



SHOPPING MALLS FINANCE P.L.C
C87809

Approval of Guarantor Results and Financial Statements

Date of Announcement

27 April 2023

The following is a company announcement issued by D Shopping Malls Finance p.l.c. (C 87809), hereinafter the “Company” pursuant to the Prospectus Rules, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (“Prospectus MTF”).

QUOTE

The Board of Directors of the Guarantor has approved the Annual Report and Financial Statements for the financial year ended 31 December 2022 and resolved that these be submitted for the approval of the shareholders at the Annual General Meeting. These financial statements are being attached to this announcement.

The Board of Directors note a positive variance of €133k between the profit before tax as set out in the financial statements of the Group (composed of D Shopping Malls Limited and D Shopping Malls Finance plc) for the year ended 31 December 2022 and the 2022 projections that were published in the Financial Sustainability Forecast on 13 April 2022 by way of company announcement DSM 45 (‘the Projections’). This positive difference is principally due to profit on disposal of €100k generated from the sale of the Laguna property.

UNQUOTE

Mr. Kenneth Abela

Company Secretary
DSM 56

T. (+356) 2122 5589 | E. info@dizz.com.mt
A. DIZZ Building, Carob Street, Santa Venera, SVR 1700, Malta
DIZZ.COM.MT/DIZZ-FINANCE

D SHOPPING MALLS LIMITED
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
For the year ended 31 December 2022

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Holding Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo
Secretary :	Ms Diane Izzo
Company number :	C 87499
Registered office :	Dizz Buildings Carob Street Santa Venera Malta
Auditors :	KSi Malta 6, Villa Gauci Mdina Road Balzan BZN 9031 Malta
Banker :	Bank of Valletta plc Constitution Road Mosta Malta

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

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D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Report of the Directors

For the year ended 31 December 2022

The directors present their report and the audited financial statements of the Group, composed of D Shopping Malls Limited (hereinafter referred to as the “Guarantor” or “Company”) and D Shopping Malls Finance P.L.C. (hereinafter referred to as the “Issuer” or the “Subsidiary”), for the year ended 31 December 2022.

Principal Activity

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

- A 15-year lease agreement with Sliema Wanderers football club to operate D Malls, a commercial centre located in Tigne Point, Sliema, with an option to extend the agreement further. The Company has subleased all retail units or kiosks at its disposal to related or third parties.
- A 15-year agreement with Center Parc Holding Limited to operate part of the Center Parc commercial centre located in Triq it-Tigrija, Qormi. The Company has subleased all the retail units or kiosks at its disposal to related or third parties.
- Leasing of owned properties: Flat 13, Waterside Apartments and Flat 6, Byron Court, Ix-Xatt ta’ Qui-si-Sana, Sliema which flats are interconnected.

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

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

Review of Business

Although the initial months of 2022 brought about various disruptions due to the pandemic, general election and surging inflationary environment, such disruptions did not have a direct impact on the business of the Company, given that revenue generated was in line with the lease agreements entered into by the Company.

During the year under review the Group registered a profit before tax of € 199,325 (2021: loss of € 151,612). Income was principally derived from leasing of immovable property amounting to € 1,713,611 (2021 € 1,471,136). Of this € 142,030 relates to property owned by the Group (2021 € 26,249) and € 1,571,581 relates to leased properties (2021 € 1,444,887).

Furthermore, as noted in note 5, the Company generated income from the sale of immovable property of €100,004, as well as other income of €713,712 (2021: €528,022) throughout the year.

Report of the Directors (continued)

For the year ended 31 December 2022

Review of Business (continued)

As set out in the Company Admission Document, the Issuer of the Bond, D Shopping Malls Finance P.L.C, is to set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. Although the first mandatory payment into the sinking fund is due by 31 December 2024, given that in FY2022 the Company sold the Laguna property, whereby as described in section E1 “Use of Proceeds” of the Company Admission Document a maximum of €611k from the Bond were earmarked to acquire this apartment. Hence the Board has agreed to allocate €611k of the proceeds received in FY2023 to meet the sinking fund requirements of FY2024 as set out in the Company Admission Document.

Principal Risks and Uncertainties

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

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

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

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

Dividends and Reserves

The directors do not recommend the payment of a dividend.

Future Developments

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

Report of the Directors (continued)

For the year ended 31 December 2022

Financial Risk Management

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

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2023 through 27 April 2023, the date these financial statements were approved. Through such assessment, the directors have determined that there were no subsequent events post balance sheet date.

Directors

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

Ms Diane Izzo
Mr Karl Izzo

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

Directors' Interest

The directors do not hold direct shares in D Shopping Malls Limited as at 31 December 2022, however the directors are the Ultimate Beneficial Owners of the Dizz Group of Companies Limited and of the company.

