Hal Mann Vella Group plc
The Factory
Mosta Road
Lija LJA 9016
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COMPANY ANNOUNCEMENT

Hal Mann Vella Group plc (the "Company")

Approval of interim financial statements

Date of Announcement	29 August 2022
Reference	48/2022
In terms of Chapter 5 of the Listing Rules	5.16.20

QUOTE

The Board of Directors approved the unaudited interim financial statements of the Company for the financial period 1 January 2022 to 30 June 2022. The interim financial statements are attached herewith and are also available for viewing on the Company's website https://www.hmvellagroup.com/wp-content/uploads/2022/08/Consolidated-Jun-2022.pdf

UNQUOTE

Louis de Gabriele
Company Secretary

Company Registration No.: C 5067

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Financial Statements (unaudited)

for the period from 1 January 2022 to 30 June 2022

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Hal Mann Vella Group P.L.C.

Directors' Report pursuant to Capital Markets Rule 5.75.2
for the period from 1 January 2022 to 30 June 2022

This Half-Yearly Report is being published in terms of Chapter 5 of the Capital Markets Rules issued by the Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2022 prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is to hold assets for the Group and also acts as the financing arm of the Group.

The Group is principally engaged in the running of a diverse portfolio of business entities involved in the manufacture and business of stone, marble, granite, terrazzo tiles and pre-cast elements; general contracting and other services; property development, letting and resale; as well as operation of photovoltaic (PV) systems.

Business review

During the period under review, Group revenue amounted to €10.6 million, a relatively same level of operations over the same period last year. The Group registered an operating profit of €1.9 million (2021: €1.7 million), driven by a better performance in the property development and letting segment.

The Group registered a consolidated profit before tax of €798,678 for the six month period ended 30 June 2022 as compared to the consolidated profit before tax of €728,058 for the six month period ended 30 June 2021.

The Group's total assets as at 30 June 2022 stood at €121 million while equity attributable to the shareholders amounted to €49 million.

Challenging macroeconomic conditions and geopolitical tensions are expected to persist into the second half of the year. Supply chain constraints and labour shortages continue to impact the ability to timely fully meet underlying demand. With inflation soaring, the wider consequences of the war in Ukraine, as well as continued disruption to operations caused by the coronavirus pandemic, the rest of the year remains challenging. Our order book remains stable and balanced, though with project delay risks beyond our control. The Group's property segment is expected to remain on track to meet year end projections, with a number of sale contracts scheduled for the second half of the year.

Dividends and Reserves

The Board of Directors does not propose the payment of an interim dividend in order to further strengthen the financial position of the Group. Retained profits carried forward at the reporting date amounted to €12,316,281 (31 December 2021: €11,770,328) for the Group.

Hal Mann Vella Group P.L.C.

Directors' Report pursuant to Capital Markets Rule 5.75.2
for the period from 1 January 2022 to 30 June 2022

Board of Directors
The Directors of the Company who held office during the period under review were:
Mr. Martin Vella – Executive Chairman
Mr. Mark Vella – Executive Director
Mr. Joseph Vella – Executive Director
Mr. Mario P Galea – Independent Non-Executive Director
Dr. Arthur Galea Salomone – Independent Non-Executive Director
Ms. Miriam Schembri - Non-Executive Director

By order of the Board:

Mr. Martin Vella - Chairman

Mr. Mark Vella - Director

Registered Office
The Factory
Mosta Road
Lija
Malta

29 August 2022

Hal Mann Vella Group P.L.C.

Statement pursuant to Capital Markets Rule 5.75.3
for the period from 1 January 2022 to 30 June 2022

I hereby confirm that to the best of my knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2022, and of its financial performance and cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting'); and
- The Interim Directors' Report includes a fair review of the information required in terms of Capital Markets Rules 5.81 to 5.84.

