(208,397)	-	208,397	-
Lease liability - Investment property	158,438	-	(158,438)	-
Revaluation of investment property	(264,000)	-	-	(264,000)
Other temporary differences	2,136	-	(12,453)	(10,317)
Unabsorbed Group Losses	225,673	-	80,085	305,758
	(30,093)	**(247,684)**	**2,191,831**	**1,914,054**

Deferred tax (continued)

COMPANY	Opening balance	Effect of merger	Recognised in profit or loss	Closing balance
2022	€	€	€	€
Arising on:				
Deferred tax taken over as a result of merger	(247,684)	-	247,684	-
Accelerated capital allowances	1,454,444	-	(1,943)	1,452,501
Accelerated depreciation	385,298	-	(135,234)	250,064
Unabsorbed tax losses	238,505	-	(238,505)	-
Other temporary differences	(5,948)	-	34,044	28,096
	1,824,615	**-**	**(93,954)**	**1,730,661**

COMPANY	Opening balance	Effect of merger	Recognised in profit or loss	Closing balance
2021	€	€	€	€
Arising on:				
Deferred tax taken over as a result of merger	-	(247,684)	-	(247,684)
Accelerated capital allowances	-	-	1,454,444	1,454,444
Accelerated depreciation	-	-	385,298	385,298
Unabsorbed tax losses	-	-	238,505	238,505
Other temporary differences	-	-	(5,948)	(5,948)
	-	**(247,684)**	**2,072,299**	**1,824,615**

18.18 Dividends

During 2022, no dividends were declared and authorised by the directors for both Group and Company. In prior year, €200,000 (€0.10 per share) net dividend was declared and paid by the Company to its beneficial owners.

18.19 Intangible assets

THE GROUP	Trademarks	Software	Website	Customer list	Total
	€	€	€	€	€
Cost					
At 01.01.2021	-	651,958	332,371	2,230,000	3,214,329
Acquired through merger	-	74,227	18,484	-	92,711
Additions	9,830	40,911	-	-	50,741
At 01.01.2022	9,830	767,096	350,855	2,230,000	3,357,781
Additions	-	11,843	(2,501)	-	9,342
Disposals	-	-	(15,983)	-	(15,983)
At 31.12.2022	9,830	778,939	332,371	2,230,000	3,351,140
Accumulated amortisation					
At 01.01.2021	-	623,394	333,612	2,026,466	2,983,472
Acquired through merger	-	42,061	-	-	42,061
Provision for the year	-	26,654	-	115,000	141,654
At 01.01.2022	-	692,109	333,612	2,141,466	3,167,187
Release of provision		-	(2,501)	-	(2,501)
Provision for the year	-	33,091	1,260	88,534	122,885
At 31.12.2022	-	725,200	332,371	2,230,000	3,287,571
Carrying amount					
At 31.12.2021	9,830	74,987	17,243	88,534	190,594
At 31.12.2022	**9,830**	**53,739**	**-**	**-**	**63,569**

Intangible assets (continued)

COMPANY	Software
	€
Cost	
At 01.01.2021	
Acquired through merger	90,210
Additions	40,909
At 01.01.2022	131,119
Additions	(4,140)
At 31.12.2022	126,979
Accumulated amortisation	
At 01.01.2021	
Acquired through merger	(31,209)
Provision for the year	(27,132)
At 01.01.2022	(58,341)
Provision for the year	(25,444)
At 31.12.2022	(83,785)
Carrying amount	
At 31.12.2021	72,778
At 31.12.2022	**43,194**

18.20 Property, plant and equipment

THE GROUP	Furniture, Fittings & Other Equipment	Motor Vehicles	Computer hardware	Right-of-use Asset	Total
	€	€	€	€	€
Cost					
At 01.01.2021	2,986,086	16,200	19,868	2,406,970	5,429,124
Acquired through merger	307,420	-	880,450	-	1,187,870
Additions	104,833	-	83,615	1,073,231	1,261,679
Disposals	(2,004,875)	-	-	(1,125,918)	(3,130,793)
At 01.01.2022	**1,393,464**	**16,200**	**983,933**	**2,354,283**	**4,747,880**
Additions	19,905	-	63,291	-	83,196
At 31.12.2022	**1,413,369**	**16,200**	**1,047,224**	**2,354,283**	**4,831,076**
Accumulated amortisation					
At 01.01.2021	2,507,975	9,720	11,952	604,703	3,134,350
Acquired through merger	854	-	652,101	-	652,955
Provision for the year	235,774	3,240	139,365	250,139	628,518
Released on disposal	(1,897,557)	-	-	-	(1,897,557)
At 01.01.2022	**847,046**	**12,960**	**803,418**	**854,842**	**2,518,266**
Provision for the year	-	-	-	-	-
Released on disposal	137,532	3,240	107,254	302,834	550,860
At 31.12.2022	**984,578**	**16,200**	**910,672**	**1,157,676**	**3,069,126**
Carrying amount					
At 31.12.2021	546,418	3,240	180,515	1,499,441	2,229,614
At 31.12.2022	**428,791**	**-**	**136,552**	**1,196,607**	**1,761,950**