Statement of Directors' Responsibilities

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

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

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

Report of the Directors (continued)

For the year ended 31 December 2022

Statement of Directors' Responsibilities (continued)

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

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

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

- the financial statements give a true and fair view of the financial position of the Group and the holding company at 31 December 2022, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.


Going Concern Statement

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

Auditors

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

BY ORDER OF THE BOARD



Ms Diane Izzo
Director



Mr Karl Izzo
Director

27 April 2023

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report

To the shareholders of D Shopping Malls Limited

Opinion

We have audited the accompanying consolidated financial statements of D Shopping Malls Limited (the holding Company), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)**Key Audit Matters (continued)***Right-of-use assets under IFRS 16*

We identified the right-of-use assets as a Key Audit Matter due to their significance to the financial statements of the entity. These are carried at EUR 14,955,060 which correspond to more than 74% of total non-current assets. Similarly, the corresponding lease liability accounts for a significant portion of total liabilities. The Company sub-leases property, most of which is leased to related parties, originally leased from third parties. The valuation and recognition of right-of-use assets require significant judgment, particularly in the determination of lease terms in the agreements.

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

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

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

Other Information

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

Responsibilities of the Directors

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

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

Independent Auditors' Report (continued)**Auditors' Responsibilities for the Audit of the consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements

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

Our Responsibilities

We have responsibilities under the Companies Act, 1995 enacted in Malta to report to you if, in our opinion:

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

Our Opinion


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

In addition, we confirm that:

- To the best of our knowledge and belief, we have not provided non-audit services to the Group in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

Other Matter - Use of this Report

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



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

Balzan
Malta

27 April 2023

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	Group		Company	
		2022 €	2021 €	2022 €	2021 €
Revenue	4	1,713,611	1,471,136	1,713,611	1,471,136
Other income	5	812,996	518,606	813,716	528,022
Amortisation of right-of-use assets		(510,287)	(507,953)	(510,287)	(507,953)
Depreciation of property, plant and equipment		(354,218)	(343,950)	(355,313)	(343,950)
Administrative expenses		(379,468)	(194,837)	(413,756)	(231,995)
Finance costs	6	(1,083,309)	(1,094,614)	(1,073,532)	(1,088,042)
		<hr/>	<hr/>	<hr/>	<hr/>
Profit/(Loss) before tax	7	199,325	(151,612)	174,439	(172,782)
Income tax	8	67,634	(114,843)	67,634	(114,843)
Final withholding tax		(106,565)	-	(106,565)	-
		<hr/>	<hr/>	<hr/>	<hr/>
Profit/(Loss) for the year		160,394	(266,455)	135,508	(287,625)
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the year		160,394	(266,455)	135,508	(287,625)
		<hr/>	<hr/>	<hr/>	<hr/>

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the year ended 31 December 2022

		Group		Company	
	Notes	2022 €	2021 €	2022 €	2021 €
Profit/(Loss) for the year attributable to:					
Owners of Company	16	160,394	(266,455)	135,508	(287,625)
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the year attributable to:					
Owners of Company	16	160,394	(266,455)	135,508	(287,625)
		<hr/>	<hr/>	<hr/>	<hr/>
Earnings/(Loss) per share	9	0.22	(0.37)	0.19	(0.40)
		<hr/>	<hr/>	<hr/>	<hr/>

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	Group		Company	
		2022 €	2021 €	2022 €	2021 €
Assets					
Property, plant and equipment	10	2,395,511	2,638,196	2,404,289	2,648,069
Right of use assets	11	14,955,060	15,327,617	14,955,060	15,327,617
Investment property	12	2,250,000	4,450,000	2,250,000	4,450,000
Investment in subsidiaries	13	-	-	49,999	49,999
Deferred tax asset	8	476,038	518,404	476,038	518,404
		<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets		20,076,609	22,934,217	20,135,386	22,994,089
		<hr/>	<hr/>	<hr/>	<hr/>
Trade and other receivables	14	4,493,767	2,487,549	5,736,407	3,076,853
Cash and cash equivalents	24	-	11,248	-	11,248
		<hr/>	<hr/>	<hr/>	<hr/>
Total current assets		4,493,767	2,498,797	5,736,407	3,088,101
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets		24,570,376	25,433,014	25,871,793	26,082,190
		<hr/>	<hr/>	<hr/>	<hr/>
Equity					
Issued capital	15	721,200	721,200	721,200	721,200
Retained earnings	16	1,147,286	986,892	1,081,371	945,863
Non-controlling interest	17	1	1	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		1,868,487	1,708,093	1,802,571	1,667,063
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D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Financial Position (continued)