Mr. Martin Vella - Chairman

Mr. Mark Vella - Director

29 August 2022

(HLB) CA FALZON
CERTIFIED PUBLIC ACCOUNTANTS

Independent auditor's report
To the Board of Directors of Hal Mann Vella Group P.L.C.
Report on Review of Condensed Consolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Hal Mann Vella Group P.L.C. and its subsidiaries as at 30 June 2022, the related condensed consolidated interim statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and the explanatory notes (the interim financial information). The directors are responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 "Interim Financial Reporting"). Our responsibility is to express a conclusion on these interim financial statements based on

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

Jozef Wallace Galea (Partner)
for and on behalf of HLB CA Falzon
Registered Auditors

29 August 2022

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

for the period from 1 January 2022 to 30 June 2022

	Note	1 January to 30 June 2022 (unaudited) €	1 January to 30 June 2021 (unaudited) €
Revenue from contracts with customers	4	10,558,200	10,524,221
Cost of sales and services		(7,577,869)	(7,507,110)
Gross profit		2,980,331	3,017,111
Rental income	4	1,217,049	1,016,734
Distribution and selling costs		(120,860)	(78,215)
Administrative expenses		(2,160,736)	(2,249,326)
Operating profit		1,915,784	1,706,304
Share in net profit of joint ventures	8	4,888	7,024
Other income		45,750	183,668
Finance and similar income		4,716	7,658
Finance costs		(1,172,460)	(1,176,596)
Profit before tax	4	798,678	728,058
Income tax expense	5	(252,725)	(280,032)
Profit after tax for the period attributable to the ordinary equity holders of the Company		545,953	448,026
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
- Net gain/(loss) on equity instruments at fair value through other comprehensive income		3,652	867
Total comprehensive income for the period		549,605	448,893
Earnings per share (cents)		**0.11**	**0.09**

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Financial Position

	Note	As at 30 June 2022 (unaudited) €	As at 31 December 2021 (audited) €
ASSETS			
Non-current assets			
Property, plant & equipment	6	32,844,008	33,133,600
Investment in joint-ventures	4,8	1,726,754	1,721,867
Other non-current financial assets	7	694,918	755,963
Investment property	9	50,310,524	50,174,457
Right-of-use assets		7,591,914	7,725,277
Deferred taxation		1,558,736	1,619,261
Goodwill		62,888	62,888
Total non-current assets		94,789,742	95,193,313
Current assets			
Inventories		4,365,641	4,354,663
Property held-for-sale		5,435,802	6,307,487
Trade and other receivables	10	12,696,646	14,211,205
Contract assets		2,213,709	1,774,950
Other current financial assets	7	91,000	91,000
Cash and cash equivalents		1,394,675	1,819,027
Total current assets		26,197,473	28,558,332
Total assets		120,987,215	123,751,645

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Financial Position

	Note	As at 30 June 2022 (unaudited) €	As at 31 December 2021 (audited) €
EQUITY AND LIABILITIES			
Equity			
Issued capital		4,999,820	4,999,820
Revaluation reserve on property, plant and equipment		24,778,131	24,778,131
Fair value reserve		66,281	62,629
Revaluation reserve on investment property		6,249,374	6,249,374
Capital redemption reserve		47,852	47,852
Incentives and benefits reserves		604,060	604,060
Retained earnings		12,316,281	11,770,328
Total equity		49,061,799	48,512,194
Non-current liabilities			
Interest bearing loans and borrowings	7	40,585,870	41,201,845
Finance lease liability		8,032,466	8,292,602
Deferred taxation		4,656,461	4,717,885
Total non-current liabilities		53,274,797	54,212,332
Current liabilities			
Current borrowings	7	6,487,975	7,147,502
Finance lease liability		251,138	-
Trade and other payables	7	11,735,850	13,698,524
Current tax due		175,656	181,093
Total current liabilities		18,650,619	21,027,119
Total liabilities		71,925,416	75,239,451
Total equity and liabilities		120,987,215	123,751,645

The notes on page 11 – 18 form part of these financial statements.

