



RS2 Software p.l.c.
COMPANY ANNOUNCEMENT

The following is a company announcement issued by RS2 Software p.l.c. pursuant to the Malta Financial Services Listing Authority Rules – Chapter 5.

Quote

At the meeting held on 28 August 2018, the Board of Directors of RS2 Software p.l.c. approved the interim financial statements for the period ended 30 June 2018. A copy of the interim financial statements is attached to this announcement.

The interim financial statements are available for viewing and download at the Company's website: <https://www.rs2.com/interim-financial-statements-2018/>, and can also be viewed at the Company's registered office.

Unquote

A handwritten signature in black ink, appearing to read 'Ivan Gatt', with a horizontal line underneath.

Dr Ivan Gatt
Company Secretary
30 August 2018



Interim Financial Statements

For the six months ended
30 June 2018

Company Registration Number: C 25829

RS2 Software p.l.c.

Condensed Interim Financial Statements

For the six months ended 30 June 2018

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RS2 Software p.l.c.

Director's Report

For the six months ended 30 June 2018

This report is published in terms of Chapter 5 of the Listing Rules as prescribed by the Listing Authority in accordance with the provisions of the Financial Markets Act, 1990.

The condensed financial statements have been extracted from the Group's unaudited consolidated accounts for the six months ended 30 June 2018 and its comparative period in 2017. The comparative balance sheet has been extracted from the audited financial statements as at 31 December 2017. The condensed interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 Interim Financial Reporting). In terms of Listing Rule 5.75.5, the directors state that the half-yearly financial report has not been audited or reviewed by the Group's independent auditors.

Principal activities

The Group is principally engaged in the development, installation, implementation and marketing of specialised computer software for financial institutions, under the trade mark of BankWORKS®, and processing of payment transactions with the use of BankWORKS®.

Review of performance and business developments

During the first half of 2018, the Group registered total revenues of €15.6m compared to €10.6m recorded in the same period last year. This significant increase in revenue is brought about by the initial implementation of IFRS15, the new revenue recognition Standard. As detailed in the note 4.1 of these interim financial statements and in note 4.3 of the financial statements for the year ended 31 December 2017, certain transitional provisions for the application of this new standard have necessitated the need to reverse an amount of €5.6m of revenue already accounted for up to 31 December 2017 in relation to a Term Licence contract with an option to convert to perpetuity. Such reversal was recorded out of the opening retained earnings as at 1 January 2018, to be later accounted for upon the exercise or expiry of the option to which it relates. The Group has received official notification of the intention to exercise the option during the period under review, and thus has released back the said €5.6m to the income statement during the first half of 2018. In relation to the same contract, the Group has also recognised an additional €1m consideration for the perpetuity option, which would have otherwise been accounted for during 2019 had it not been for the implementation IFRS15.

Group revenue to date after eliminating the effect of such adjustments would read €9.0m, a reduction of 15% compared to the same period last year. This mainly relates to a delay in the provision of certain services, which is expected to be compensated for in the second half of the year.

During 2018, the Group continued to increase its staff compliment to meet increasing client demands for services and support, which increase is expected to be significantly higher in the second half of the year in comparison to the first half. In line with this, the Group continued its expansion in the US mainly increasing the staff compliment and building the infrastructure for the North American processing clients. Furthermore, the investment in human resources by the Group's subsidiary in Manila, Philippines supplemented the development and support services operations headquartered in Malta. Consequently, this led cost of sales to be 12% higher when compared to 2017.

RS2 Software p.l.c.

Director's Report

For the six months ended 30 June 2018

Gross profit for the first six months of the year stands at €9.3m compared with €4.9m in the previous year. After eliminating the effects of the adjustments brought about by the implementation of IFRS15, gross profit would read €2.7m. The reduction of €2.2m, compared to the same period last year, is attributable to a combination of the reduction in revenue for the period (after eliminating the effect of IFRS15) and the increase in cost of sales brought about by the strengthening of resources and infrastructure.

Administrative and marketing expenses increased by 7% and 11% respectively, driven especially by the growth in the US region. Marketing increases are reflective of the ongoing efforts in marketing activities, whilst administrative expenses also increased in line with the Group's drive to strengthen its administrative functions in support of the planned international growth.