Property, plant and equipment (continued)

COMPANY	Furniture, Fittings & Other Equipment	Computer hardware	Right-of-use Asset	Total
	€	€	€	€
Cost				
At 01.01.2021	-	-	-	-
Acquired through merger	683,040	682,131	1,073,231	2,438,402
Additions	10,871	82,608	-	93,479
At 01.01.2022	693,911	764,739	1,073,231	2,531,881
Additions	11,266	54,968	-	66,234
At 31.12.2022	**705,177**	**819,707**	**1,073,231**	**2,598,115**
Accumulated amortisation				
At 01.01.2021	-	-	-	-
Acquired through merger	363,810	476,711	-	840,521
Provision for the year	48,404	135,350	107,323	291,077
At 01.01.2022	412,214	612,061	107,323	1,131,598
Provision for the year	57,165	101,092	214,645	372,902
At 31.12.2022	**469,379**	**713,153**	**321,968**	**1,504,499**
Carrying amount				
At 31.12.2021	281,697	152,678	965,908	1,400,283
At 31.12.2022	**235,798**	**106,554**	**751,263**	**1,093,615**

18.21 Investment property

THE GROUP	Directly Owned Property Asset	Right-of-use of Property Asset	Total
	€	€	€
Cost			
At 01.01.2021	3,309,185	595,421	3,904,606
Effect of merger	306,000	-	306,000
Movement in fair value	-	(595,421)	(595,421)
At 01.01.2022	3,615,185	-	3,615,185
Movement in fair value	(159,185)	-	(159,185)
Transfer to non-current assets held for sale	(3,150,000)	-	(3,150,000)
At 31.12.2022	**306,000**	**-**	**306,000**
Carrying Value			
At 31.12.2021	3,615,185	-	3,615,185
At 31.12.2022	**306,000**	**-**	**306,000**

COMPANY	Directly Owned Property Asset
	€
Cost	
At 01.01.2021	-
Effect of merger	306,000
At 01.01.2022	306,000
At 31.12.2022	306,000
Carrying Value	
At 31.12.2021	306,000
At 31.12.2022	**306,000**

The investment property held at 31st December 2022 represents a shop owned by the Company in Qormi that is being rented out to third parties.

18.22 Investment Property held for sale

Management has initiated an active program to locate a buyer for the old Palazzo Valdina in Valletta. The property of value €3,150,000 was transferred to investment property held for sale as management feel that the criteria as held-for-sale have been met. In February 2023, the Group has entered into a promise of sale agreement to sell property with full permits to redevelop into offices. The property is held at fair value which is also the consideration that is expected to arise on the signing of the final deed expected to occur in June 2023.

18.23 Investment in subsidiaries

	Carrying amount		Proportion of ownership interest	
	2022	2021	**2022**	**2021**
	€	€	%	%
Calamatta Cuschieri Investment Services Limited	**7,729,675**	7,729,675	**100**	**100**
CC Fund Services (Malta) Limited	**352,900**	352,900	**100**	**100**
Calamatta Cuschieri Investment Management Limited	**975,267**	975,267	**100**	**100**
Moneybase Limited	**1,650,000**	1,470,000	**100**	**100**
CCFS Holding Limited	**262,500**	262,500	**70**	**70**
UAB Moneybase	**10,000**	10,000	**100**	**100**
	10,980,342	10,800,342		

Refer to note 18.1 for details on individual subsidiaries. There was no change in the ultimate beneficial owners of the Group. In 2021 the group underwent a restructuring exercise were some subsidiaries were merged into the Company.

