



FINANCE P.L.C

C 71189

Approval of Guarantor Results and Financial Statements

Date of Announcement

29 April 2024

The following is a company announcement issued by Dizz Finance p.l.c. (C 71189), hereinafter the "Company", pursuant to the Capital Market Rules issued by the Malta Financial Services Authority:

QUOTE

The Board of Directors of the Guarantor approved the Annual Report and Financial Statements for the financial year ended 31 December 2023 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.

UNQUOTE

Mr. Kenneth Abela

Company Secretary

DZF90

DIZZ GROUP OF COMPANIES LIMITED
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
For the year ended 31 December 2023

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Holding Company Information

Directors :	Ms Diane Izzo Mr Karl Izzo
Secretary :	Ms Diane Izzo
Company number :	C 64435
Registered office :	Dizz Buildings Triq il-Harruba Santa Venera Malta
Auditors :	KSi Malta The Core Valley Road Msida MSD 9021 Malta (EU)
Banker :	Bank of Valletta P.L.C. 58, Zachary Street Valletta VLT 1130 Malta

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

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Report of the Directors

For the year ended 31 December 2023

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2023.

Principal Activity

Dizz Group of Companies Limited (the 'Company') together with its subsidiaries (the 'Group') is involved in the sale of fashion-related items and food and beverages and operates the following key brands Elisabetta Franchi, Liu Jo, Boggi, Guess, Paul & Shark, Harmont & Blaine, Terranova, Calliope, KIKO, Nespresso, Caffè Pascucci, Salad Box and TheCorner.com. The Group is also involved in acquiring and/or leasing property and sub-leasing such property to companies within the Group or to third parties.

The Group includes three subsidiaries, Dizz Finance PLC, D Shopping Malls Finance PLC and D Foods Finance PLC, whose primary objective is to raise finance for the different pillars of the Group. Dizz Finance P.L.C. issued €8,000,000 5% Unsecured Bonds on 28 September 2016, repayable at par on 7 October 2026; D Shopping Malls Finance PLC issued €7,500,000 5.35% Unsecured Bonds on 1 October 2018 on Prospects MTF, repayable at par on 28 October 2028 and D Foods Finance PLC issued a €10,000,000 Convertible Notes Programme on 21 July 2020 on IFSM of which €3,000,000 has been subscribed to by an institutional investor.

Review of Business

Total revenue for the year under review increased to €21.8 million from €20.65 million last year. Furthermore, its gross profit margin increased from 45% in 2022 to 48% in 2023. The Group experienced a decrease in its administrative expenses, part of which was attributable to the termination of certain inefficient operations from within the Group. The increase in turnover and operating margins, coupled with the reduction in overheads led the Group to generate an EBITDA of €5.7 million in 2023 (2022: €4.6 million), representing an EBITDA margin of 26% (2022: 22%).

Following the impact of depreciation, amortisation, finance cost and taxation, during the year under review, the Group registered a loss after tax of €0.7 million (2022 : €1.8 million), the Directors will continue monitoring the performance of the Group. The Directors are giving due consideration to the uncertainties and mitigating factors that have been taken across the board in order to ensure the going concern of the Company and the Group. The Group is also reviewing on an ongoing basis the right-sizing of its operating base, to ensure that it will generate a sustainable level of operations. During the year, the Group also continued with the development of The Hub, and towards the end of 2023, the Group signed an agreement for the rental of part of this development, which tenancy will initiate in mid-2024.

Principal Risks and Uncertainties

Dizz Group of Companies Limited being a holding company, is dependent on the business prospects of its subsidiaries, and consequently, the operating results of the subsidiaries have a direct effect on the Group's financial position and performance.

The food and beverage industry as well as the retail industry are marked by strong and increasing competition and many of the Group's current and potential competitors may have longer operating histories, bigger name recognition, larger customer bases and greater financial and other resources than the companies within the Group. Thus, the principle risks faced by the Group are loss of market share as a result of other participants entering the market, obsolescence of inventories and negative developments in the economic environment.

Report of the Directors (continued)

For the year ended 31 December 2023

Principal Risks and Uncertainties (continued)

Additionally, the Group is directly exposed to the risks associated with the local property market. The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, or the exercise by tenants of their contractual rights.

The Group will continue to monitor developments in sales, customer preferences and the market in general, introducing new product offerings with the aim of returning the Group to sustainable profitability.

Dividends and Reserves

The Directors do not recommend the payment of a dividend.

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 28.4 and 28.5 of the financial statements.

Events Subsequent to the Statement of Financial Position Date

The directors assessed subsequent events from 1 January 2024 through 29 April 2024, the date these financial statements were approved. Through such assessment, the directors have determined that no events subsequent to balance sheet date occurred.

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' beneficial interest in the shares of the Company at 31 December 2023 is equal to € 8,934,562 ordinary shares having a nominal value of €1 each held equally by Ms Diane Izzo and Mr Karl Izzo.

Statement of Directors' Responsibilities

The Companies Act (Cap. 386) requires the directors to prepare financial statements for each financial year which fairly presents the state of affairs of the Group and the holding company as at the end of the financial year and of the statement of comprehensive income of the Group and the holding 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 Group and the holding company will continue in business;

Report of the Directors (continued)

For the year ended 31 December 2023

Statement of Directors' Responsibilities (continued)

- select suitable accounting policies and apply them consistently from one accounting period to another;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period 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 Group and the holding company 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 Group and the holding company for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors, through oversight of management, are responsible to ensure that the Group and the holding 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.

The Directors confirm 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 as at 31 December 2023, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Group and the holding company face.

Going Concern Statement

After making enquiries and having taken into consideration the future plans of the Group and the holding company, the directors have reasonable expectation that the Group and the holding company have 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.

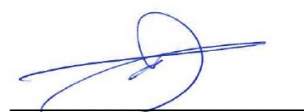
Auditors

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

29 April 2024

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report

To the shareholder of Dizz Group of Companies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dizz Group of Companies Limited (the Group), set out on pages 10 to 54, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Group financial statements and Parent Company financial statements present fairly, in all material respects of the Group and the Parent's Company's financial position as at 31 December 2023, and of the Group's and the Parent Company's financial performance and 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 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 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)**Key Audit Matters (continued)***Right-of-use assets under IFRS 16 – refer to Note 14 and 26*

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 € 24,622,382 which correspond to more than 36% 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.

Inventory – refer to note 18

The Group have recognised a total inventory of € 4,988,774 which is measured at the lower of cost and net realisable value. The latter is particularly challenging for management given that most of the inventory is related to fashion or seasonal demand. In turn, there might be elements of significant judgement to determine the net realisable value of an item. The value of the inventory has a direct impact on the results as reported in the profit and loss account, therefore this was considered a key audit matter.

Our audit procedures included:

1. Testing the design, implementation and operating effectiveness of the key controls management has established for inventory valuation.
2. Attending inventory counts.
3. Cross checking a sample of units from the stock lists against the stores/shelves and vice versa.
4. Checking for a sample of individual products that invoiced costs have been recorded correctly.
5. Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realisable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date.
6. Challenged the management with regard to the calculation methodology in relation to the sampled product.