The financial statements set out on pages 5 to 18 were approved and authorized for issue by the Board of Directors and signed on its behalf by:

Mr. Martin Vella - Chairman

Mr. Mark Vella - Director

29 August 2022

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statements of Changes in Equity

for the period from 1 January 2022 to 30 June 2022 (unaudited)

	Attributed to equity holders of the Parent							
	Issued capital €	Revaluation reserve on property, plant and equipment €	Revaluation reserve on investment property €	Fair value reserve €	Retained earnings €	Incentives and benefits reserves €	Capital redemption reserve €	Total equity €
Balance as at 1 January 2021 (audited)	4,999,820	24,778,131	6,249,374	59,913	10,579,635	604,060	47,852	47,318,785
Profit for the period	-	-	-	-	448,026	-	-	448,026
Other comprehensive income	-	-	-	867	-	-	-	867
Total comprehensive income for the period	-	-	-	867	448,026	-	-	448,893
Balance as at 30 June 2021 (unaudited)	4,999,820	24,778,131	6,249,374	60,780	11,027,661	604,060	47,852	47,767,678

The notes on page 11 – 18 form part of these financial statements.

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Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statements of Changes in Equity
for the period from 1 January 2022 to 30 June 2022 (unaudited)

	Attributed to equity holders of the Parent							
	Issued capital €	Revaluation reserve on property, plant and equipment €	Revaluation reserve on investment property €	Fair value reserve €	Retained earnings €	Incentives and benefits reserves €	Capital redemption reserve €	Total equity €
Balance as at 1 January 2022 (audited)	4,999,820	24,778,131	6,249,374	62,629	11,770,328	604,060	47,852	48,512,194
Profit for the period	-	-	-	-	545,953	-	-	545,953
Other comprehensive income	-	-	-	3,652	-	-	-	3,652
Total comprehensive income for the period	-	-	-	3,652	545,953	-	-	549,605
Balance as at 30 June 2022 (unaudited)	4,999,820	24,778,131	6,249,374	66,281	12,316,281	604,060	47,852	49,061,799

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Cash Flows

for the period from 1 January 2022 to 30 June 2022

	1 January to 30 June 2022 (unaudited) €	1 January to 30 June 2021 (unaudited) €
Cash flows from operating activities		
Profit before tax	798,678	728,058
Adjustments for:		
Share in net profit of joint ventures	(4,888)	(7,024)
Income from government grants	-	(9,621)
Depreciation	618,147	623,937
Provision for estimated credit losses (ECL)	64,450	40,931
Gain on rent concession	-	(87,002)
Finance and similar income	(297)	(2,249)
Finance costs	1,172,460	1,176,596
Working capital changes:		
Increase in inventories	(10,978)	(91,404)
Decrease in property for resale	871,685	155,359
Increase in contract assets	(401,211)	(517,051)
Decrease/(increase) in receivables	1,487,603	(259,971)
Decrease in payables	(2,761,182)	(1,265,427)
Interest paid on overdraft	(2,635)	(659)
Interest received from banks	297	2,249
Advances to related undertakings	(71,609)	(105,568)
Taxation paid	(275,748)	(410,683)
Net cash generated from/(used in) operating activities	1,484,772	(29,529)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(195,191)	(225,194)
Payments to acquire investment property	(136,067)	(581,991)
Dividends received	-	90,000
Receipts from joint venture	17,568	111,968
Net cash used in investing activities	(313,690)	(605,217)
Cash flows from financing activities		
(Repayment to)/advances from banks loans	(1,534,344)	411,380
Repayment of principal portion of lease liability	(190,788)	344,210
Interest paid on bank loans	216,446	12,834
Advances from related companies	25,114	305,357
Advances from/(repayment to) joint ventures	69,131	(56,207)
Interest paid on bonds	(10,126)	(625)
Net cash used in financing activities	(1,424,567)	1,016,949
Net movement in cash and cash equivalents	(253,485)	382,203
Effect of ECL on cash in banks	(4,617)	255
Cash and cash equivalents at beginning of period	(29,074)	1,588,369
Cash and cash equivalents at end of period	(287,176)	1,970,827

The notes on page 11 – 18 form part of these financial statements.