The following is the summarised financial and non-financial information of the subsidiaries from respective audited financial statements for the year 2022:

2022	**Revenue**	**Profit/(loss) before tax**	**Income tax (expense)/ credit for the year**	**Retained earnings/ (Accumulated losses)**
	€	€	€	€
Calamatta Cuschieri Investment Services Limited	7,887,770	75,791	(38,796)	3,281,511
CC Fund Services (Malta) Limited	2,596,481	851,507	(298,027)	553,480
Calamatta Cuschieri Investment Management Limited	2,045,436	257,179	(82,770)	476,373
Moneybase Limited	1,020,943	(141,033)	49,840	(987,611)
CCFS Holding Limited	-	(8,847)	-	(208,751)
UAB Moneybase	-	6,312	-	(19,771)

Investment in subsidiaries (continued)

2021	Revenue	Profit/(loss) before tax	Income tax (expense)/ credit for the year	Retained earnings/ (Accumulated losses)
	€	€	€	€
Calamatta Cuschieri Investment Services Limited	8,213,325	221,412	(363,161)	6,647258
CC Fund Services (Malta) Limited	2,227,476	493,648	242	493,890
Calamatta Cuschieri Investment Management Limited	2,110,667	286,560	(80,622)	1,102,844
Moneybase Limited	445,686	(551,255)	-	(896,418)
CCFS Holding Limited	-	3,288	-	(199,104)
UAB Moneybase	186,424	34,972	162	(26,082)

18.24 Investment in joint venture

Following the merger of Calamatta Cuschieri Group plc with CC Finance Group plc, CC Finance Group plc owns 50% ownership interest in CCGM Pension Administrators Limited. CCGM Pension Administrators Limited is registered as a private liability company in Malta and its main object is to act as a retirement scheme administrator for the purpose of the Retirement Pensions Act.

CCGM Pension Administrators Limited's share capital is made up as follows:

	2022	2021
	€	€
Authorised, issued and fully paid up		
100,000 Ordinary 'A' shares of €1 each	**200,000**	200,000
100,000 Ordinary 'B' shares of €1 each	**200,000**	200,000
As at 31 December	**400,000**	400,000

Shares carry equal voting rights to dividends and rank pari-passu. The company owns 50% ownership interest.

	2022	2021
	€	€
Equity investment at carrying amount	**95,983**	149,912

Summarised financial information in respect of each of the company's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRSs (adjusted by the company for equity accounting purposes and for differences in accounting policies).

Investment in joint venture (continued)

	2022	2021
Statement of financial position	€	€
Non-current assets		
- Intangible assets	**9,163**	13,744
Current assets		
- Cash and cash equivalents	**251,101**	339,243
- Trade and other receivables	**169,108**	100,089
Current liabilities		
- Other current liabilities	**(237,405)**	(153,251)
Net Assets	**191,967**	299,825
Statement of comprehensive income		
Revenue		
- Operating income	**50,210**	28,561
	50,210	28,561
Expenses		
- Legal and professional fees	**(82,681)**	(63,406)
- Administrative salaries	**(34,529)**	(31,675)
- Other administrative expenses	**(40,859)**	(30,964)
Pre-tax loss	**(107,859)**	(97,484)
Income tax expense	**-**	-
Post-tax loss	**(107,859)**	(97,484)

Reconciliation of the financial information summarised on the previous page to the carrying amount of the interest in CCGM Pension Administrators Limited recognised in the consolidated financial statements:

	2022	2021
	€	€
Net asset of the joint venture	**191,967**	299,825
Proportion of the company's ownership interest	**50%**	50%
Carrying amount of the company's interest in CCGM Pension Administrators Limited	**95,983**	149,912

18.25 Fair value through profit or loss investments

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Quoted debt instruments	**1,004,537**	1,161,264	**1,003,486**	1,153,168
Unquoted collective investment schemes	**1,000**	3,006	**-**	-
	1,005,537	1,164,270	**1,003,486**	1,153,168

18.26 Loans and receivables

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Amount due from related party	**6,666,471**	6,889,655	**6,666,471**	6,889,655
Other receivables	**45,000**	45,000	**-**	-
	6,711,471	6,934,655	**6,666,471**	6,889,655

The loan due from related party relates to the loan created on the sale of intellectual property from CC Finance Group plc to Moneybase Holding Limited, previously named CCIP Holding Limited, a related entity of the group. The amount due is unsecured, bears an interest rate of 1.5% and is repayable by 31 December 2036.

18.27 Advances to bank

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Advance to bank	**9,092,221**	2,449,711	**-**	-

Advances to bank relate to balances held with banks by Moneybase Ltd, a subsidiary of the Company, on behalf of its customers.