We believe that the procedures undertaken in relation to the sampling method provide appropriate supporting information that renders a material misstatement unlikely in this regard.

Independent Auditors' Report (continued)**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 financial statements does not cover this information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Directors

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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.

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Report on Other Legal and Regulatory Requirements

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

Our Responsibilities

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

- The information given in the Report of the Directors is not consistent with the financial statements.
- Adequate accounting records have not been kept.
- The 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.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in my report.

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Independent Auditors' Report (continued)

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.

Appointment

We were first appointed as auditors of the Group during the first quarter of 2017 in order to audit the period ending 31 December 2016. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 8 years.



Bernard Charles Gauci (Partner) for and on behalf of

KSi Malta
Certified Public Accountants

Msida
Malta

29 April 2024

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Revenue	5	21,786,880	20,646,853	-	-
Cost of sales		(11,388,718)	(11,433,847)	-	-
Gross profit		10,398,162	9,213,006	-	-
Management fees & other income	6	2,794,001	4,028,482	-	-
Marketing expenses		(575,309)	(749,400)	-	-
Administration expenses		(6,911,972)	(7,883,918)	(34,984)	(31,439)
EBITDA		5,704,882	4,608,170	(34,984)	(31,439)
Amortisation of intangible assets	8	(60,800)	(71,550)	-	-
Amortisation of right of use asset	8	(2,255,088)	(2,088,382)	-	-
Depreciation of property, plant and equipment	8	(1,873,799)	(1,711,577)	-	-
Operating profit/(loss)		1,515,195	736,661	(34,984)	(31,439)
Gain on sale of investment property		273,621	1,119,974	-	-
Changes in fair value of property		(100,323)	(978,920)	-	-
Other gains		4,166	1,117	-	-
Finance costs	7	(2,521,107)	(2,417,635)	-	-
Loss before tax	8	(828,448)	(1,538,803)	(34,984)	(31,439)
Income tax	10	82,946	(298,153)	-	-
Loss for the year		(745,502)	(1,836,956)	(34,984)	(31,439)
Other Comprehensive Income, net of income tax					
Property revaluation		(173,472)	8,964,487	-	-
Deferred tax	10	-	(717,119)	-	-
Other Comprehensive Income for the year, net of income tax		(173,472)	8,247,368	-	-
Total Comprehensive (Expense)/Income for the year		(918,974)	6,410,412	(34,984)	(31,439)

Consolidated Statement of Comprehensive Income (continued)

For the year ended 31 December 2023

		Group		Company	
	Notes	2023 €	2022 €	2023 €	2022 €
Loss for the year attributable to:					
Owners of Company		(745,502)	(1,836,956)	(34,984)	(31,439)
		<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(expense) for the year attributable to:					
Owners of Company		(918,974)	6,410,412	(34,984)	(31,439)
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Loss per share	11	(0.08)	(0.21)	(0.004)	(0.004)
		<hr/>	<hr/>	<hr/>	<hr/>

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Assets					
Property, plant and equipment	12	29,520,421	28,683,270	-	-
Investment property	13	2,980,254	3,847,206	-	-
Right of use assets	14	24,622,382	26,325,743	-	-
Intangible assets	15	627,065	697,865	-	-
Investment in subsidiaries	16	-	-	7,129,455	7,129,455
Deferred tax asset	10	2,622,377	2,494,753	-	-
Other financial assets at amortised cost	17	46,081	49,961	-	-
Goodwill at amortised cost	16	7,080,100	7,080,100	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total non-current assets		67,498,680	69,178,898	7,129,455	7,129,455
		<hr/>	<hr/>	<hr/>	<hr/>
Inventories	18	4,988,774	3,938,677	-	-
Trade and other receivables	19	10,316,976	11,252,115	5,114,572	5,114,623
Cash and cash equivalents	20	564,215	269,451	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total current assets		15,869,965	15,460,243	5,114,572	5,114,623
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets		83,368,645	84,639,141	12,244,027	12,244,078
		<hr/>	<hr/>	<hr/>	<hr/>
Equity					
Issued capital	21	8,934,562	8,934,562	8,934,562	8,934,562
Other reserves	22	12,277,475	12,450,947	-	-
(Accumulated losses)/Retained earnings	23	(9,742,866)	(8,997,364)	1,530,498	1,565,482
Non-controlling interest	24	2	1	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		11,469,173	12,388,146	10,465,060	10,500,044
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Consolidated Statement of Financial Position (continued)

As at 31 December 2023

	Notes	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Liabilities					
Borrowings	25	19,129,157	20,238,128	-	-
Lease liabilities	26	21,551,059	23,200,510	-	-
Trade and other payables	27	8,214,946	9,372,742	-	-
Deferred tax liabilities	10	1,962,429	1,996,201	-	-
Total non-current liabilities		50,857,591	54,807,581	-	-
Borrowings	25	4,742,467	4,070,537	-	-
Lease liabilities	26	2,168,478	2,089,677	-	-
Trade and other payables	27	13,497,035	10,693,516	1,778,967	1,744,034
Current tax liabilities	10	633,901	589,684	-	-
Total current liabilities		21,041,881	17,443,414	1,778,967	1,744,034
Total liabilities		71,899,472	72,250,995	1,778,967	1,744,034
Total equity and liabilities		83,368,645	84,639,141	12,244,027	12,244,078

The consolidated financial statements set out on pages 10 to 54 were approved and authorised for issue by the Board 29 April 2024 and were signed on its behalf by:

Ms Diane Izzo
Director

Mr Karl Izzo
Director

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Group

	Issued capital	Accumulated losses	Properties revaluation reserve	Non- controlling interest	Total
	€	€	€	€	€
Balance at 1 January 2022	7,719,192	(7,160,408)	4,203,579	2	4,762,365
Issue of share capital	1,215,370	-	-	-	1,215,370
Movement in revaluation reserve net of tax	-	-	8,247,368	-	8,247,368
Movement in non- controlling interest	-	-	-	(1)	(1)
Loss for the year	-	(1,836,956)	-	-	(1,836,956)
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Balance at 31 December 2022	8,934,562	(8,997,364)	12,450,947	1	12,388,146
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2023	8,934,562	(8,997,364)	12,450,947	1	12,388,146
Movement in revaluation reserve net of tax	-	-	(173,472)	-	(173,472)
Movement in non- controlling interest	-	-	-	1	1
Loss for the year	-	(745,502)	-	-	(745,502)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2023	8,934,562	(9,742,866)	12,277,475	2	11,469,173
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Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2023