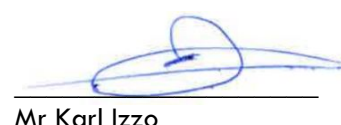
As at 31 December 2022

	Notes	Group		Company	
		2022 €	2021 €	2022 €	2021 €
Liabilities					
Lease liability	18	11,695,478	12,247,239	11,695,478	12,247,239
Borrowings	19	7,451,789	7,443,512	-	-
Loan payable	20	-	-	7,417,230	7,417,230
Deferred tax liability	8	180,000	290,000	180,000	290,000
		<hr/>	<hr/>	<hr/>	<hr/>
Total non-current liabilities		19,327,267	19,980,751	19,292,708	19,954,469
		<hr/>	<hr/>	<hr/>	<hr/>
Trade and other payables	21	2,612,156	2,637,984	4,015,482	3,363,616
Lease liability	18	760,642	1,097,042	760,642	1,097,042
Borrowings	19	1,824	9,144	390	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities		3,374,622	3,744,170	4,776,514	4,460,658
		<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities		22,701,889	23,724,921	24,069,222	24,415,127
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity and liabilities		24,570,376	25,433,014	25,871,793	26,082,190
		<hr/>	<hr/>	<hr/>	<hr/>

The consolidated financial statements set out on pages 9 to 47 were approved and authorised for issue by the Board on 27 April 2023 and were signed on its behalf by:



Ms Diane Izzo
Director



Mr Karl Izzo
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Group

	Issued capital €	Retained earnings €	Non- controlling interest €	Total €
Changes in equity for the year				
Balance at 1 January 2021	721,200	1,253,347	1	1,974,548
Loss for the year	-	(266,455)	-	(266,455)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	721,200	986,892	1	1,708,093
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2022	721,200	986,892	1	1,708,093
Profit for the year	-	160,394	-	160,394
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	721,200	1,147,286	1	1,868,487
	<hr/>	<hr/>	<hr/>	<hr/>

Company

	Issued capital €	Retained earnings €	Total €
Changes in equity for the year			
Balance at 1 January 2021	721,200	1,233,488	1,954,688
Loss for the year	-	(287,625)	(287,625)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	721,200	945,863	1,667,063
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2022	721,200	945,863	1,667,063
Profit for the year	-	135,508	135,508
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	721,200	1,081,371	1,802,571
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D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Cash flows from operating activities				
Profit/(Loss) before tax	199,325	(151,612)	174,439	(172,782)
Adjustments for:				
Lease modification	(310,311)	-	(310,311)	-
Depreciation of property, plant and equipment	354,218	343,950	355,313	343,950
Amortisation right of use asset	510,287	507,953	510,287	507,953
Profit from the sale of investment property	(1,078,924)	-	(1,078,924)	-
Finance costs	1,060,615	1,072,231	1,071,033	1,087,342
Amortisation of bond issue costs	8,277	8,277	-	-
Expected credit losses	6,571	33,233	2,505	18,919
Movement in fair value of investment property	978,920	-	978,920	-
	<hr/>	<hr/>	<hr/>	<hr/>
Operating profit before working capital changes:	1,728,978	1,814,032	1,703,262	1,785,382
Movement in trade and other receivables	337,436	1,363,981	182,588	1,421,266
Movement in trade and other payables	71,187	1,367,845	131,795	1,342,056
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated after working capital changes	2,137,601	4,545,858	2,017,645	4,548,704
Bank interest paid	(198)	-	(238)	(996)
Tax paid	(106,565)	-	(106,565)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from operating activities	2,030,838	4,545,858	1,910,842	4,547,708
	<hr/>	<hr/>	<hr/>	<hr/>

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2022

	Note	Group		Company	
		2022	2021	2022	2021
		€	€	€	€
Cash flows from investing activities					
Payments for property, plant and equipment		(111,533)	(912,036)	(111,533)	(912,035)
Net cash used in investing activities		(111,533)	(912,036)	(111,533)	(912,035)
Cash flows from financing activities					
Proceeds from related companies		-	-	520,067	-
Bond interest paid		(401,250)	(401,250)	-	-
Repayment to related companies		(147,244)	(2,324,469)	(956,275)	(2,713,578)
Repayment of lease liabilities		(1,374,739)	(945,085)	(1,374,739)	(945,085)
Net cash used in financing activities		(1,923,233)	(3,670,804)	(1,810,947)	(3,658,663)
Net movement in cash and cash equivalents		(3,928)	(36,982)	(11,638)	(22,990)
Cash and cash equivalents at beginning of year		2,104	39,086	11,248	34,238
Cash and cash equivalents at end of the year	24	(1,824)	2,104	(390)	11,248

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1 REPORTING ENTITY AND OTHER INFORMATION

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

These financial statements are presented in Euro.