18.28 Trade and other receivables

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Trade and other receivables	**1,150,351**	482,886	**142,347**	16,543
Amounts owed by related party	**1,139,481**	-	**2,265,911**	671,608
Prepayments and accrued income	**1,709,735**	2,713,679	**185,620**	238,996
	3,999,567	3,196,565	**2,593,878**	927,147

The net carrying value of trade and other receivables is considered a reasonable approximation of fair value and no interest is charged on amounts due. Receivables from related parties are unsecured, interest free and expected to be paid on demand. The effect of any discounting is not significant. All of the Company's receivables have been reviewed for indicators of impairment, with no specific indicators from customers in the business-to-business market that are experiencing financial difficulties.

18.29 Cash and cash equivalents

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Cash at bank and on hand	**2,421,342**	2,709,290	**99,805**	93,082
Bank overdraft (note 18.33)	**(1,176,161)**	(1,151,251)	**(1,176,161)**	(1,151,251)
	1,245,181	1,558,039	**(1,076,356)**	(1,058,169)

18.30 Trade and other payables

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Trade and other payables	**2,195,859**	2,460,072	**1,049,402**	1,246,827
Accrual and deferred income	**1,135,936**	1,636,877	**227,675**	220,062
Amounts owed to related party	**97,397**	31,591	**203,244**	3,734,387
	3,429,192	4,128,540	**1,480,321**	5,201,276

18.31 Amounts due to customers

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Amounts due to customers	**9,092,221**	2,449,711	**-**	-

Amounts due to customers relate to Moneybase customer e-wallet balances held at year-end. As disclosed in note 18.27, these amounts are held with third party banks.

18.32 Interest bearing loans and borrowings

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
4.25% Bond nominal balance payable	**4,000,000**	4,000,000	**4,000,000**	4,000,000
Bond issue costs	**(54,150)**	(54,150)	**(54,150)**	(54,150)
Accumulated amortization of bond issue costs	**38,371**	27,244	**38,371**	27,244
	3,984,221	3,973,094	**3,984,221**	3,973,094

18.33 Bank overdraft and loan

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
Bank overdraft	**1,176,161**	1,151,250	**1,176,161**	1,151,250
Bank loan	**893,813**	158,780	**893,813**	158,780
	2,069,974	1,310,030	**2,069,974**	1,310,030
Less amounts due within 12 months	**(1,256,924)**	(1,213,999)	**(1,256,924)**	(1,213,999)
	813,050	96,031	**813,050**	96,031

The General banking facility, the new revolving credit facility and the bank loan bear interest at 3.90%, 4.15% and 4.15% respectively. The revolving facility has been granted a one year moratorium on capital payments, with the interest element to be paid on a monthly basis. Thereafter to be settled on a monthly basis over a period of 4 years. The bank loan is repayable by May 2024. These facilities are secured by a general hypothec over the Company's assets, supported by:

- 1st General hypothec over the companies present and future assets
- 1st General hypothecary Guarantee given by Calamatta Cuschieri Investment Services Limited
- A special hypothec for €1,500,000 on commercial premises in Valletta held by the Group
- Pledge over Calamatta Cuschieri Finance Group portfolio held with Calamatta Cuschieri Investment Management Services Limited.

18.34 Leases

The Group leases several buildings and offices, which are classified as land and buildings. The average remaining lease term is 5.94 years (2021: 6.82 years). Further disclosures about right-of-use assets that meet the definition of property, plant and equipment and investment property are provided in Notes 18.20.

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Total undiscounted minimum lease payments payable in settlement of lease liabilities	**1,461,540**	1,814,283	**908,074**	1,157,268
Less: future finance charges	**(114,036)**	(171,571)	**(59,541)**	(96,587)
Present value of lease obligations	**1,347,504**	1,642,712	**848,533**	1,060,681
Less: amounts included in current liabilities	**(307,017)**	(295,209)	**(220,633)**	(212,148)
Amounts included in non-current liabilities	**1,040,487**	1,347,503	**627,900**	848,533

The maturity analysis for lease liabilities is disclosed in Note 18.40. The total cash outflow for leases amounts to €352,743 (2021: €419,758). The total amounts recognised in profit or loss in relation to leases in which the Company is the lessee are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	€	€
Amounts recognised in profit or loss:				
Depreciation expense on right-of-use assets classified as property, plant and equipment	**302,834**	250,147	**214,645**	107,323
Interest expense on lease liabilities	**57,537**	72,246	**37,047**	21,665
Income from subleasing right-of-use assets	**-**	133,077	**-**	-

18.35 Share capital

	2022	2021
	€	€
Authorised share capital of 2,100,000 ordinary shares of €1 each, 2,000,0000 of which have been issued and called up		
(2020 - Authorised 50,000 ordinary shares of €1 each, all of which have been issued and called up)	**2,000,000**	2,000,000

The Company was registered on the 9th March 2018 with a share capital of 50,000 shares of €1 each. During 2021, the Company increased its issued share capital to 2 million Euros through the capitalisation of revenue reserves.