Notes to the Interim Condensed Consolidated Financial Statements
for the period from 1 January 2022 to 30 June 2022

1. General information

The interim condensed consolidated financial statements of Hal Mann Vella Group plc and its subsidiaries ("the Group") for the six months ended 30 June 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 29 August 2022.

Hal Mann Vella Group plc ("the Company") is a public limited liability company incorporated in Malta, under the Companies Act, Cap. 386 of the Laws of Malta.

2. Principal accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six month-period ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting').

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement as at 31 December 2021, which have been prepared in accordance with IFRS as adopted by the EU.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement* .

These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing condensed consolidated interim financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at 31 December 2021.

4. Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

Property Development and Letting	This segment is engaged in the acquisition and development of residential and commercial properties for resale and/or letting.
Manufacturing, Products and General Contracting Services	This segment includes the companies responsible for manufacturing and exports. This segment includes specialising in the manufacture of stone elements, arranging logistics, plant hire, deliveries, and supplies and subcontracting work. Also, coordination of orders for customers for products and services is done.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Interim Condensed Consolidated Financial Statements
for the period from 1 January 2022 to 30 June 2022

4. Segment information

Inter-segment transactions, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

Six month period ended 30 June 2022	Property development and letting €	Manufacturing and General contracting services €	Total segments €	Eliminations €	Consolidated €
External revenue	1,933,000	12,248,139	14,181,139	(3,622,939)	10,558,200
Rental income	1,554,225	-	1,554,225	(337,176)	1,217,049
Total revenue	3,487,225	12,248,139	15,735,364	(3,960,115)	11,775,249
Income/(expenses)					
Finance and similar income	737,309	29,393	766,702	(761,986)	4,716
Finance cost	(1,361,194)	(696,882)	(2,058,076)	885,616	(1,172,460)
Depreciation and amortisation	(88,160)	(727,348)	(815,508)	197,361	(618,147)
Share in net profit of joint ventures	4,888	-	4,888	-	4,888
Income tax credit/(expense)	(248,071)	43,303	(204,768)	(47,957)	(252,725)
Segment profit/(loss) before tax	**906,464**	**(185,458)**	**721,006**	**77,672**	**798,678**
Total assets	**120,430,882**	**41,056,548**	**161,487,430**	**(40,500,215)**	**120,987,215**
Total liabilities	**68,222,510**	**36,957,854**	**105,180,364**	**(33,254,948)**	**71,925,416**
Other disclosures					
Interest in joint ventures	165,720	-	165,720	1,561,034	1,726,754
Capital expenditure	155,665	179,293	334,958	(3,700)	331,258

4. Segment information

Inter-segment transactions, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

Six month period ended 30 June 2021	**Property development and letting**	**Manufacturing and General contracting services**	**Total segments**	**Eliminations**	**Consolidated**
	€	**€**	**€**	**€**	**€**
External revenue	1,369,500	12,891,328	14,260,828	(3,736,607)	10,524,221
Rental income	1,350,610	3,300	1,353,910	(337,176)	1,016,734
Total revenue	2,720,110	12,894,628	15,614,738	(4,073,783)	11,540,955
Income/(expenses)					
Finance and similar income	701,009	34,189	735,198	(727,540)	7,658
Finance cost	(1,353,019)	(681,073)	(2,034,092)	857,496	(1,176,596)
Depreciation and amortisation	(124,247)	(697,051)	(821,298)	197,361	(623,937)
Share in net profit of joint ventures	7,024	-	7,024	-	7,024
Income tax expense	(192,044)	(117,973)	(310,017)	29,985	(280,032)
Segment profit/(loss) before tax	**918,443**	**(118,206)**	**800,237**	**(72,179)**	**728,058**
Total assets	**121,267,577**	**39,942,895**	**161,210,472**	**(37,769,161)**	**123,441,311**
Total liabilities	**71,009,591**	**36,040,443**	**107,050,034**	**(31,376,401)**	**75,673,633**
Other disclosures					
Interest in joint ventures	165,720	-	165,720	1,668,527	1,834,247
Capital expenditure	583,841	223,344	807,185	-	807,185