Such effort in engaging high profile professional officers is reaching its goals in enabling the Group to attract the right customers and strategic partners.

The Group is reporting a profit before tax of €7.4m compared to a profit before tax of €2.5m in the same period last year, which is again directly impacted by the requirements of IFRS15.

During 2018 the Group continued with its business strategy of implementing more clients into its managed services business.

Based on service agreements ranging between three to five years with the option to extend respectively, the Group has successfully implemented and is in the course of implementing additional clients on its managed services platform.

The Group has rolled out services for the following clients through its managed services subsidiaries:

- In Portugal for Finanfarma;
- In Europe, where together with its partner, the Group is targeting to launch the Global Processing Services for the travel industry by the end of this year depending on concluding the required certifications;
- In the US, where the Group has successfully finalised the certification in order to roll out its services in October for its clients in the US market; and
- In Canada, where another managed services client is completed and rolling out its service in September.

Furthermore by the end of the year, the Group will be rolling out services to the following clients:

- In Columbia for one of the largest retail operator;
- In Argentina, where it continued to expand the services to one largest acquirer globally
- In Malaysia, for one of the major payment providers across 6 countries in Asia Pacific and
- In New Zealand, where the Group commenced the implementation of one of the largest financial institutions in the country.

Furthermore, the Group commenced a licence implementation for a new client in Israel and targets to conclude this by end of this year.

The Group is also:

- in extensive discussions with Tier-1 banks and e-wallet providers in Asia Pacific and the US to roll out Global Acquiring services to their merchants;
- partnering with a smart terminal supplier to deliver acquiring/payment services to merchants around the globe targeting 11 countries in Asia Pacific; and
- engaged in a potential project to provide Payment Services for merchants using digital assets on a Blockchain technology.

RS2 Software p.l.c.

Director's Report

For the six months ended 30 June 2018

Related party transactions

Similar to what was reported in the financial statements for the year ended 31 December 2017, the Group had related party transactions with its parent company and other entities in which the directors of the Company, or their immediate relatives, have an ownership interest.

Transactions with each category of related parties and the balances outstanding at the end of the reporting periods are set out in note 11 of the Notes to these Condensed Interim Financial Statements.

Dividends

Due to further substantial investment in infrastructure and business development, the Board is not declaring an interim dividend.

Approved by the Board of Directors on 28 August 2018 and signed on its behalf by:



Mario Schembri
Chairman



Radi El Haj
Director

RS2 Software p.l.c.

Statements of Financial Position

As at 30 June 2018

	The Group		The Company	
	30.06.18 Unaudited	31.12.17 Audited	30.06.18 Unaudited	31.12.17 Audited
	€	€	€	€
Assets				
Property, plant and equipment	8,854,550	8,903,559	8,530,516	8,615,205
Intangible assets	7,245,459	6,892,988	5,900,158	5,585,264
Investment in subsidiaries	-	-	7,524,419	6,819,753
Other investment	131,785	131,785	131,785	131,785
Loans and receivables from related parties	-	-	22,089	20,810
Contract assets	-	-	-	844,369
Trade and other receivables	-	40,018	-	-
Total non-current assets	16,231,794	15,968,350	22,108,967	22,017,186
Trade and other receivables	4,632,774	1,590,593	3,786,320	1,433,312
Loans and receivables from related parties	1,099,703	2,710,355	1,794,773	2,972,191
Prepayments	484,193	509,784	389,124	416,076
Contract assets	3,125,278	1,069,624	3,617,848	1,645,795
Cash at bank and in hand	4,069,601	7,789,159	3,442,244	7,083,067
Total current assets	13,411,549	13,669,515	13,030,309	13,550,441
Total assets	29,643,343	29,637,865	35,139,276	35,567,627

RS2 Software p.l.c.