Share rights
All ordinary shares have the right to receive dividends, return capital on liquidation and have the right to receive notice of and attend and/or speak and/or vote at any general meeting.

18.36 Investor compensation scheme reserve

In terms of the Investment Services Act, Class 2 license holders are required to participate in and contribute towards an investor compensation scheme. In the case of the Group, this is applicable to CCIS as disclosed below. The total contribution of the scheme in any one year shall be divided into a fixed and variable contribution.

Fixed contribution
During the year under review, CCIS contributed of €17,470 (2021: €17,470) towards the scheme which amount is included in other operating expenses.

Variable contribution
The variable contribution is calculated by applying the higher of €699 or an amount of 0.1% of the total revenue of the licence holder on an annual basis. If the investor compensation scheme reserve is more than the variable contribution, then no transfer to the investor compensation scheme reserve will be made. This implies that when a variable contribution is higher than the investor compensation scheme reserve, the licence holder shall be required to make a variable contribution for the difference to ensure that the higher amount is always on reserve.

The balance on the investor compensation scheme stands at €8,535 (2021: €6,021). The licence holder holds the amount in a separate bank account specifically designated for this purpose. These are included under financial assets note 18.25 and cash and cash equivalents in note 18.29.

18.37 Related party disclosures

CC Finance Group plc is jointly controlled by Taurus Investments Limited and Gardell Investments Limited. Both companies are registered in Malta and have a registered address at Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta.

In terms of IAS 24 - Related Party Disclosures, the directors consider the ultimate controlling parties of Taurus Investments Limited to be Alexander Cuschieri, Christine Cuschieri, Alan Cuschieri and Tricia Galea who collectively own 100% of the issued share capital.

In terms of IAS 24- Related Party Disclosures, the directors consider the ultimate controlling party of Gardell Investments Limited to be the Heirs of the late Alfred Calamatta, Janis Calamatta, Nicholas Calamatta and Gabriella Calamatta who collectively own 100% of the issued share capital.

The Group prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. A copy of the Annual report and accounts will be delivered to the Registrar of Companies.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. During the course of the year, the Group entered into transactions with related parties as set out below.

THE GROUP		**Sales to related party**	**Amounts owed by related party**	**Amounts owed to related party**
		€	€	€
CC Funds SICAV PLC	2022	1,783,718	201,637	5,157
	2021	1,687,505	11,426	-
CCGM Pension Admin Limited	2022	155,325	54,068	-
	2021	62,266	11,925	2,919
CC Cancer Foundation	2022	-	-	1,040
	2021	-	-	522
Gardell Investments Limited	2022	-	3,964	26,770
	2021	-	3,964	30,000
Taurus Investments Limited	2022	-	3,365	19,747
	2021	-	3,303	30,000
Moneybase Holding Limited (CCIP Holding Limited)	2022	1,000,000	1,023,087	-
	2021	-	1,120	-

Related party disclosures (continued)

THE COMPANY		Sales to related party €	Purchases from related party €	Amounts owed by related party €	Amounts owed to related party €
CC Funds SICAV PLC	2022	111,151	-	43,824	-
	2021	132,199	-	11,426	-
CC FS Holding Limited	2022	-	-	350,000	-
	2021	-	-	594,345	-
Moneybase Limited	2022	-	-	-	156,344
	2021	-	-	906	-
CCGM Pension Admin Limited	2022	123,426	-	47,569	-
	2021	61,776	-	11,925	-
Calamatta Cuschieri Investment Services Limited	2022	4,459,999	120,210	527,636	-
	2021	281,090	-	-	2,856,498
CC Fund Services (Malta) Limited	2022	423,501	-	51,799	-
	2021	-	-	-	412,605
Calamatta Cuschieri Investment Management Limited	2022	527,921	5,407	79,119	-
	2021	-	-	-	405,284
CC Fund Services (Luxembourg) Sàrl	2022	46,340	-	10,836	-
	2021	-	-	25,246	-
UAB Moneybase	2022	-	-	16,125	-
	2021	-	-	26,641	-
Gardell Investments Limited	2022	-	-	-	26,770
	2021	-	-	-	30,000
Taurus Investments Limited	2022	-	-	-	19,747
	2021	-	-	-	30,000
Moneybase Holding Limited (CCIP Holding Limited)	2022	1,000,000	-	1,007,827	-
	2021	-	-	1,120	-
CC Cancer Foundation	2022	-	-	-	371
	2021	-	-	-	-