Company

	Issued capital €	Retained earnings €	Total €
Balance at 1 January 2022	7,719,192	1,596,921	9,316,113
Issue of share capital	1,215,370	-	1,215,370
Loss for the year	-	(31,439)	(31,439)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	8,934,562	1,565,482	10,500,044
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2023	8,934,562	1,565,482	10,500,044
Loss for the year	-	(34,984)	(34,984)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2023	8,934,562	1,530,498	10,465,060
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DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Note	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Cash flows from operating activities					
Loss before tax		(828,448)	(1,538,803)	(34,984)	(31,439)
Adjustments for:					
Finance cost		2,478,070	2,369,030	-	-
Disposal of fixed assets		(128,702)	(144,327)	-	-
Gain on disposal of investment property		(273,621)	(1,119,974)	-	-
Lease modifications		(191,048)	-	-	-
Expected credit losses		20,745	-	-	(1,544)
Gain on termination of lease		-	160,896	-	-
Loss on intangible assets		40,000	-	-	-
Revaluation on investment property		100,323	978,920	-	-
Depreciation of property, plant and equipment		1,873,799	1,711,577	-	-
Amortisation of intangible assets		60,800	71,550	-	-
Amortisation of right of use assets		2,255,088	2,088,382	-	-
Amortisation of bond issue costs		43,037	40,448	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Operating profit/(loss) before working capital changes:		5,450,043	4,617,699	(34,984)	(32,893)
Movement in trade and other receivables		3,235,984	(930,473)	-	(1,545)
Movement in inventories		(1,050,097)	313,812	-	-
Movement in trade and other payables		1,662,006	3,214,112	17,237	6,983
		<hr/>	<hr/>	<hr/>	<hr/>
Cash generated from/(used in) operations		9,297,936	7,215,150	(17,747)	(27,545)
Income tax paid		(49,450)	(127,006)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from/(used in) operating activities		9,248,486	7,088,144	(17,747)	(27,545)
		<hr/>	<hr/>	<hr/>	<hr/>

DIZZ GROUP OF COMPANIES LIMITED – CONSOLIDATED ACCOUNTS

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

	Note	Group		Company	
		2023 €	2022 €	2023 €	2022 €
Cash flows from investing activities					
Payments to acquire property, plant and equipment		(3,094,372)	(3,210,397)	-	-
Proceeds from disposal of investment property		1,060,000	2,737,000	-	-
Payments for investment property		(20,250)	(280,400)	-	-
Payments for intangible assets		(30,000)	(40,000)	-	-
Receipts from third party		3,880	18,733	-	-
Disposal of property, plant and equipment		338,652	278,000	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in investing activities		(1,742,090)	(497,064)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Cash flows from financing activities					
Interest on bank overdraft paid		(314,859)	(209,602)	-	-
Payments of bank loans		(334,455)	(447,541)	-	-
Advances to related parties		(4,993)	(992,512)	-	-
Advances to related companies		(2,317,160)	(1,597,402)	17,747	27,545
Payments of bond loans		(624,900)	-	-	-
Interest paid on bonds		(856,414)	(891,250)	-	-
Payment of finance leases		(3,238,127)	(2,857,285)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash (used in)/generated from financing activities		(7,690,908)	(6,995,592)	17,747	27,545
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in cash and cash equivalents		(184,512)	(404,512)	-	-
Cash and cash equivalents at beginning of year		(3,367,725)	(2,974,209)	-	-
Acquired by the group		-	10,996	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	20	(3,552,237)	(3,367,725)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1 REPORTING ENTITY AND OTHER INFORMATION

Dizz Group of Companies Limited (the Company) is a limited liability company incorporated in Malta. Its ultimate controlling parties are Ms Diane Izzo and Mr Karl Izzo. The registered office of the Company is disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiaries (the Group) are described in note 17.

These financial statements are presented in Euro, which is the Group's functional currency.

The following is a list of retail outlets that operate within the Group:

Brand	Subsidiary	Address
Liu - Jo	DK Fashion Co. Limited	Tigne Point Mall, Pjazza Tigne Sliema
Boggi	DK Fashion Co. Limited	DMall, Tigne Point, Sliema
TheCorner.com	DK Fashion Co. Limited	Triq Ross, St Julians
Terranova	Dizz Limited	Bay Street Complex, St George's Road St Julians
Terranova	Dizz Limited	Tigne Point Mall, Pjazza Tigne Sliema
Terranova	Dizz Limited	Dun Karm Street, Birkirkara ByPass, Iklin
Terranova	Dizz Limited	Centerparc, Triq it-Tigrija, Qormi
Terranova	Dizz Limited	Zabbar Road Fgura
Calliope	Dizz Limited	DMall, Tigne Point, Sliema
Calliope	Dizz Limited	Bay Street Complex, St George's Road St Julians
Calliope	Dizz Limited	Centerparc, Triq it-Tigrija, Qormi
Guess	DK G Limited	Tigne Point Mall, Pjazza Tigne Sliema
Guess	DK G Limited	Bay Street Complex, St George's Road St Julians
Guess	DK G Limited	Centerparc, Triq it-Tigrija, Qormi
Guess Kids	DK G Limited	Tigne Point Mall, Pjazza Tigne Sliema
Guess	DK G Limited	Republic Street, Valletta
Guess	DK G Limited	Mercury Towers Shopping District, Mercury House St Julians
Paul & Shark	DK V & Co Limited	DMall, Tigne Point, Sliema
Harmont & Blaine	DK V & Co Limited	Bay Street Complex, St George's Road St Julians
Harmont & Blaine	DK V & Co Limited	Tigne Point Mall, Pjazza Tigne Sliema

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

1 REPORTING ENTITY AND OTHER INFORMATION (continued)**The following is a list of retail outlets that operate within the Group (continued):**

Brand	Subsidiary	Address
Elisabetta Franchi	DK V & Co Limited	Bisazza Street, Sliema
D Outlet	Various	Triq il-Kappilan Mifsud, St Venera
KIKO	Dizz Franchises Limited	Merchants Street Valletta
KIKO	Dizz Franchises Limited	Triq Valletta, il Mosta, Pama Shopping Mall
KIKO	Dizz Franchises Limited	DMall, Tigne Point, Sliema
KIKO	Dizz Franchises Limited	Bay Street Complex, St George's Road St Julians
KIKO	Dizz Franchises Limited	Centerparc, Triq it-Tigrija, Qormi
KIKO	Dizz Franchises Limited	Mercury Towers Shopping District, Mercury House St Julians
Caffe' Pascucci	DK Pascucci Limited	Triq il-Gzira, Gzira
Caffe' Pascucci	DK Pascucci Limited	Triq il-Kappilan Mifsud, St Venera
Caffe' Pascucci	DK Pascucci Limited	Dragonara Road, Paceville, St Julians
Caffe' Pascucci	DK Pascucci Limited	Bay Street Complex, St George's Road St Julians
Caffe' Pascucci	DK Pascucci Limited	Centerparc, Triq it-Tigrija, Qormi
Caffe' Pascucci	DK Pascucci Limited	DMall, Tigne Point, Sliema
Caffe' Pascucci	DK Pascucci Limited	Mercury Towers Shopping District, Mercury House St Julians
Salad Box	DK Pascucci Limited	DMall, Tigne Point, Sliema
Nespresso	DCaffe Limited	Triq Valletta, il Mosta, Pama Shopping Mall
Nespresso	DCaffe Limited	Triq l-Imdina, Mriehel
Nespresso	DCaffe Limited	Centerparc, Triq it-Tigrija, Qormi
Nespresso	DCaffe Limited	DMall, Tigne Point, Sliema
Nespresso	DCaffe Limited	Duke's Shopping Complex, Victoria, Gozo
In 2024, the Group opened the following retail outlets:		
Caffe' Pascucci	DK Pascucci Limited	Shoreline Complex, Triq Santu Rokku, Kalkara
Nespresso	DCaffe Limited	Shoreline Complex, Triq Santu Rokku, Kalkara
Guess	DK G Limited	Shoreline Complex, Triq Santu Rokku, Kalkara
KIKO	Dizz Franchises Limited	Shoreline Complex, Triq Santu Rokku, Kalkara
Terranova	Dizz Limited	Shoreline Complex, Triq Santu Rokku, Kalkara
Caliope	Dizz Limited	Shoreline Complex, Triq Santu Rokku, Kalkara