Statements of Financial Position

As at 30 June 2018

	The Group		The Company	
	30.06.18 Unaudited	31.12.17 Audited	30.06.18 Unaudited	31.12.17 Audited
	€	€	€	€
Equity				
Share capital	10,291,657	10,291,657	10,291,657	10,291,657
Reserves	14,879	68,189	125,540	162,733
Retained earnings	9,006,390	10,718,444	14,589,889	16,453,444
Total equity attributable to equity holders of the Company	19,312,926	21,078,290	25,007,086	26,907,834
Non-controlling interest	(517,031)	(357,876)	-	-
Total equity	18,795,895	20,720,414	25,007,086	26,907,834
Liabilities				
Bank borrowings	330,369	835,369	330,369	835,369
Deferred tax liability	647,867	902,039	1,018,680	1,593,281
Employee Benefits	2,010,605	1,994,164	1,409,404	1,397,218
Derivatives	34,859	48,108	34,859	48,108
Total non-current liabilities	3,023,700	3,779,680	2,793,312	3,873,976
Bank borrowings	1,018,660	1,022,017	1,018,659	1,022,016
Trade and other payables	1,042,770	1,197,427	1,131,284	1,193,139
Current tax payable	1,251,751	458,723	1,251,751	458,723
Accruals	1,205,441	651,805	784,958	460,840
Employee Benefits	111,422	111,422	111,422	111,422
Contract Liabilities	3,193,704	1,696,377	3,040,804	1,539,677
Total current liabilities	7,823,748	5,137,771	7,338,878	4,785,817
Total liabilities	10,847,448	8,917,451	10,132,190	8,659,793
Total equity and liabilities	29,643,343	29,637,865	35,139,276	35,567,627

RS2 Software p.l.c.

Statements of Changes in Equity

For the six months ended 30 June 2018

THE GROUP

Attributable to equity holders of the Company

Note	Share capital €	Share premium €	Translation reserve €	Fair value reserve €	Other reserves €	Share Option reserve	Retained earnings €	Total €	Non-controlling interest €	Total equity €
Balance at 1 January 2017	9,499,991	792,743	109,771	-	-	98,396	11,506,618	22,007,519	(142,187)	21,865,332
Comprehensive Income for the period (restated)										
Profit for the period	-	-	-	-	-	-	1,507,738	1,507,738	(78,987)	1,428,751
Other comprehensive Income										
Foreign currency translation differences	-	-	12,996	-	-	-	(86)	12,910	22,432	35,342
Total other comprehensive income for the period	-	-	12,996	-	-	-	(86)	12,910	22,432	35,342
Total comprehensive income for the period (restated)	-	-	12,996	-	-	-	1,507,652	1,520,648	(56,555)	1,464,093
Transactions with owners of the Company										
Bonus Issue	791,666	(791,666)	-	-	-	-	-	-	-	-
Dividend to equity holders	-	-	-	-	-	-	(1,583,332)	(1,583,332)	-	(1,583,332)
Share options exercised	-	-	-	-	-	(1,709)	1,709	-	-	-
Balance at 30 June 2017	10,291,657	1,077	122,767	-	-	96,687	11,432,647	21,944,835	(198,742)	21,746,093
Balance at 1 January 2018	10,291,657	1,077	(94,544)	-	65,385	96,271	10,718,444	21,078,290	(357,876)	20,720,414
Adjustment on initial application of IFRS 15 (net of tax)	4.1	-	-	-	-	-	(4,039,190)	(4,039,190)	280	(4,038,910)
Adjustment on initial application of IFRS 9 (net of tax)	4.2	-	-	(87,193)	-	-	18,943	(68,250)	-	(68,250)
Adjusted balance at 1 January 2018	10,291,657	1,077	(94,544)	(87,193)	65,385	96,271	6,698,197	16,970,850	(357,596)	16,613,254
Comprehensive Income for the period										
Profit for the period	-	-	-	-	-	-	4,812,496	4,812,496	(206,621)	4,605,875
Other comprehensive Income										
Foreign currency translation differences	-	-	(16,117)	-	-	-	-	(16,117)	47,186	31,069
Total other comprehensive income for the period	-	-	(16,117)	-	-	-	-	(16,117)	47,186	31,069
Total comprehensive income for the period	-	-	(16,117)	-	-	-	4,812,496	4,796,379	(159,435)	4,636,944
Transactions recorded directly in equity										
Employees share benefits	-	-	-	-	50,000	-	-	50,000	-	50,000
	-	-	-	-	50,000	-	-	50,000	-	50,000
Transactions with owners of the Company										
Dividend to equity holders	-	-	-	-	-	-	(2,504,303)	(2,504,303)	-	(2,504,303)
Balance at 30 June 2018	10,291,657	1,077	(110,661)	(87,193)	115,385	96,271	9,006,390	19,312,926	(517,031)	18,795,895

RS2 Software p.l.c.