During the current year administration expenses amounting to €1,386,455 (2021: €1,008,144) and staff costs amounting to €3,814,166 (2021: €4,027,864) were recharged by the company to its subsidiaries. The balances with related parties at year-end are disclosed in notes 18.26, 18.28 and 18.30.

Director's remuneration paid out are disclosed in note 18.14 to the consolidated financial statements.

18.38 Fair values of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

At 31 December 2022 and 2021, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3. Fair value measurement at end of the reporting period:

GROUP	**2022**	2021
	€	€
Level 1		
Fair value through profit or loss		
Foreign listed debt instruments	**621,854**	1,161,264
Local listed debt instruments	**382,683**	2,006
Level 2		
Fair value through profit or loss		
Unlisted collective investment schemes	**1,000**	1,000
Total	**1,005,537**	**1,164,270**

Fair values of financial assets and financial liabilities (continued)

COMPANY	2022	2021
	€	€
Level 1		
Fair value through Profit or Loss		
Foreign listed debt instruments	**620,803**	775,788
Local listed debt instruments	**382,683**	377,380
Total	**1,003,486**	**1,153,168**

The fair values of loans and receivables classified as non-current financial assets and bank loans classified as non-current financial liabilities that are not measured at fair value, are not materially different from their carrying amounts.

18.39 Financial risk management

The exposures to risk and the way risks arise, together with the Group's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed below.

Where possible, the Group aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the consolidated financial statements.

Credit risk

Financial assets which potentially subject the group to concentrations of credit risk consist principally of receivables, investments and cash at bank.

The maximum exposure to credit risk is equal to the amounts stated in notes 18.25, 18.26, 18.27, 18.28 and 18.29.

Quoted investments are acquired after assessing the quality of the relevant investments.

Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit risk with respect to receivables is limited due to credit control procedures in place and the large number of customers comprising the Group's debtor base. The Group's policy is to deal only with credit worthy counterparties after assessing their credit quality by considering their financial standing, past experience and other factors.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses with respect to trade receivables, the Group uses the probability of default and loss given default through assessing them on a collective basis as they possess shared credit risk characteristics.

Management uses historical analysis, external indicators and forward-looking information in determining any expected credit loss. Historical analysis is based on the payment profile for sales over the past 36 months. In this period, there have been minimal defaults, such defaults had already been provided for. The overall economic situation of the Maltese economy which has been affirmed at 'A+' through a reputable external credit rating agency (Fitch) is a positive external indicator in our assessment.

Further to this, in applying the Risk-Free rate for discounting on Financial Instruments, based on the 10 Year Malta Government Stock Yield, no loss allowance has been recognized as this would be wholly insignificant to the Group.

Management is responsible for the quality of the company's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

The Group's cash and cash equivalents are held with two local financial institutions with high quality rating, Bank of Valletta plc and HSBC Bank Malta plc (rated "BBB-" and "A+" respectively by the international rating agency Fitch), considered by management as "investment grade". The Group will apply the low credit risk simplification allowed by IFRS 9, through which such balances will be classified within 'stage 1' without the requirement to carry out an assessment of whether there has been a significant increase in credit risk. The Directors have however determined that the high quality of the financial institution is such that the adoption of IFRS 9 will not have a material impact on the net carrying amount of these financial assets.

The Group has no formal credit terms. Trade receivables, net of impairment allowances, as stated in note 18.28, were thus all past due at the end of the reporting period, but amounts are still considered recoverable. These balances have been past due for less than 2 years.

Currency risk

Foreign currency transactions arise when the Group acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise mainly transactions in USD and GBP. Other currencies are deemed immaterial for disclosure.

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

Interest rate risk

The interest rates thereon and the terms of such borrowings are disclosed accordingly.

The Group is exposed to cash flow interest rate risk on borrowings and debt instruments carrying a floating interest rate.