1.1 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 27 April 2023.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**Standards and interpretations applied during the current period**

Amendments and interpretations applicable for the first time in 2022 shown here under have been implemented. The application of the below standards and interpretations do not have an impact on the consolidated financial statements of the Group, except for IFRS 16 Leases.

Standard	Subject of amendment	Effective date
<i>IFRS 1 First-time Adoption of International Financial Reporting Standards</i>	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018–2020</i> (subsidiary as a first-time adopter)	1 January 2022
<i>IFRS 3 Business Combinations</i>	Amendments updating a reference to the <i>Conceptual Framework</i>	1 January 2022
<i>IFRS 9 Financial Instruments</i>	Amendments resulting from <i>Annual Improvements to IFRS Standards 2018–2020</i> (fees in the '10 per cent' test for derecognition of financial liabilities)	1 January 2022
<i>IAS 16 Property, Plant and Equipment</i>	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
<i>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</i>	Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**Standards issued but not yet effective**

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

Standard	Subject of amendment	Effective date
<i>IFRS 4 Insurance Contracts</i>	Amendments regarding the expiry date of the deferral approach	1 January 2023
<i>IFRS 17 Insurance Contracts</i>	Original issue	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023)	1 January 2023
<i>IAS 1 Presentation of Financial statements</i>	Amendments regarding the classification of liabilities	1 January 2024
	Amendment to defer the effective date of the January 2020 amendments	1 January 2024
	Amendment regarding the disclosure of accounting policies	1 January 2023
	Amendments regarding the classification of debt with covenants	1 January 2024
<i>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i>	Amendments regarding the definition of accounting estimates	1 January 2023
<i>IAS 12 Income Taxes</i>	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
<i>IFRS 16 Leases</i>	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's and the Group's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

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

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

3.1.1 Going Concern

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

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

3.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the period are included in the consolidated profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.2 BASIS OF CONSOLIDATION (continued)

Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.2.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in the subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the relation assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.3 REVENUE RECOGNITION

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

3.3.1 Rental Income

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

3.3.2 Dividends and interest income

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.4 LEASES

3.4.1 The Group as a Lessee

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

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

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

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

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.4 LEASES (continued)

3.4.2 The Group as a Lessor

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

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

Finance Leases

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

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

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

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

Operating Leases

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

3.4.3 The Group as Lessor

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

3.4.4 The Group as Lessee

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.5 FOREIGN CURRENCY AMOUNTS

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

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

3.6 BORROWING COSTS

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

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

3.7 TAXATION

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

3.7.1 Current Tax

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.7 TAXATION (continued)

3.7.2 Deferred Tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

3.7.3 Current and deferred tax for the period

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.8 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Freehold land is not depreciated.

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

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

The annual rates used:

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.8 PROPERTY, PLANT AND EQUIPMENT (continued)

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

3.9 INVESTMENT PROPERTY

Investment properties are properties held to earn rentals and capital accretion. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All the Group's property interests held to earn rentals are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.10 FINANCIAL INSTRUMENTS

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

3.11 FINANCIAL ASSETS

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.11 FINANCIAL ASSETS (continued)

3.11.1 Classification of financial assets

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

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

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

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

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

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

3.11.2 Write off policy

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.11 FINANCIAL ASSETS (continued)

3.11.3 Impairment of financial assets

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

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

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

3.11.4 Derecognition of financial assets

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

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

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.12 FINANCIAL LIABILITIES

3.12.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

3.12.2 Subsequent measurement

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

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

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

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

3.12.3 Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 20.

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3 ACCOUNTING POLICIES (continued)

3.12 FINANCIAL LIABILITIES (continued)

3.12.4 Derecognition

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

3.13 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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

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

3.14 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends are recognised as liability in the period in which they are declared.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

4 REVENUE

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

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Rental income from owned properties	142,030	26,249	142,030	26,249
Rental income from leased properties	1,571,581	1,444,887	1,571,581	1,444,887
	<hr/>	<hr/>	<hr/>	<hr/>
	1,713,611	1,471,136	1,713,611	1,471,136
	<hr/>	<hr/>	<hr/>	<hr/>

5 OTHER INCOME

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

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Service charge	215,960	156,343	218,791	170,720
Key money	-	350,000	-	350,000
Other income	186,721	12,263	184,610	7,302
Lease modification	310,311	-	310,311	-
Sale of property	100,004	-	100,004	-
	<hr/>	<hr/>	<hr/>	<hr/>
	812,996	518,606	813,716	528,022
	<hr/>	<hr/>	<hr/>	<hr/>