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

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

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

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>	Amendment regarding the disclosure of accounting policies	1 January 2023
<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
	Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	1 January 2023

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's 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 7 Financial Instruments: Disclosures</i>	Amendments regarding supplier finance arrangements	1 January 2024
<i>IFRS 16 Leases</i>	Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
<i>IFRS S1 General requirements for Disclosure of Sustainability-related Financial Information</i>	Original issue	1 January 2024
<i>IFRS S2 Climate-related Disclosures</i>	Original issue	1 January 2024
<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
	Amendments regarding the classification of debt with covenants	1 January 2024
<i>IAS 7 Statement of Cash Flows</i>	Amendments regarding supplier finance arrangements	1 January 2024

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL 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 Group's consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties. Monetary amounts are expressed in Euro and are rounded to the nearest thousand, except for earnings per share.

3.1.1 GOING CONCERN

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

3.2 BASIS OF CONSOLIDATION

The Group's consolidated financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2023. All subsidiaries have a reporting date of 31 December.

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

3.3 GOODWILL

Goodwill represents the future economic benefits arising from business acquisition that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

3.4 OTHER INTANGIBLE ASSETS

3.4.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.5 PROPERTY, PLANT AND EQUIPMENT

3.5.1 Land

Land owned is stated at revalued amounts. Revalued amounts are fair values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value (see Note 12). Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.5 PROPERTY, PLANT AND EQUIPMENT (continued)

3.5.1 Land (continued)

To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As land does not have a finite useful life, related carrying amounts are not depreciated.

3.5.2 Buildings and other equipment

Buildings and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings other equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, and other equipment. The following useful lives are applied:

	%
Improvements to premises	1-10
Air-conditioning	17
Furniture and fixtures	10
Motor vehicles	20
Office equipment	25
Computer hardware and software	25
Electrical plumbing	7

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss either within other income or other expenses.

3.6 LEASES

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 LEASES (continued)

3.6.1 The Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises right of use assets and a lease liability at the lease commencement date. The right of use assets are initially measured at cost, which comprises the initial amount on the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, remove or restore the underlying assets or the site on which it is located, less any lease incentives received.

The right of use assets are subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying assets to the Group by the end of the lease term or the cost of the right of use assets reflects that the Group will exercise a purchase option. In that case the right of use assets will be depreciated over the useful life of the underlying assets, which is determined on the same basis as those of property and equipment. In addition, the right of use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. These are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payment, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate. If there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.6 LEASES (continued)

3.6.1 The Group as a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use assets, or is recorded in consolidated statement of comprehensive income if the carrying amount of the right of use assets has been reduced to zero.

The Group presents right of use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6.2 The Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use assets arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease terms as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered during current reporting period that resulted in a finance lease classification.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.7 IMPAIRMENT TESTING OF GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill and intangible asset that has an indefinite useful life or is not yet available for use has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures is directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.8 INVESTMENT PROPERTY

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

Investment properties are revalued every three years with resulting gains and losses recognised in profit or loss. These are included in the consolidated statement of financial position at their fair values. See Note 13.

3.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position 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 consolidated statement of comprehensive income) 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 the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 FINANCIAL ASSETS

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

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.

Classification of financial assets

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

- the financial assets are 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 assets 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 assets are 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 assets 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 the consolidated statement of comprehensive income (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.

Write off policy

The Group writes off a financial asset when there is information indicating that the trade receivable is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the trade receivable 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 the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.10 FINANCIAL ASSETS (continued)

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 trade receivables, 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.

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 the consolidated statement of comprehensive income. 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 the consolidated statement of comprehensive income. 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 the consolidated statement of comprehensive income, but is transferred to retained earnings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the consolidated statement of comprehensive income, 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.

Subsequent measurement

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

Financial liabilities at fair value through the consolidated statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the consolidated statement of comprehensive income.

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 consolidated statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through the consolidated statement of comprehensive income 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 the consolidated statement of comprehensive income.

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 the consolidated statement of comprehensive income 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 consolidated statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 25.

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.

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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.11 FINANCIAL LIABILITIES (continued)

Derecognition (continued)

The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

3.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any directly attributable selling expenses.

3.13 INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (eg as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries (only to the extent that the group control the timing of the reversal of the taxable temporary difference and that reversal is not likely to occur in the foreseeable future). The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

3.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

3.15 SHARE CAPITAL

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

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.16 OTHER COMPONENTS OF EQUITY

Other components of equity include the following:

- revaluation reserve – comprises gains and losses from the revaluation of land (see Note 3.5.1).

Accumulated losses includes all current and prior period accumulated losses.

Dividends distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.17 REVENUE RECOGNITION

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

3.17.1 Sale of fashion wear, related items and accessories

Revenue is measured at the fair value of the consideration received. The group operates a chain of retail stores selling fashion wear, related items and accessories. Revenue from the sale of goods is recognised when a group entity sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases the fashion wear, related items and accessories and takes delivery in store.

3.17.2 Operation of Cafeterias

Revenue is measured at the fair value of the consideration received. Revenue from sale of food and beverages is recognised at the point of sale in the various coffee shops of the Group at a point in time.

3.17.3 Dividends and interest income

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

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

3.17.4 Rental Income

Rental income from investment property is recognised in consolidated statement of comprehensive income on a straight-line basis over the term of the lease on the annual income received.

3.18 FOREIGN CURRENCY AMOUNTS

In preparing the consolidated 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (continued)

3.18 FOREIGN CURRENCY AMOUNTS (continued)

Exchange differences are recognised in consolidated statement of comprehensive income in the period in which they arise.

3.19 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs (see Note 7).

4 SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

4.1 Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

4.2 Fair value measurement

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 12).

4.3 Leases – determination of the appropriate discount rate to measure lease liabilities

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

The Group consults with its main bankers to determine what interest rate they would expect to charge the Group to borrow money to purchase a similar asset to that which is being leased. These rates are, where necessary, then adjusted to reflect the credit worthiness of the entity entering into the lease and the specific condition of the underlying leased asset. The estimated incremental borrowing rate is higher than the parent company for leases entered into by its subsidiary undertakings.