Management does not consider that the Group is significantly exposed to interest rate risk.

Liquidity risk

Liquidity risk is the extent to which the Group might face a mismatch between assets and liabilities which could occur as a result of the company's assets being pledged, the inability to sell assets quickly or costs and timing constraints of reducing asset positions at difference levels of market liquidation.

The Group monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows, and evaluating periodic results which are compared with management's expectations.

The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the group can be required to pay.

THE GROUP	Within 1 year	Between 1 and 5 years	Over 5 years	Total
	€	€	€	€
2022				
Non-derivative financial liabilities				
Non-interest bearing	3,826,012	-	-	3,826,012
Interest bearing loans and borrowings	1,256,924	4,797,271	-	6,054,195
Lease liabilities	352,745	1,071,710	37,084	1,461,539
	5,435,681	**5,868,981**	**37,084**	**11,341,746**
2021				
Non-derivative financial liabilities				
Non-interest bearing	4,198,693	-	-	4,198,693
Interest bearing loans and borrowings	1,247,283	4,035,842	-	5,283,125
Lease liabilities	352,745	1,358,768	102,770	1,814,283
	5,798,721	**5,394,610**	**102,770**	**11,296,101**

THE COMPANY	Within 1 year	Between 1 and 5 years	Total
	€	€	€
2022			
Non-derivative financial liabilities			
Non-interest bearing	1,480,322	-	1,480,322
Interest bearing loans and borrowings	-	3,984,221	3,984,221
Lease liabilities	249,194	658,879	908,073
	1,729,516	**4,643,100**	**6,372,616**
2021			
Non-derivative financial liabilities			
Non-interest bearing	5,201,276	-	5,201,276
Interest bearing loans and borrowings	-	3,973,042	3,973,042
Lease liabilities	249,194	908,073	1,157,267
	5,450,470	**4,881,115**	**10,331,585**

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

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

The Group also ensures that it complies with the capital requirements set by the regulator. The Group is required to hold capital resource requirements in compliance with the rules issued by the Malta Financial Services Authority (the "Regulator"). The minimum capital requirements (defined as "the capital resource requirements") must be maintained at all times throughout the year. The company monitors its capital level on a monthly basis through detailed reports compiled with management accounts. Any transactions that may potentially affect the company's regulatory position are immediately reported to the directors for resolution prior to notifying the Malta Financial Services Authority.

The capital structure of the group consists of cash and cash equivalents as disclosed in note 18.29 and items presented within equity in the statement of financial position. The Group's own funds are made up of tier one capital which is mainly composed of paid up ordinary share capital, revenue reserves and other reserves.

The Group's directors manage the Group's capital structure and make adjustments to it, in light of changes in economic conditions or relevant legislation. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the group balances its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from the prior year. During the year under review, the group has complied with these capital requirements set by the Regulator.

18.40 Commitments

Guarantees

At 31 December 2022, HSBC Bank Malta p.l.c. held a bank guarantee for an amount of €23,300 (2021: €23,300) in respect of amounts blocked by the Malta Stock Exchange to cover trade settlements.

As at 31 December 2022, the Group has provided a guarantee to an unrelated party for the operating lease of the immovable property on a 5-year term deposit. No liability is expected to arise.

Operating lease commitments - Group as lessee

The Group has entered into operating leases on immovable property, with lease terms for a minimum of five years and ten years. The Group has the option, under some of its leases, to lease the property for additional terms of 5 to 10 years. Future minimum rentals payable under non-cancellable operating leases as at 31 December 2021 are, as follows:

	Group		Company	
	2022	2021	**2022**	2021
	€	€	**€**	€
On leases which expire in:				
Less than one year	**352,745**	352,745	**249,194**	249,194
Between one and five years	**1,071,710**	1,293,261	**658,878**	908,073
More than five years	**37,084**	168,277	**-**	-
Amounts included in non-current liabilities	**1,461,539**	1,814,283	**908,072**	1,157,267

The lessees do not have an option to purchase the properties at the expiry of the lease period.

18.41 Significant events during the reporting period/Events after the reporting period

The geopolitical situation in Eastern Europe intensified in late February 2022, with the commencement of Russia's military action against Ukraine. Political events and sanctions are continually changing and differ across the globe. There is currently no indication that there will be a significant impact on the Company's financial performance, financial position and cash flows. The situation continues to be closely monitored by management to ensure that the interests of all its stakeholders are safeguarded.