6 FINANCE COSTS

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Finance interest on finance lease	659,169	670,981	659,169	670,981
Interest payable to related company	-	-	411,626	415,365
Bank interest	198	1,076	238	996
Bank charges	2,887	1,521	2,499	700
Bond Interest	401,250	401,250	-	-
Bondholder amendments	11,528	11,509	-	-
Amortisation of bond issue costs	8,277	8,277	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,083,309	1,094,614	1,073,532	1,088,042
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7 PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Profit/(Loss) before tax is stated after charging:				
Auditors' remuneration	10,815	10,300	2,160	2,060
Directors' remuneration	2,000	3,000	-	1,000
Depreciation of property, plant and equipment	354,218	343,950	355,313	343,950
Amortisation right of use assets	510,287	507,953	510,287	507,953
	<hr/>	<hr/>	<hr/>	<hr/>

8 INCOME TAX**8.1 Income tax recognised in statement of comprehensive income**

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Current tax:				
In respect of current year	(106,565)	-	(106,565)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax:				
Capital allowances and tax losses	67,634	(114,843)	67,634	(114,843)
	<hr/>	<hr/>	<hr/>	<hr/>
	67,634	(114,843)	67,634	(114,843)
	<hr/>	<hr/>	<hr/>	<hr/>
Total tax recognised in the current year	38,931	(114,843)	38,931	(114,843)
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8 INCOME TAX (continued)**8.1 Income tax recognised in statement of comprehensive income (continued)**

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

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Profit/(Loss) before tax	199,325	(151,612)	174,439	(172,782)
Theoretical taxation expense at 35%	69,764	(53,064)	61,053	(60,473)
Group loss relief	(10,325)	(10,622)	-	-
Impairment	342,622	-	342,622	-
Lease modification	(108,609)	-	(108,609)	-
Gain on sale of property	(377,623)	-	(377,623)	-
Other income	(31,024)	-	(31,023)	-
Expected credit losses	(546)	-	877	-
Deferred tax on property	(110,000)	-	(110,000)	-
Disallowable expenses	3,168	21,185	130	17,973
Depreciation on improvements	79,158	75,497	79,158	75,497
IFRS 16 permanent difference	75,781	81,847	75,780	81,846
	(67,634)	114,843	(67,634)	114,843

8.2 Deferred tax balances in statement of financial position

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Deferred tax asset	476,038	518,404	476,038	518,404
Deferred tax liability	(180,000)	(290,000)	(180,000)	(290,000)
	296,038	228,404	296,038	228,404

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8 INCOME TAX (continued)**8.3 Deferred tax balances**

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

	Opening balance €	Recognised in profit or loss €	Recognised in other comprehensive income €	Other €	Closing balance €
<u>2021</u>					
Investment property	(290,000)	-	-	-	(290,000)
	(290,000)	-	-	-	(290,000)
Tax losses	633,247	(114,843)	-	-	518,404
	633,247	(114,843)	-	-	518,404
<u>2022</u>					
Investment property	(290,000)	110,000	-	-	(180,000)
	(290,000)	110,000	-	-	(180,000)
Tax losses	518,404	(42,366)	-	-	476,038
	518,404	(42,366)	-	-	476,038

9 EARNINGS/(LOSSES) PER SHARE

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Profit/(Loss) for the year	160,394	(266,455)	135,508	(287,625)
Weighted number of ordinary shares	721,200	721,200	721,200	721,200
Basic earnings/(losses) per share	0.22	(0.37)	0.19	(0.40)

D SHOPPING MALLS LIMITED – CONSOLIDATED ACCOUNTS

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

10 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Improvements to premises €	Air- conditioning €	Furniture and fittings €	Office equipment €	Electrical Installations €	Plant & Machinery €	Total €
<u>Cost/Revalued amount</u>							
At 1 January 2021	1,262,269	289,034	427,276	17,387	316,760	93,681	2,406,407
Additions	883,833	-	28,203	-	-	-	912,036
At 31 December 2021/1 January 2022	2,146,102	289,034	455,479	17,387	316,760	93,681	3,318,443
Additions	104,580	-	5,560	1,393	-	-	111,533
At 31 December 2022	2,250,682	289,034	461,039	18,780	316,760	93,681	3,429,976
<u>Depreciation</u>							
At 1 January 2021	126,227	95,130	76,606	7,624	21,128	9,582	336,297
Charge for the year	215,707	48,173	45,548	3,812	21,128	9,582	343,950
At 31 December 2021/1 January 2022	341,934	143,303	122,154	11,436	42,256	19,164	680,247
Charge for the year	225,068	48,173	46,106	4,161	21,128	9,582	354,218
At 31 December 2022	567,002	191,476	168,260	15,597	63,384	28,746	1,034,465
<u>Carrying amounts</u>							
At 31 December 2022	1,683,680	97,558	292,779	3,183	253,376	64,935	2,395,511
At 31 December 2021	1,804,168	145,731	333,325	5,951	274,504	74,517	2,638,196