4.4 Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

5 REVENUE

The Group derives its revenue as disclosed in note 3.4 and as per below:

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Sale of fashion-related items	17,429,614	15,776,244	-	-
Sale of food and beverages	4,357,266	4,870,609	-	-
	<u>21,786,880</u>	<u>20,646,853</u>	<u>-</u>	<u>-</u>

6 MANAGEMENT FEES & OTHER INCOME

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Rental income	749,341	761,408	-	-
Bond interest	2,765	7,119	-	-
Service charges	91,899	58,063	-	-
Marketing contribution	303,447	303,501	-	-
Management fees to companies outside the group	480,000	505,155	-	-
Recharges of expenses	510,000	882,066	-	-
Key money	250,552	-	-	-
Utilities recharges	44,416	23,230	-	-
Vat interest	-	88,637	-	-
Gain on buyback of bonds	30,269	-	-	-
Vouchers	-	425,197	-	-
Insurance claim	9,666	-	-	-
Wage supplement	-	74,535	-	-
Lease modification	191,047	636,359	-	-
Creditors' write off	-	136,641	-	-
Other income (note)	130,599	130,571	-	-
	<u>2,794,001</u>	<u>4,028,482</u>	<u>-</u>	<u>-</u>

Note:

Other income includes Commissions received from tobacco machines (€3,314), MTA Catering Event (€30,436), Beverage container refund scheme (€4,004), income received from MTA (€9,407).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

7 FINANCE COSTS

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Bank interest	314,859	209,602	-	-
Interest on bonds	856,414	867,479	-	-
Interest expense on finance lease	1,306,797	1,291,949	-	-
Amortisation of bond issue costs	43,037	40,448	-	-
Hire purchase interest	-	8,157	-	-
	<u>2,521,107</u>	<u>2,417,635</u>	<u>-</u>	<u>-</u>

8 LOSS BEFORE TAX

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Loss before tax is stated after charging:				
Auditors' remuneration	83,149	82,578	1,685	1,620
Directors' remuneration	305,691	133,490	-	-
Staff costs (note 9)	3,336,928	4,008,231	-	-
Depreciation of property, plant and equipment	1,873,799	1,711,577	-	-
Amortisation of right of use asset	2,255,088	2,088,382	-	-
Amortisation of intangible assets	60,800	71,550	-	-
	<u>3,336,928</u>	<u>4,008,231</u>	<u>-</u>	<u>-</u>

9 STAFF COSTS

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Wages and salaries	3,111,003	3,813,987	-	-
Social security costs	225,925	194,244	-	-
	<u>3,336,928</u>	<u>4,008,231</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

9 STAFF COSTS (continued)

The average number of employees employed by the Group were as follows:

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Administration	25	25	-	-
Operational	174	209	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	199	234	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

10 INCOME TAX

10.1 Income tax recognised in the consolidated statement of comprehensive income

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Current tax:				
In respect of current year	78,450	129,710	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax:				
In respect of current year	(127,624)	(8,357)	-	-
In respect of current year- investment property	(33,772)	176,800	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(161,396)	168,443	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total income tax recognised in the current year	(82,946)	298,153	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

10 INCOME TAX (continued)

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

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Loss before tax	(828,448)	(1,538,803)	(34,984)	(31,439)
Theoretical tax at 35%	(289,957)	(538,581)	(12,244)	(11,004)
Effect of expenses that are not deductible in determining taxable profit	245,047	884,886	-	-
Effect of income that is exempt from taxation	(14,366)	(17,069)	-	-
Effect of income with different tax of rate	(58,783)	(373,705)	-	-
Revaluation gain on investment property	35,113	342,622	-	-
Other movements	-	-	12,244	11,004
	(82,946)	298,153	-	-

10.2 Deferred tax recognised in other comprehensive income

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Deferred tax:				
Property revaluations	-	(717,119)	-	-

10.3 Current tax liabilities

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Income tax payable	633,901	589,684	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

10 INCOME TAX (continued)**10.4 Deferred tax balances**

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Deferred tax asset	2,622,377	2,494,753	-	-
Deferred tax liabilities	(1,962,429)	(1,996,201)	-	-
	<u>659,948</u>	<u>498,552</u>	<u>-</u>	<u>-</u>

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

	Opening balance €	Recognised in comprehensive income €	Recognised in other comprehensive income €	Other €	Closing balance €
<u>2023</u>					
Property, plant and equipment	(1,424,486)	(25,333)	-	-	(1,449,819)
Investment property	(308,553)	59,105	-	-	(249,448)
	<u>(1,733,039)</u>	<u>33,772</u>	<u>-</u>	<u>-</u>	<u>(1,699,267)</u>
Tax losses	1,280,326	(196,230)	-	-	1,084,096
Others	951,265	323,854	-	-	1,275,119
	<u>2,231,591</u>	<u>127,624</u>	<u>-</u>	<u>-</u>	<u>2,359,215</u>
	<u>498,552</u>	<u>161,396</u>	<u>-</u>	<u>-</u>	<u>659,948</u>
<u>2022</u>					
Property, plant and equipment	(414,829)	(292,538)	(717,119)	-	(1,424,486)
Investment property	(424,291)	115,738	-	-	(308,553)
	<u>(839,120)</u>	<u>(176,800)</u>	<u>(717,119)</u>	<u>-</u>	<u>(1,733,039)</u>
Tax losses	1,163,523	8,357	-	108,446	1,280,326
Others	951,265	-	-	-	951,265
	<u>2,114,788</u>	<u>8,357</u>	<u>-</u>	<u>108,446</u>	<u>2,231,591</u>
	<u>1,275,668</u>	<u>(168,443)</u>	<u>(717,119)</u>	<u>108,446</u>	<u>498,552</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

11 LOSS PER SHARE

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Loss for the year	(745,502)	(1,836,956)	(34,984)	(31,439)
Weighted number of ordinary shares	8,934,562	8,934,562	8,934,562	8,934,562
	<hr/>	<hr/>	<hr/>	<hr/>
Loss per share	(0.08)	(0.21)	(0.004)	(0.004)
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

12 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Land and buildings €	Improvements to premises €	Air- conditioning €	Furniture & fittings €	Motor vehicles €	Office equipment €	Computer hardware and software €	Electrical plumbing €	Total €
<u>Cost/Revalued amount</u>									
At 1 January 2022	8,341,032	4,503,367	602,140	10,527,765	643,845	402,634	664,795	694,643	26,380,221
Acquired by group	-	-	18,587	604,976	17,550	-	-	-	641,113
Additions	906,677	150,125	14,122	2,093,187	-	24,050	33,721	12,286	3,234,168
Disposal	-	(30,363)	(11,120)	(69,549)	-	(96,220)	(12,664)	-	(219,916)
Revaluation	8,963,987	-	-	-	-	-	-	-	8,963,987
At 31 December 2022	18,211,696	4,623,129	623,729	13,156,379	661,395	330,464	685,852	706,929	38,999,573
At 1 January 2023	18,211,696	4,623,129	623,729	13,156,379	661,395	330,464	685,852	706,929	38,999,573
Additions	551,907	24,892	64,223	2,269,445	-	48,770	83,021	52,114	3,094,372
Disposal	(81,528)	(66,349)	-	(72,303)	-	-	-	-	(220,180)
Revaluation	(173,472)	-	-	-	-	-	-	-	(173,472)
At 31 December 2023	18,508,603	4,581,672	687,952	15,353,521	661,395	379,234	768,873	759,043	41,700,293
<u>Depreciation</u>									
At 1 January 2022	-	681,803	368,777	6,134,897	475,122	146,347	563,835	201,319	8,572,100
Acquired by the group	-	-	3,098	107,047	7,020	-	-	-	117,165
Charge for the year	-	292,222	80,458	1,130,317	71,347	36,545	55,328	45,360	1,711,577
Release on disposal	-	(28,660)	(4,824)	(6,003)	-	(33,402)	(11,650)	-	(84,539)
At 31 December 2022	-	945,365	447,509	7,366,258	553,489	149,490	607,513	246,679	10,316,303
At 1 January 2023	-	945,365	447,509	7,366,258	553,489	149,490	607,513	246,679	10,316,303
Charge for the year	-	244,146	89,367	1,317,930	52,383	48,622	72,349	49,002	1,873,799
Release on disposal	-	-	-	(10,230)	-	-	-	-	(10,230)
At 31 December 2023	-	1,189,511	536,876	8,673,958	605,872	198,112	679,862	295,681	12,179,872
<u>Carrying amounts</u>									
At 31 December 2023	18,508,603	3,392,161	151,076	6,679,563	55,523	181,122	89,011	463,362	29,520,421
At 31 December 2022	18,211,696	3,677,764	176,220	5,790,121	107,906	180,974	78,339	460,250	28,683,270