Statements of Changes in Equity

For the six months ended 30 June 2018

THE COMPANY

	Note	Share capital €	Share premium €	Fair value reserve €	Other reserves €	Share Option reserve €	Retained earnings €	Total €
Balance at 1 January 2017		9,499,991	792,743	-	-	98,396	16,791,843	27,182,973
Comprehensive Income for the year (restated)								
Profit for the period		-	-	-	-	-	1,827,506	1,827,506
Total comprehensive income for the period		-	-	-	-	-	1,827,506	1,827,506
Transactions recorded directly in equity								
Discount unwind		-	-	-	-	-	(30,910)	(30,910)
Transactions with owners of the Company								
Bonus issue		791,666	(791,666)	-	-	-	-	-
Dividend to equity holders		-	-	-	-	-	(1,583,330)	(1,583,330)
Share options exercised		-	-	-	-	(1,709)	1,709	-
Balance at 30 June 2017		10,291,657	1,077	-	-	96,687	17,006,818	27,396,239
Restated balance at 1 January 2018		10,291,657	1,077	-	65,385	96,271	16,453,444	26,907,834
Adjustment on initial application of IFRS 15 (net of tax)	4.1	-	-	-	-	-	(4,582,306)	(4,582,306)
Adjustment on initial application of IFRS 9 (net of tax)	4.2	-	-	(87,193)	-	-	18,940	(68,253)
Adjusted balance at 1 January 2018		10,291,657	1,077	(87,193)	65,385	96,271	11,890,078	22,257,275
Comprehensive Income for the period								
Profit for the period		-	-	-	-	-	5,227,319	5,227,319
Transactions recorded directly in equity								
Employees share benefits		-	-	-	50,000	-	-	50,000
Discount unwind		-	-	-	-	-	(23,205)	(23,205)
		-	-	-	50,000	-	(23,205)	26,795
Transactions with owners of the Company								
Dividend to equity holders		-	-	-	-	-	(2,504,303)	(2,504,303)
		-	-	-	-	-	(2,504,303)	(2,504,303)
Balance at 30 June 2018		10,291,657	1,077	(87,193)	115,385	96,271	14,589,889	25,007,086

RS2 Software p.l.c.

Statements of Comprehensive Income

For the six months ended 30 June 2018

	Note	The Group		The Company	
		30.06.18 Unaudited	30.06.17 Unaudited	30.06.18 Unaudited	30.06.17 Unaudited
		€	€	€	€
Continuing Operations					
Revenue	4, 8	15,592,978	10,574,385	14,134,556	9,425,641
Cost of sales		(6,324,750)	(5,633,958)	(5,074,706)	(4,837,247)
Gross profit		9,268,228	4,940,427	9,059,850	4,588,394
Other income		39,341	42,571	212,729	45,802
Marketing and promotional expenses		(491,278)	(441,355)	(346,915)	(389,759)
Administrative expenses		(2,175,603)	(2,039,336)	(1,547,420)	(1,394,503)
Capitalised development costs		664,209	457,618	664,209	457,618
Other expenses		58,635	(326,036)	(109,144)	(324,165)
Results from operating activities		7,363,532	2,633,889	7,933,309	2,983,387
Finance income		37,238	44,566	60,858	75,420
Finance costs		(34,305)	(172,401)	(34,296)	(172,370)
Net finance income/(cost)		2,933	(127,835)	26,562	(96,950)
Profit before income tax		7,366,465	2,506,054	7,959,871	2,886,437
Income tax expense		(2,760,590)	(1,077,303)	(2,732,552)	(1,058,931)
Profit for the period		4,605,875	1,428,751	5,227,319	1,827,506
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences on foreign operations		31,069	35,428	-	-
Total comprehensive income		4,636,944	1,464,179	5,227,319	1,827,506
Profit attributable to:					
Owners of the Company		4,812,496	1,507,738	5,227,319	1,827,506
Non-controlling interest		(206,621)	(78,987)	-	-
Profit for the period		4,605,875	1,428,751	5,227,319	1,827,506
Total comprehensive income attributable to:					
Owners of the Company		4,796,379	1,520,734	5,227,319	1,827,506
Non-controlling interest		(159,435)	(56,555)	-	-
Total comprehensive income for the period		4,636,944	1,464,179	5,227,319	1,827,506
Earnings per share		€ 0.028	€ 0.009	€ 0.0305	€ 0.011

RS2 Software p.l.c.