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

10 PROPERTY, PLANT AND EQUIPMENT – COMPANY

	Electrical installations	Improvements to premises	Furniture & fittings	Office equipment	Air- conditioning	Plant and Machinery	Total
	€	€	€	€	€	€	€
<u>Cost</u>							
At 1 January 2021	316,760	1,273,241	427,275	15,249	289,034	95,820	2,417,379
Additions	-	883,832	28,203	-	-	-	912,035
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021/ 1 January 2022	316,760	2,157,073	455,478	15,249	289,034	95,820	3,329,414
Additions	-	104,580	5,560	1,393	-	-	111,533
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	316,760	2,261,653	461,038	16,642	289,034	95,820	3,440,947
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>							
At 1 January 2021	21,128	127,324	76,607	7,624	95,130	9,582	337,395
Charge for the year	21,128	215,707	45,548	3,812	48,173	9,582	343,950
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021/ 1 January 2022	42,256	343,031	122,155	11,436	143,303	19,164	681,345
Charge for the year	21,128	226,165	46,104	4,161	48,173	9,582	355,313
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	63,384	569,196	168,259	15,597	191,476	28,746	1,036,658
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Carrying amounts</u>							
At 31 December 2022	253,376	1,692,457	292,779	1,045	97,558	67,074	2,404,289
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	274,504	1,814,042	333,323	3,813	145,731	76,656	2,648,069
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

11 RIGHT OF USE ASSET**GROUP**

	Buildings €	Total €
<u>Cost</u>		
At 1 January 2022	16,231,289	16,231,289
Additions	137,730	137,730
	<hr/>	<hr/>
At 31 December 2022	16,369,019	16,369,019
	<hr/>	<hr/>
<u>Amortisation</u>		
At 1 January 2022	903,672	903,672
Amortisation	510,287	510,287
	<hr/>	<hr/>
At 31 December 2022	1,413,959	1,413,959
	<hr/>	<hr/>
<u>Carrying amounts</u>		
At 31 December 2022	14,955,060	14,955,060
	<hr/>	<hr/>
At 31 December 2021	15,327,617	15,327,617
	<hr/>	<hr/>
<u>Amounts recognised in profit or loss</u>		
Amortisation expense on right of use assets	510,287	510,287
	<hr/>	<hr/>
Interest expense on lease liabilities	659,169	659,169
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

11 RIGHT OF USE ASSET (continued)**COMPANY**

	Buildings €	Total €
<u>Cost</u>		
At 1 January 2022	16,231,289	16,231,289
Additions	137,730	137,730
	<hr/>	<hr/>
At 31 December 2022	16,369,019	16,369,019
	<hr/>	<hr/>
<u>Amortisation</u>		
At 1 January 2022	903,672	903,672
Amortisation	510,287	510,287
	<hr/>	<hr/>
At 31 December 2022	1,413,959	1,413,959
	<hr/>	<hr/>
<u>Carrying amounts</u>		
At 31 December 2022	14,955,060	14,955,060
	<hr/>	<hr/>
At 31 December 2021	15,327,617	15,327,617
	<hr/>	<hr/>
<u>Amounts recognised in profit or loss</u>		
Amortisation expense on right of use assets	510,287	510,287
	<hr/>	<hr/>
Interest expense on lease liabilities	659,169	659,169
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

12 INVESTMENT PROPERTY

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
<u>Cost/revalued amount</u>				
At 1 January 2021	4,450,000	4,450,000	4,450,000	4,450,000
Movement in fair value for the year				
	(978,920)	-	(978,920)	-
Disposal	(1,221,080)	-	(1,221,080)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	2,250,000	4,450,000	2,250,000	4,450,000
	<hr/>	<hr/>	<hr/>	<hr/>

12.1 Fair value measurement of the Group's investment property

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

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

The fair value measurement of the properties as at the reporting date was determined to be €2,250,000..

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

During the year under review, the Group sold the residential Apartment 206, located at Laguna Portomaso, Spinola.