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

12 PROPERTY, PLANT AND EQUIPMENT (continued)**12.1 Valuation techniques used to determine level 2 fair values**

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 €18,508,603.

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.

Group	Fair value €
<u>2023</u>	
<u>Shop:</u> Kappillan Mifsud Street – St. Venera	650,000
<u>Office:</u> Carob Street – St. Venera	275,000
<u>Land:</u> The Hub-Land – Mriehel	16,693,603
<u>Cafeteria:</u> Gzira	890,000
	<hr/>
	18,508,603
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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

12 PROPERTY, PLANT AND EQUIPMENT (continued)

12.1 Valuation techniques used to determine level 2 fair values (continued)

Group	Fair value €
<u>2022</u>	
<u>Store:</u> Carob Street – St. Venera	255,000
<u>Shop:</u> Kappillan Mifsud Street – St. Venera	650,000
<u>Office:</u> Carob Street – St. Venera	275,000
<u>Land:</u> The Hub-Land – Mriehel	16,141,696
<u>Cafeteria:</u> Gzira	890,000
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	18,211,696
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12.2 Assets pledged as security

Land and buildings with a carrying amount of approximately €7,425,000 have been hypothecated to secure borrowings of the Group. The land and buildings have been hypothecated as security for bank overdraft. The Group is not allowed to hypothecate these assets as security for other borrowings or to sell any of them to other entities.

13 INVESTMENT PROPERTY

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Balance at beginning of year	3,847,206	6,162,252	-	-
Additions	20,250	280,400	-	-
Movement in fair value	(100,323)	(978,420)	-	-
Disposal of property	(786,879)	(1,617,026)	-	-
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Balance at end of year	2,980,254	3,847,206	-	-
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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

13 INVESTMENT PROPERTY (continued)**13.1 Valuation techniques used to determine level 2 fair values**

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 €2,980,254.

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.

Group	Fair value €
<u>2023</u>	
<u>Residential units situated at:</u>	
Apartment 2, Church Street – St Julians	450,000
Apartment Savoy Gardens – Gzira	260,000
Apartment 13, Waterside Apartments, Ix-Xatt ta' Qui Si Sana – Sliema	1,323,930
Apartment 6, Byron Court, Ix-Xatt ta' Qui Si Sana – Sliema	946,320
	<hr/>
	2,980,254
	<hr/>
<u>2022</u>	
<u>Residential units situated at:</u>	
Apartment 2, Church Street – St Julians	450,000
Apartment Savoy Gardens – Gzira	260,000
Apartment 13, Waterside Apartments, Ix-Xatt ta' Qui Si Sana – Sliema	1,303,680
Apartment 6, Byron Court, Ix-Xatt ta' Qui Si Sana – Sliema	946,320
Aquarius Maisonette & Garage – Swieqi	375,000
Apartment Compass Rose	231,302
Apartment 3, Platinum Mansions, Triq Nazju Ellul – Msida	280,904
	<hr/>
	3,847,206
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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

14 RIGHT OF USE ASSETS

Group	Property	Motor Vehicle	Total
	€	€	€
<u>Cost</u>			
At 1 January 2023	33,124,482	153,000	33,277,482
Additions	3,182,596	-	3,182,596
Lease modifications	(3,829,686)	-	(3,829,686)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	32,477,392	153,000	32,630,392
	<hr/>	<hr/>	<hr/>
<u>Amortisation</u>			
At 1 January 2023	6,904,299	47,440	6,951,739
Charge for the year	2,224,488	30,600	2,255,088
Lease modifications	(1,198,817)	-	(1,198,817)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	7,929,970	78,040	8,008,010
	<hr/>	<hr/>	<hr/>
<u>Carrying amounts</u>			
At 31 December 2023	24,547,422	74,960	24,622,382
	<hr/>	<hr/>	<hr/>
At 31 December 2022	26,220,183	105,560	26,325,743
	<hr/>	<hr/>	<hr/>

14.1 Amounts recognised in consolidated statement of comprehensive income

Group	2023
	€
Amortisation expense on right of use assets	2,255,088
Interest expense on finance lease	1,306,797
Expense relating to leases of low value assets	806,516
	<hr/>
Group	2022
	€
Amortisation expense on right of use assets	2,088,382
Interest expense on finance lease	1,291,949
Expense relating to leases of low value assets	878,362
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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

15 INTANGIBLE ASSETS

	Group €
<u>Cost</u>	
At 1 January 2022	1,580,922
Additions	40,000
	<hr/>
At 31 December 2022	1,620,922
	<hr/>
At 1 January 2023	1,620,922
Additions	30,000
Disposal	(40,000)
	<hr/>
At 31 December 2023	1,610,922
	<hr/>
<u>Amortisation</u>	
At 1 January 2022	851,507
Charge for the year	71,550
	<hr/>
At 31 December 2022	923,057
	<hr/>
At 1 January 2023	923,057
Charge for the year	60,800
	<hr/>
At 31 December 2023	983,857
	<hr/>
<u>Carrying amount</u>	
At 31 December 2023	627,065
	<hr/>
At 31 December 2022	697,865
	<hr/>

Note:

The intangible asset arises from the acquisition of rights over leased outlets when entering into a new lease agreement. Amortisation of intangible assets vary between 5 to 20 years.