Statements of Cash flows

For the six months ended 30 June 2018

	The Group		The Company	
	30.06.18 Unaudited	30.06.17 Unaudited	30.06.18 Unaudited	30.06.17 Unaudited
	€	€	€	€
Cash flows from operating activities				
Profit for the period	4,605,875	1,428,751	5,227,319	1,827,506
Adjustments for:				
Depreciation	252,348	288,142	199,721	240,127
Amortisation of intangible assets	349,318	319,435	349,316	319,438
Capitalised development costs	(664,209)	(457,618)	(664,209)	(457,618)
Provision for impairment loss on receivables	144	-	144	-
Provision for expected credit losses	109,000	-	109,000	-
Interest payable	36,429	54,630	36,429	54,630
Interest receivable	(5,492)	(5,922)	(5,492)	(5,951)
Unwinding of post-employment benefits	16,441	18,066	12,186	12,860
Unwinding of discount on trade receivables and accrued income	-	(18,373)	(23,205)	(48,923)
Unwinding of amortisation on deposit	(321)	-	-	-
Income tax	2,760,590	1,077,303	2,732,552	1,058,931
Provision for exchange fluctuations	(25,646)	354,532	(29,211)	354,375
Employees share benefits	50,000	-	50,000	-
Gain on disposal of motor vehicles	-	6,900	-	6,900
Changes in fair value of cash flow hedges	(13,249)	(20,546)	(13,249)	(20,546)
	7,471,228	3,045,300	7,981,301	3,341,729
Change in trade and other receivables	(4,456,894)	(3,239,152)	(3,879,768)	(2,950,131)
Change in trade and other payables	(3,553,310)	1,744	(3,764,845)	(66,967)
Change in parent company's balance	-	-	(192,929)	182,130
Cash generated from operating activities	(538,976)	(192,108)	143,759	506,761
Interest paid	(37,619)	(55,935)	(37,619)	(55,935)
Interest received	303	676	303	676
Income taxes paid	(9,982)	(2,267)	(9,982)	(101)
Net cash from operating activities	(586,274)	(249,634)	96,461	451,401
Cash flows from investing activities				
Acquisition of property, plant and equipment	(124,383)	(208,619)	(36,662)	(89,964)
Proceeds from sale of property, plant and equipment	-	6,900	-	6,900
Investment in subsidiaries	-	-	(25,000)	-
Advances to subsidiaries	-	-	(674,483)	(597,645)
Net cash used in investing activities	(124,383)	(201,719)	(736,145)	(680,709)

RS2 Software p.l.c.

Statements of Cash flows

For the six months ended 30 June 2018

	The Group		The Company	
	30.06.18 Unaudited	30.06.17 Unaudited	30.06.18 Unaudited	30.06.17 Unaudited
	€	€	€	€
Cash flows from financing activities				
Dividends paid	(2,501,206)	(1,578,120)	(2,501,206)	(1,578,120)
Repayments of bank borrowings	(508,357)	(495,015)	(508,357)	(495,015)
Advances to shareholders	(19,900)	-	-	-
Net cash used in financing activities	(3,029,463)	(2,073,135)	(3,009,563)	(2,073,135)
Net decrease in cash and cash equivalents	(3,740,120)	(2,524,488)	(3,649,247)	(2,302,443)
Cash and cash equivalents at 1 January	7,789,157	6,344,155	7,083,067	5,535,139
Effect of fair value movement	-	-	-	-
Effect of exchange rate fluctuations on cash held	20,564	(12,254)	8,424	(64,248)
Cash and cash equivalents at 30 June	4,069,601	3,807,413	3,442,244	3,168,448

RS2 Software p.l.c.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

1 Reporting entity

RS2 Software p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta.