12.2 Assets hypothecated as security

Land and buildings with a carrying amount of approximately € 2,250,000 have been pledged to secure borrowings of the Dizz Group of Companies Limited. The land and buildings have been hypothecated as security for bank overdraft.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

13 INVESTMENT IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Company €
<u>Cost</u>	
At 31 December 2022	49,999
	<hr/>
At 31 December 2021	49,999
	<hr/>

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

<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Registered office</u>	<u>Proportion of ownership interest and voting power held</u>	
			2022	2021
D Shopping Malls Finance PLC	Finance	Dizz Buildings Carob Street St. Venera Malta	99.99%	99.99%

14 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	€		€	
Amounts falling due within one year:				
Trade receivables	111,137	31,237	121,307	33,855
Other receivables	2,079,770	190,170	2,110,368	73,472
Prepayments	12,230	19,288	12,225	19,288
Amounts due from related companies (note)	2,290,630	2,246,854	3,492,507	2,950,238
	<hr/>	<hr/>	<hr/>	<hr/>
	4,493,767	2,487,549	5,736,407	3,076,853
	<hr/>	<hr/>	<hr/>	<hr/>

Note:

The amounts due from related companies are unsecured, interest-free and repayable on demand. Amounts are net of expected credit losses as outlined in Note 3.11.3. Expected credit losses for the group amount to € 31,672.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

15 ISSUED CAPITAL

	Company	
	2022	2021
	€	€
<u>Authorised</u>		
1,400,000 ordinary shares of €1 each	1,400,000	1,400,000
	<hr/>	<hr/>
<u>Called-up, issued and fully paid</u>		
721,200 ordinary shares of €1 each	721,200	721,200
	<hr/>	<hr/>

16 RETAINED EARNINGS

Group	€
1 January 2022	986,892
Profit for the year attributable to owners	160,394
	<hr/>
At 31 December 2022	1,147,286
	<hr/>
 Company	
1 January 2022	945,863
Profit for the year	135,508
	<hr/>
At 31 December 2022	1,081,371
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

17 NON-CONTROLLING INTEREST

Group	€
1 January 2022	1
Profit for the year attributable to non-controlling interest	-
	<hr/>
At 31 December 2022	1
	<hr/>
Company	
1 January 2022	-
Loss for the year	-
	<hr/>
At 31 December 2022	-
	<hr/>

18 LEASE LIABILITY

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Amounts falling due within one year:				
Lease liability	760,642	1,097,042	760,642	1,097,042
	<hr/>	<hr/>	<hr/>	<hr/>
Amounts falling due after more than one year:				
Lease liability falling due between 2 and 5 years	720,448	2,416,426	720,449	2,416,426
Lease liability falling due after 5 years	10,975,030	9,830,813	10,975,029	9,830,813
	<hr/>	<hr/>	<hr/>	<hr/>
	11,695,478	12,247,239	11,695,478	12,247,239
	<hr/>	<hr/>	<hr/>	<hr/>
Total lease liability	12,456,120	13,344,281	12,456,120	13,344,281
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

19 BORROWINGS

	Note	Group		Company	
		2022 €	2021 €	2022 €	2021 €
Amounts falling due after five year:					
5.35% Bonds 2028	19.1	7,451,789	7,443,512	-	-
		<u>7,451,789</u>	<u>7,443,512</u>	<u>-</u>	<u>-</u>
Amounts falling due within one year:					
Bank balance overdrawn		1,824	9,144	390	-
		<u>1,824</u>	<u>9,144</u>	<u>390</u>	<u>-</u>
Total borrowings		<u>7,453,613</u>	<u>7,452,656</u>	<u>390</u>	<u>-</u>

19.1 Summary of borrowing arrangements

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

As set out in the Company Admission Document, the Issuer is to set up a sinking fund to be administered by the Board of Directors to cover 100% of the value of the issued bonds until redemption date. During FY2022, the Guarantor sold the Laguna property, whereby as described in section E1 "Use of Proceeds" of the Company Admission Document, €611k from the Bond were earmarked to acquire this apartment. Hence, the Board agreed to allocate €611k of the proceeds in FY2023 to meet the sinking fund requirements of FY2024 onwards as set out in the Company Admission Document. After year-end, these funds were used to purchase back and cancel € 624,900 worth of the Issuer's Bonds as permitted by the Issuer's Treasury Management Policy contained within the Company Admission Document.