5. Income tax

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit in the interim condensed statement of profit or loss are:

	1 January to 30 June 2022 (unaudited) €	1 January to 30 June 2021 (unaudited) €
Income tax expense:		
Current income tax expense for the period	(270,311)	(126,488)
Deferred tax credit/(expense)	17,586	(153,544)
Income tax expense for the period	(252,725)	(280,032)

6. Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2022, the Group acquired assets with a cost of €195,191 (six months ended 30 June 2021: €225,194).

There were no assets disposed by the Group during the six months ended 30 June 2022 and 30 June 2021.

7. Financial assets and financial liabilities

The Group's financial assets comprise of debt instruments at amortised cost such as bank term deposits, trade receivables, and loans to and amounts owed by joint ventures, related and other undertakings; as well as equity instruments designated at fair value through other comprehensive income (FVOCI), including investments in quoted and unquoted shares. The Group's financial liabilities comprise of trade and other payables, bank loans, finance lease liabilities, and loans from shareholders, related and other undertakings. All of the Group's financial instruments are measured at amortised cost, except for the equity instruments which are measured at FVOCI.

8. Investment in joint-ventures

For the six months ended 30 June 2022, the Group’s share of profit in joint ventures amounted to €4,888 (six months ended 30 June 2021: €7,024).

9. Investment property

During the six months ended 30 June 2022, the Group capitilised expenditure amounted to €136,067 (six months ended 30 June 2021: €581,991).

10. Trade and other receivables

Trade receivables are stated net of provision for estimated credit losses of €706,557 (31 December 2021: €729,514).

11. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period.

		Sales to joint venture €	Purchases from joint venture €	Amount owed by joint venture - net of ECL €	Amount owed to joint ventures €
Joint ventures in which the parent is a venturer:					
Madliena Ridge Limited	Current	-	-	-	591,174
	2021	-	-	-	591,174
Hal Mann Holdings Ltd	Current	-	-	-	816,630
	2021	-	-	-	816,630
HMK International Ltd	Current	-	3,500	99,401	-
	2021	8,272	4,607	249,926	-

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As at 30 June 2022, the Group has recorded reversal of provision for estimated credit losses on receivables relating to amounts owed by related parties amounting to €4,906 (31 December 2021: provision for estimated credit losses of €5,319). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

12. Fair values measurements

At 30 June 2022 and 31 December 2021, the carrying amounts of trade and other receivables, cash and cash equivalents and trade and other payables and current borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair values of loans and receivables and non-current borrowings are not materially different from their carrying amounts in the statement of financial position.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group used the following hierarchy for determining and disclosing the fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 30 June 2022 (unaudited)				
Investment property	-	14,889,541	35,420,983	50,310,524
Property, plant and equipment	-	23,984,716	-	23,984,716
Equity instruments at FVOCI	-	-	595,658	595,658
	-	38,874,257	36,016,641	74,890,898
As at 31 December 2021 (audited)				
Investment property	-	14,758,157	35,416,300	50,174,457
Property, plant and equipment	-	23,984,716	-	23,984,716
Equity instruments at FVOCI	-	-	592,006	592,006
	-	38,742,873	36,008,306	74,751,179

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements during the six-month period ended 30 June 2022.