The condensed interim financial statements of the Company as at the end and for the six months ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU for interim financial statements (EU adopted IAS 34 *Interim Financial Reporting*). The interim financial statements do not include all information required for full annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2017.

This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in Note 4.

3 Use of estimates and judgements

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 described in the last annual financial statements.

4 Significant accounting policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2017.

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The Group has initially adopted IFRS 15 Revenue from Contracts with Customers (refer to note 4.1) and IFRS 9 Financial Instruments (refer to note 4.2) from 1 January 2018. A number of other new standards are effective from 1 January 2018. The Group is currently assessing the impact of IFRS 16 Leases on the Group's financial statements.

The effect of initially applying these standards is mainly attributed to the following:

- revenue from the licence and customisations should be recognised over time provided an enforceable right to payment exists as per note 4.1;
- the fair value attributable to the term-licence should be recognised on an annual basis, immediately upon renewal of the licence agreement to the next year and defer the difference between the agreed annual licence fee and the fair value attributable to the annual licence. The cumulative differences attributable to the option, together with the additional one-time payment that will fall due upon exercise of the option to convert the licence to perpetuity, will be recognised as income at the earlier of the customer's notification of a decision on exercising the option to convert the licence to perpetuity or upon termination of the agreement for whatever reason as per note 4.1; and
- an increase in impairment losses recognised on financial assets as per note 4.2 below.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.1 IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

At 1 January 2018, in line with the date of initial application, the Group has adopted IFRS 15 using the cumulative catch-up approach and the practical expedient to apply the new standard only to contracts that were not completed as of that date. Accordingly, the information presented for 2017 has not been restated and is being presented, as previously reported, under IAS 18 and related interpretations.

The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings at 1 January 2018 quoted in the Statement of Changes in Equity:

Retained Earnings	The Group	The Company
	Impact of adopting IFRS 15 at 1 January 2018	
	€	€
Term Licence	(5,600,000)	(5,600,000)
Perpetual Licences and implementations	(613,702)	(1,449,702)
Related tax	2,174,792	2,467,396
Impact at 1 January 2018	(4,038,910)	(4,582,306)

The following tables summarise the impacts of adopting IFRS 15 on the Group's and Company's interim statement of financial position as at 30 June 2018 and its interim statement of profit or loss for the six months then ended for each of the line items affected.

Upon receipt of the customer's notification of the intention to exercise the option, the Group recognised €5.6m in revenues, previously reversed out of retained earnings as of 1 January 2018 as a result of the transitional provisions of IFRS15. In addition, since the reversal as at 1 January 2018 has been released back to the income statement during this period, there was no impact on the retained earnings at 30 June 2018.

There was no material impact on the Group's and Company's interim statement of cash flows for the six month period ended 30 June 2018.

Impact on the condensed interim statement of financial position

The Group	Amounts without adoption of IFRS 15		
30 June 2018	As reported	Adjustments	
	€	€	€
Assets			
Total non-current assets	16,231,794	-	16,231,794
Trade and other receivables	4,632,774	(20,971)	4,611,803
Contract assets	3,125,278	(911,405)	2,213,873
Total current assets	13,411,549	(932,376)	12,479,173
Total assets	29,643,343	(932,376)	28,710,967
Equity			
Retained earnings	9,006,390	(230,094)	8,776,296
Total equity attributable to equity holders of the Company	19,312,926	(230,094)	19,082,832
Total equity	18,795,895	(230,094)	18,565,801
Liabilities			
Deferred tax liability	647,867	214,796	862,663
Total non-current liabilities	3,023,700	214,796	3,238,496
Current tax payable	1,251,751	(350,000)	901,751
Contract Liabilities	3,193,704	(567,078)	2,626,626
Total current liabilities	7,823,748	(917,078)	6,906,670
Total liabilities	10,847,448	(702,282)	10,145,166
Total equity and liabilities	29,643,343	(932,376)	28,710,967

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Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.1 IFRS 15 Revenue from contracts with customers