20 LOAN PAYABLE

	Group		Company	
	2022 €	2021 €	2022 €	2021 €
Loan payable to subsidiary (note)	-	-	7,417,230	7,417,230
	<u>-</u>	<u>-</u>	<u>7,417,230</u>	<u>7,417,230</u>

Note –

The loan due to subsidiary carries an interest rate of 5.6%, is unsecured and is repayable according to a specified loan agreement. After year end the loan was reduced by € 624,900 which is the corresponding amount of bonds repurchased from the market from the funds allocated to the sinking fund following the sale of the Laguna property.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Amounts falling due within one year:				
Trade payables	1,197,095	1,108,193	1,220,933	1,085,220
Other payables	619,358	535,478	637,348	540,034
Accruals	219,647	321,232	140,139	241,367
Amounts due to related companies (note)	576,056	673,081	2,017,062	1,496,995
	<hr/>	<hr/>	<hr/>	<hr/>
	2,612,156	2,637,984	4,015,482	3,363,616
	<hr/>	<hr/>	<hr/>	<hr/>

Note:

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

22 FINANCIAL INSTRUMENTS**22.1 Categories of financial instruments**

	2022	2021
	€	€
<u>Financial assets</u>		
Receivables	2,190,907	221,407
Cash and cash equivalents	-	11,248
	<hr/>	<hr/>
	2,190,907	232,655
	<hr/>	<hr/>

22.2 Financial risk management objectives

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

22.3 Market risk**(i) Foreign exchange risk**

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

22 FINANCIAL INSTRUMENTS (continued)**22.3 Market risk (continued)**

(ii) Cash flow and fair value interest rate risk

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

22.4 Credit risk

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

	Group	
	2022	2021
	€	€
Trade and other receivables	2,190,907	221,407
Cash at bank and in hand	-	11,248
	<hr/>	<hr/>
	2,190,907	232,655
	<hr/>	<hr/>

With respect to amounts receivable arising from rental income, the Group assesses on an ongoing basis the credit quality of the third party tenants, taking into account financial position, past experience and other factors. The Group manages credit limits and exposures actively in a practical manner such that there are no material past due amounts receivable from third party tenants as at the reporting date. The Group has no significant concentration of credit risk arising from third parties. Amounts are net of expected credit losses as outlined in Note 3.11.3. Expected credit losses for the group amount to € 31,672.

22.5 Liquidity risk

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

22 FINANCIAL INSTRUMENTS (continued)**22.5 Liquidity risk (continued)**

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

	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2021						
Bank overdrawn	9,144	9,144	9,144	9,144	-	-
Trade and other payables	1,643,671	1,643,671	1,643,671	1,643,671	-	-
Bond	7,443,512	10,308,750	401,250	401,250	1,605,000	8,302,500
	<u>9,096,327</u>	<u>11,961,565</u>	<u>2,054,065</u>	<u>2,054,065</u>	<u>1,605,000</u>	<u>8,302,500</u>
At 31 December 2022						
Bank overdrawn	1,824	1,824	1,824	1,824	-	-
Trade and other payables	1,816,453	1,816,453	1,816,453	1,816,453	-	-
Bond	7,451,789	9,907,500	401,250	1,605,000	7,901,250	7,451,789
	<u>9,270,066</u>	<u>11,725,777</u>	<u>2,219,527</u>	<u>3,423,277</u>	<u>7,901,250</u>	<u>7,451,789</u>

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

	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2021						
Trade and other payables	1,625,254	1,625,254	1,625,254	-	-	-
At 31 December 2022						
Bank overdrawn	390	390	390	-	-	-
Trade and other payables	1,858,281	1,858,281	1,858,281	-	-	-
	<u>1,858,671</u>	<u>1,858,671</u>	<u>1,858,671</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

23 RELATED PARTY TRANSACTIONS

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

23.1 Compensation of key management personnel

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

	Group	
	2022	2021
	€	€
Directors' remuneration	2,000	3,000
	<hr/>	<hr/>

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

	Group	
	2022	2021
	€	€
Amounts due to related companies	(576,056)	(673,081)
Amounts due from related companies	2,290,630	2,246,854
	<hr/>	<hr/>

	Company	
	2022	2021
	€	€
Amounts due from related companies	3,492,507	2,950,238
Amounts due to related companies	(2,017,062)	(1,496,995)
Loan payable to subsidiary	7,417,230	(7,417,230)
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

23 RELATED PARTY TRANSACTIONS (continued)**23.3 Transactions in the Statement of Profit and Loss**

	Group	
	2022	2021
	€	€
<u>Income</u>		
Key money	-	350,000
	<hr/>	<hr/>
	Company	
	2022	2021
	€	€
<u>Income</u>		
Rent receivable	1,229,834	991,508
Service charge	218,791	170,720
Key money	-	350,000
	<hr/>	<hr/>
<u>Expenses</u>		
Management fees	60,000	60,000
Bond interest	411,626	415,365
	<hr/>	<hr/>

24 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Amounts falling due within one year:				
Cash at bank and in hand	-	11,248	-	11,248
Bank balance overdrawn	(1,824)	(9,144)	(390)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,824)	2,104	(390)	11,248
	<hr/>	<hr/>	<hr/>	<hr/>

Note –

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