16 INVESTMENT IN SUBSIDIARIES

The investment in group undertakings is as follows:

	Company €
<u>Cost</u>	
At 1 January 2022	5,914,085
Additions	1,215,370
	<hr/>
At 31 December 2022	7,129,455
	<hr/>
At 1 January 2023	7,129,455
Additions	-
	<hr/>
At 31 December 2023	7,129,455
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

16 INVESTMENT IN SUBSIDIARIES (continued)

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

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2023	2022
Dizz Finance P.L.C.	Property/Finance	Dizz Buildings Carob Street St. Venera	100%	100%
D Foods Finance P.L.C.	Property/Finance	Dizz Buildings Carob Street St. Venera	100%	100%
Dizz Manufacturing Limited	Production of fashion-related items	Dizz Buildings Carob Street St. Venera	100%	100%
DK G Limited	Retail	Dizz Buildings Carob Street St. Venera	100%	100%
D Shopping Malls Limited	Property/Finance	Dizz Buildings Carob Street St. Venera	100%	100%
Dizz Retail Limited	Make up store	Dizz Buildings Carob Street St. Venera	100%	100%

D Foods Finance PLC Limited has other subsidiaries as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2023	2022
DK Pascucci Limited	Sale of food and beverages	Dizz Buildings Carob Street St. Venera	100%	100%
D Kitchen Lab Limited	Sale of food and beverages	Dizz Buildings Carob Street St. Venera	100%	100%
D Caffè Limited	Sale of ancillary coffee products	Dizz Buildings Carob Street St. Venera	100%	100%
D Foods House Limited	Sale of food and beverages	Dizz Buildings Carob Street St. Venera	-	100%

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

16 INVESTMENT IN SUBSIDIARIES (continued)

D Shopping Malls Limited has another subsidiary as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2023	2022
D Shopping Malls Finance P.L.C.	Finance	Dizz Buildings Carob Street St. Venera	100%	100%

Dizz Retail Limited has other subsidiaries as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting power held	
			2023	2022
DK Fashion Limited	Retail	Dizz Buildings Carob Street St. Venera	100%	100%
DKV & Co Limited	Retail	Dizz Buildings Carob Street St. Venera	100%	100%
Dizz Limited	Retail	Dizz Buildings Carob Street St. Venera	100%	100%
Dizz Franchises Limited	Retail	Dizz Buildings Carob Street St. Venera	100%	100%

16.1 Goodwill on investment in subsidiaries

	Group €
<u>Cost</u>	
At 1 January 2022	4,425,592
Additions	2,654,508
	<hr/>
At 31 December 2022	7,080,100
	<hr/>
At 1 January 2023	7,080,100
Additions	-
	<hr/>
At 31 December 2023	7,080,100
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

17 OTHER FINANCIAL ASSETS AT AMORTISED COST

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Loans and receivables				
Loan to third party (note)	46,081	49,961	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Note:

The amounts due from third party represent dues from Dal Café Limited. The amount is unsecured, bear interest at 6% per annum and repayable in monthly instalments as per agreement made between the parties concerned.

18 INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Goods held for resale	4,988,774	3,938,677	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The inventories as at 31 December 2023 stated above do not include goods held on consignment by the Group.

19 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
<u>Amounts falling due within one year:</u>				
Trade receivables	415,037	1,008,581	-	-
Other receivables (note b)	581,578	599,824	-	-
Advance payments	1,110,051	1,581,984		
Amounts due from related companies (note a)	6,428,761	4,112,173	5,114,572	5,114,623
Amounts due from third parties	85,000	2,117,735		
Amounts due from related parties (note a)	638,016	656,726	-	-
Prepayments and deferred costs	1,058,533	1,175,092	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,316,976	11,252,115	5,114,572	5,114,623
	<hr/>	<hr/>	<hr/>	<hr/>

Note:

- a) Amounts due from related companies include amounts from related companies whose ultimate beneficial owners are the same persons of the Group. Amounts due from related parties are unsecured, interest free and repayable on demand. Amounts are net of expected credit losses as outlined in Note 3.16. Expected credit losses for the group amount to € 48,355 (2022: € 36,114).
- b) These amounts generally arise from transactions outside the usual operating activities of the Group. They mainly consist of guarantees given to suppliers (€522,021), dizz vouchers not yet redeemed (€12,510) and other receivables (€47,047).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Cash in bank	564,215	269,451	-	-
Bank overdrafts (note 25)	(4,116,452)	(3,637,176)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,552,237)	(3,367,725)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

21 ISSUED CAPITAL

	Company	
	2023 €	2022 €
<u>Authorised</u> 10,000,000 ordinary shares of €1 each	10,000,000	10,000,000
<u>Called-up, issued and fully paid</u> 8,934,562 ordinary shares of €1 each	8,934,562	8,934,562
	<hr/>	<hr/>

22 OTHER RESERVES

Group	€
<u>Properties Revaluations Reserve</u>	
At 31 December 2022	12,450,947
Movement in revaluation reserve net of tax	(173,472)
	<hr/>
At 31 December 2023	12,227,475
	<hr/>

Note:

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

23 (ACCUMULATED LOSSES)/RETAINED EARNINGS

Group

	€
At 1 January 2022	(7,160,408)
Loss for the year attributable to owners	(1,836,956)
	<hr/>
At 31 December 2022	(8,997,364)
	<hr/>
At 1 January 2023	(8,997,364)
Loss for the year attributable to owners	(745,502)
	<hr/>
At 31 December 2023	(9,742,866)
	<hr/>

Company

At 1 January 2022	1,596,921
Loss for the year	(31,439)
	<hr/>
At 31 December 2022	1,565,482
	<hr/>
At 1 January 2023	1,565,482
Loss for the year	(34,984)
	<hr/>
At 31 December 2023	1,530,498
	<hr/>

24 NON-CONTROLLING INTEREST

	€
At 1 January 2022	2
For the year	(1)
	<hr/>
At 31 December 2022	1
	<hr/>
At 1 January 2023	1
For the year	1
	<hr/>
At 31 December 2023	2
	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

25 BORROWINGS

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
<u>Amounts falling due after one year:</u>				
5% Bonds 2026 (iii)	7,941,157	7,912,836	-	-
5.35% Bonds 2028 (iv)	6,835,166	7,451,789	-	-
3% Bonds notes 2030 (v)	2,961,359	2,954,919	-	-
Bank loans (ii)	1,391,475	1,918,584	-	-
	19,129,157	20,238,128	-	-
<u>Amounts falling due within one year:</u>				
Bank overdraft (i)	4,116,452	3,637,176	-	-
Bank loans (ii)	626,015	433,361	-	-
	4,742,467	4,070,537	-	-
Total borrowings	23,871,624	24,308,665	-	-

Summary of borrowing arrangements

- (i) The Group enjoys bank overdraft facilities with its bankers. These facilities are secured by general hypothecs over the Group's assets, by a special hypothec over properties of the Group, by pledges taken over various insurance policies and by personal guarantees of the directors and shareholders. The annual interest rate on bank overdrafts and bank balances is 4.90% (2022: 4.875%).
- (ii) The first bank loan represents the BOV MDB COVID-19 ASSIST which benefits from the support of the MDB COVID-19 Guarantee Scheme launched by the Malta Development Bank. It bears a fixed interest of 2% for the first two years and is repayable in monthly instalments of € 35,720 for the first twelve months and € 36,620 for the remaining forty eight monthly repayments. The facility shall be repaid over a period of six years inclusive of a six-month moratorium on capital and interest and followed by a six-month moratorium on capital only.
- The second bank loan is with BOV MDB SME Invest Loan. It bears an interest rate of 5%.
- The third bank loan is with BOV PLC. It bears an interest rate of 3.5%. The monthly repayment amounting to € 10,960.
- The fourth bank loan is with BOV plc. It bears an interest rate of 5.65%. The loan has to be repaid up to July 2024.
- (iii) During the year ended 31 December 2016, Dizz Finance P.L.C. issued €8,000,000, 5% unsecured bonds to the general public. These bonds were fully subscribed and listed on the Malta Stock Exchange. Total proceeds from these bonds amounted to €8,000,000. Total costs incurred by the Group to issue the bonds amounted to €242,811. These costs are being amortised in the statement of comprehensive income over the period of the bond.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