The Company			Amounts without adoption of IFRS 15
30 June 2018	As reported	Adjustments	
	€	€	€
Assets			
Total non-current assets	22,108,967	-	22,108,967
Trade and other receivables	3,786,320	(20,971)	3,765,349
Contract assets	3,617,848	(75,405)	3,542,443
Total current assets	13,030,309	(96,376)	12,933,933
Total assets	35,139,276	(96,376)	35,042,900
Equity			
Retained earnings	14,589,889	313,306	14,903,195
Total equity attributable to equity holders of the Company	25,007,086	313,306	25,320,392
Total equity	25,007,086	313,306	25,320,392
Liabilities			
Deferred tax liability	1,018,680	507,395	1,526,075
Total non-current liabilities	2,793,312	507,395	3,300,707
Current tax payable	1,251,751	(350,000)	901,751
Contract Liabilities	3,040,804	(567,077)	2,473,727
Total current liabilities	7,338,878	(917,077)	6,421,801
Total liabilities	10,132,190	(409,682)	9,722,508
Total equity and liabilities	35,139,276	(96,376)	35,042,900

Impact on the condensed interim statement of profit or loss

The Group			Amounts without adoption of IFRS 15
For the six months ended 30 June 2018	As reported	Adjustments	
	€	€	€
Continuing Operations			
Revenue	15,592,978	(6,600,000)	8,992,978
Cost of sales	(6,324,750)	-	(6,324,750)
Gross profit	9,268,228	(6,600,000)	2,668,228
Results from operating activities	7,363,532	(6,600,000)	763,532
Profit before tax	7,366,465	(6,600,000)	766,465
Income tax expense	(2,760,590)	2,310,000	(450,590)
Profit for the period	4,605,875	(4,290,000)	315,875
Total comprehensive income for the period	4,636,944	(4,290,000)	346,944

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.1 IFRS 15 Revenue from contracts with customers (continued)

Impact on the condensed interim consolidated statement of profit or loss

The Company For the six months ended 30 June 2018	As reported	Adjustments	Amounts without adoption of IFRS 15
	€	€	€
Continuing Operations			
Revenue	14,134,556	(6,600,000)	7,534,556
Cost of sales	(5,074,706)	-	(5,074,706)
Gross profit	9,059,850	(6,600,000)	2,459,850
Results from operating activities	7,933,309	(6,600,000)	1,333,309
Profit before tax	7,959,871	(6,600,000)	1,359,871
Income tax expense	(2,732,552)	2,310,000	(422,552)
Profit for the period	5,227,319	(4,290,000)	937,319
Total comprehensive income for the period	5,227,319	(4,290,000)	937,319

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's services are set out in its financial statements as at and for the year ended 31 December 2017.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

4.1.1 Licences

4.1.1.1 Perpetual Licences

For perpetual licences, revenue under IAS 18 was generally recognised when the software was delivered, persuasive evidence existed usually in the form of a software licence agreement, it was probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue could have been measured reliably. Delivery of the software was considered to have occurred when the customer either took possession of the software, or had the ability to do so. This had been interpreted to be the date of execution (or signing) of the licence agreement. Fees from perpetual licences had therefore been recognised in full upon signing of the licence agreement. Where licence agreements were time-based, revenue from such licences had been recognised rateably over the term of the agreement.

Normally the Group promises to grant BankWORKS® licence as well as implementation and customisation services for the client to go live with the system. Under IAS 18, the Group recognised revenue from customisation and implementation services over time, by reference to the stage of completion. With the adoption of IFRS 15, the Group is required to assess each arrangement to understand whether licences are distinct from the services provided with that licence. For the purposes of understanding whether the licences are distinct, management is required to consider additional criteria including whether the customers can benefit from use of the licence alone or otherwise.

In this respect, management has assessed that in the majority of the Group's contracts, the licence and customisation are to be considered as one performance obligation (or 'sales promise'), since the customer cannot obtain a benefit from the licence without the customisation and implementation services provided.

The Group has determined that revenue from this performance obligation should be recognised over time provided an enforceable right to payment exists. In this case, under IFRS 15, revenue is to start being recognised as each licenced system is customised and set up according to the customer's specific needs, by reference to the stage of satisfaction of the performance obligation.