18.42 Comparative figures

Comparative figures in the following notes have been reclassified in order to comply with the current year presentation.

Note 18.9	Other income
Note 18.10	Interest income
Note 18.19	Intangible assets
Note 18.20	Property, plant and equipment

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Exemption number: EXO2155

Independent auditor's report

to the members of
CC Finance Group plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CC Finance Group plc (the Company) and the consolidated financial statements of the Company and its subsidiaries (together, the Group), set out on pages 33 to 78, which comprise the statements of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CC Finance Group plc and its Group as at 31 December 2022, and of the Company's and its Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and the Group and have not provided any of the non-audit services prohibited by article 18A(1) of the Accountancy Profession Act (Cap. 281).

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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Independent auditor's report (continued)

to the members of
CC Finance Group plc

Other Information
The directors are responsible for the other information. The other information comprises of the Strategic Report, the Chairman's Statement, the Chief Executive Officers' Review, the Business Lines Overview, the Financial Highlights, the Risk Management page, the Corporate Social Responsibility pages, Our People pages, the Governance pages, the Board of Directors pages, Company information, the Statement of Directors' responsibilities, the Directors' Report and the Corporate Governance – Statement of Compliance on pages 2 to 31.

However, the other information does not include the individual and consolidated financial statements, our auditor's report.

Except for our opinions on the Directors' Report in accordance with the Maltese Companies Act (Cap. 386) and on the Corporate Governance Statement of Compliance in accordance with the Prospects Multi Trading Facility

Company ("MTF") Rules issued by the Malta Stock Exchange, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap. 386) in relation to the Directors' Report on pages 26 to 27, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company, the Group and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors and the Audit Committee for the Financial Statements
As explained more fully in the Statement of Directors' responsibilities on page 27, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent auditor's report (continued)

to the members of
CC Finance Group plc

Responsibilities of the Directors and the Audit Committee for the Financial Statements (continued)
In preparing the financial statements, the directors are responsible for assessing the Company's and 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 Company and/or the Group or to cease operations, or have no realistic alternative but to do so.

The directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit Committee.

Auditor's Responsibilities for the Audit of the Financial Statements
This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). 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.

In terms of article 179A(4) of the Maltese Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company and the Group or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company and the Group. The financial position of the Company and/or the Group may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's and the Group's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company and/or the Group, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or the Group. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or the Group and to identify any facts or circumstances that may be materially relevant thereto.

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

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

Independent auditor's report (continued)

to the members of
CC Finance Group plc

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

- 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 and 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 Company's and 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 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 and/or the Group to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's and/or the Group's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's and/or the Group's ability to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Companies or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with the Audit Committee 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 Audit Committee 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.

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Independent auditor's report (continued)

to the members of
CC Finance Group plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Corporate Governance Statement
In order for a Prospects MTF Company to remain admitted to the exchange, the Prospects Rules issued by the Malta Stock Exchange require that the company shall comply with, provide equivalent disclosure, or explain the extent to which it adheres to, the relevant corporate governance standards, in this case Appendix 5.1 to Chapter 5 of the Capital Markets Rules, issued by the Maltese Listing Authority, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement is to contain at least the information set out in Capital Markets Rule 5.97.

Our responsibility is laid down by Capital Markets Rule 5.98, which requires us to include a report to shareholders on the Corporate Governance Statement in the Company's Annual Financial Report.

We read the Corporate Governance – Statement of Compliance and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated. We also review whether the Corporate Governance Statement contains at least the information set out in Capital Markets Rule 5.97 .

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

In our opinion, the Corporate Governance – Statement of Compliance set out on pages 28 to 31 has been properly prepared in accordance with the requirements of the Prospects Rules issued by the Malta Stock Exchange.

Matters on which we are required to report by exception under the Companies Act
Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper 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; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

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

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Independent auditor's report (continued)

to the members of
CC Finance Group plc

Auditor tenure
We were first appointed by the members of the Company to act as statutory auditor of the Company and the Group following the Company's debt listing in financial year ended 31 December 2019 by the members of the Company on 8 May 2019 for the financial year ended 31 December 2019, and were subsequently reappointed as statutory auditors by the members of the Company on an annual basis. The period of total uninterrupted engagement as statutory auditor since the Company became a public interest entity including previous reappointments of the firm is 4 financial years.

Consistency of the audit report with the additional report to the Audit Committee
Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

The audit was drawn up on 21 April 2023 and signed by:

Michael Bianchi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta

19 Contact Information

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