25 BORROWINGS (continued)**Summary of borrowing arrangements (continued)**

- (iv) During the year ended 31 December 2018, D Shopping Malls Finance P.L.C. issued €7,500,000, 5.35% unsecured bonds on Prospects MTF. Total proceeds from these bonds amounted to €7,500,000. Total costs incurred by the Group to issue the bonds amounted to €82,770. These costs are being amortised in the consolidated statement of the comprehensive income over the period of the bond. As set out in the Company Admission Document, the Company 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. During FY2023, these funds were used to purchase back and cancel €625k worth of the Company’s Bonds as permitted by the Company’s Treasury Management Policy contained within the Company Admission Document.
- (v) On the 21 of July 2020 D Food Finance PLC issued a base prospectus for the issue of Euro 10,000,000 3% Secured convertible notes having a nominal value of Euro 100,000 each. On the 3 of August 2020, 30 Notes for the value of € 3,000,000 have been bought as per final terms dated 21 July 2020. The maturity date of the convertible notes is 2 August 2030 unless converted to equity beforehand.

26 LEASE LIABILITIES

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Maturity analysis:				
One year	2,168,478	2,089,677	-	-
Between two and five years	6,269,519	4,448,014	-	-
After five years	15,281,540	18,752,496	-	-
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	23,719,537	25,290,187	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

27 TRADE AND OTHER PAYABLES

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
<u>Amounts falling due after more than one year:</u>				
Other payables (note b)	8,214,946	9,372,742	-	-
<u>Amounts falling due within one year:</u>				
Trade payables (note a)	6,312,324	6,541,141	22,082	5,517
Other payables (note b)	6,651,975	3,648,730	-	-
Amounts due to related parties (note c)	-	572	1,741,142	1,723,446
Accruals	532,736	503,073	15,743	15,071
	<u>13,497,035</u>	<u>10,693,516</u>	<u>1,778,967</u>	<u>1,744,034</u>

Notes:

- a) Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period of the Group is 4 months. No interest is charged on any outstanding balances. The Group has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.
- b) Other payables include privileged creditors amounting due to € 14,364,399 (2022: € 12,622,827). Such balances have agreed credit terms.
- c) Amounts due to related parties are unsecured, interest free, and repayable on demand.

28 FINANCIAL INSTRUMENTS**28.1 Categories of Financial Instruments**

	Group	
	2023 €	2022 €
Financial assets		
Cash and bank balances (note 20)	564,215	269,451
Loans and receivables	46,081	49,961
	<u>610,296</u>	<u>319,412</u>

28.2 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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

28 FINANCIAL INSTRUMENTS (continued)**28.3 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.

(ii) Cash flow and fair value interest rate risk

The Company 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. The risk is managed by the company by maintaining an appropriate mix between fixed and variable rate borrowings. As at the reporting date and as disclosed in note 25 the Company has both fixed and variable interest-bearing liabilities.

The company's exposure to interest rates on all financial liabilities are detailed in note 27. The liquidity risk section in this note provides further details on the exposure of the bank overdrafts carrying variable interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable interest rates for bank overdrafts. It is assumed that the liability as at the end of the reporting period was outstanding for the whole year.

28.4 Credit Risk

Credit risk arises from credit exposure to customers and amounts held with financial institutions (notes 19 and 20). The maximum credit exposure to credit risk at the reporting date in respect of the financial assets was as follows and is equivalent to their carrying amount. The company does not hold any collateral as security in this respect.

	Group	
	2023	2022
	€	€
Trade and other receivables	2,191,666	5,308,124
Cash at bank and in hand	564,215	269,451
	<hr/>	<hr/>
	2,755,881	5,577,575
	<hr/>	<hr/>

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount. The company does not hold any collateral as security in this respect.

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. As at 31 December 2023 and 2022, no trade receivables were impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

28 FINANCIAL INSTRUMENTS (continued)**28.4 Credit Risk (continued)**

Amounts are net of expected credit losses as outlined in Note 3.10. Expected credit losses for the group amount to € 4,540.

28.5 Liquidity Risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of interest-bearing borrowings and trade and other payables (notes 26, 27 and 28). Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's obligations and ensuring that alternative funding is available when the bonds are due for repayment.

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

Group	Carrying amounts €	Contractual cash flows €	On demand €	Within one year €	Between two and five years €	After five years €
At 31 December 2023						
Bank overdrafts	4,116,452	4,116,452	4,116,452	4,116,452	-	-
Bank loans	2,017,490	2,017,490	626,015	626,015	1,129,206	262,269
Trade and other payables	21,179,245	21,179,245	12,964,302	12,964,302	4,451,326	3,763,620
Lease liabilities	23,719,537	23,719,537	2,168,478	2,168,478	6,269,519	15,281,540
Bonds and notes	17,737,682	21,912,002	857,817	857,817	17,874,185	3,180,000
	<u>68,770,409</u>	<u>72,944,729</u>	<u>20,733,064</u>	<u>20,733,064</u>	<u>29,724,236</u>	<u>22,487,429</u>
At 31 December 2022						
Bank overdrafts	3,637,176	3,637,176	3,637,176	3,637,176	-	-
Bank loans	2,351,945	2,351,945	433,361	433,361	1,918,584	-
Trade and other payables	19,562,613	19,562,613	10,189,871	10,189,871	4,605,490	4,767,252
Lease liabilities	25,290,188	25,290,188	2,089,677	2,089,677	4,448,014	18,752,496
Bonds and notes	18,319,544	23,718,750	891,250	891,250	11,165,000	11,662,500
	<u>69,161,466</u>	<u>74,560,672</u>	<u>17,241,335</u>	<u>17,241,335</u>	<u>22,137,088</u>	<u>35,182,248</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.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2023

29 RELATED PARTY TRANSACTIONS

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

29.1 Compensation Of Key Management Personnel

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

	Group	
	2023	2022
	€	€
Directors' remuneration	305,691	133,490

29.2 (Amounts To)/Amounts From Related Parties

	Transaction value year ended 31 December		Balance outstanding as at 31 December	
	Group		Group	
	2023	2022	2023	2022
	€	€	€	€
Balances				
Amounts due from related companies	2,316,588	1,597,974	6,428,761	4,112,173
Amounts due from related parties	(18,710)	(757,118)	638,016	656,726
Amounts due to related companies	572	(572)	-	(572)
	<hr/>	<hr/>	<hr/>	<hr/>
	Company		Company	
	2023	2022	2023	2022
	€	€	€	€
Amounts due to related companies	(17,696)	(26,000)	(1,741,142)	(1,723,446)
Amounts due from related companies	(51)	1,545	5,114,572	5,114,623
	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with related parties				
	Group		Group	
	2023	2022	2023	2022
	€	€	€	€
Management fees to companies outside the group	480,000	505,155	-	-
Recharges of expenses	510,000	882,066	-	-
	<hr/>	<hr/>	<hr/>	<hr/>