As a result of applying the requirements of IFRS 15, licence revenue previously recognised under IAS 18 on signing of the contract must be deferred and recognised either over time provided an enforceable right to payment exists, or at the point in time when implementation is complete.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.1 IFRS 15 Revenue from contracts with customers (continued)

4.1.1 Licences (continued)

4.1.1.1 Perpetual Licences (continued)

Management has considered IFRS 15's impact on contracts in which consideration for the promise is variable. For the licence business, this is relevant for contracts in which the Group's consideration is based on a fee per transaction processed by the customer. Under IFRS 15, revenue from such contracts will be recognised, over time or at a point in time (as applicable), only to the extent that it is probable that a significant reversal in the amount of revenue recognised will not occur. In practice, this will be at the earlier of when the Group can initially determine the transaction price based on its best estimate of the amounts to be received under the contract or when the Group becomes contractually entitled to such amounts under the contract.

4.1.1.2 Term Licence with an option to perpetuity

The Group is party to an annually-renewable term licence agreement with an option of converting to perpetuity at the end of the initially-agreed period. Under IAS 18, the Group considered the said option to be substantive and hence did not consider the option as another element in the arrangement. Accordingly, the Group recognised revenue from annual licences as agreed in each year upon renewal. Under IFRS 15, the Group will be considering the option to represent a material right in the hands of the customer to be considered as another performance obligation in the arrangement. Using criteria under IFRS 15 the Group will be allocating the standalone selling price of a similar perpetual licence to a term licence over an expected period of use by the customer in order to determine the fair value to be allocated to the option to perpetuity. Accordingly, under IFRS 15, the Group will recognise the fair value attributable to the term-licence on an annual basis, immediately upon renewal of the licence agreement to the next year and defer the difference between the agreed annual licence fee and the fair value attributable to the annual licence. The cumulative differences attributable to the option, together with the additional one-time payment that will fall due upon exercise of the option to convert the licence to perpetuity, will be recognised as income at the earlier of the following events:

- Notification from the customer of the intention to exercise, or decision on exercising the option to convert to perpetuity; and
- Termination of the agreement for whatever reason.

The reversal of €3.64m out of retained earnings as of 1 January 2018 emanates from the transitional provisions of IFRS15. Assumptions and estimates made by management when determining the fair value of the arrangement to be allocated to the option involve significant judgement and small revisions to these assumptions could result in an impact that is materially different from that disclosed above. This is particularly so in respect to the standalone selling price of an annual licence and the expected term of a similar licence. In accordance with IFRS15, such reversal is to be released to the income statement upon exercise or expiry of the option to which it relates. In view of the customer providing notification of the intention to exercise the perpetuity option, the Group recognised the accumulated deferred income of €5.6m from this contract to the income statement during the period. The deferral of revenues from this contract as at 1 January 2018 will therefore have no impact on the retained earnings at 30 June 2018 and at 31 December 2018.

4.1.2 Services

The Group provides customisation and implementation services both when licencing BankWORKS® and providing transaction processing services. Under IAS 18, revenue from such services had been recognized in the profit or loss as it accrued in proportion to the stage of completion of the agreed services at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

As noted in 4.1.1 above, management will be considering the customisation and implementation services as one performance obligation together with the sale of the licence following the application of additional guidance provided in IFRS 15. Transaction processing has been determined to be a distinct performance obligation. In accordance with IFRS 15, revenue from such performance obligation will be recognised over time when an enforceable right to payment exists, by measuring the progress transferred to the client towards the complete satisfaction of the obligation relative to the remaining services promised.

Revenue from other services requested by the client outside the scope of the original contract, such as change requests and remote and on-site support, are treated as distinct performance obligations and recognised at a point in time or over time, depending on whether IFRS 15's criteria for over time recognition are met. Management assesses each contract individually to determine whether such a right exists.

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.1 IFRS 15 Revenue from contracts with customers (continued)

4.1.2 Services (continued)

Transaction processing services are regarded as a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer; this service is therefore considered to be one performance obligation that is satisfied over time. The consideration in respect of such services contains variable elements that are dependent on the volume of transactions processed; management has however assessed that the Group will be able to allocate the variable fees charged for each transaction to the time period in which it has the contractual right to bill the customer. The Group will accordingly recognise the monthly billings to customers as revenue in the month of billing, and this revenue stream will have no impact on revenue recognition when compared to IAS 18.

4.1.3 Maintenance

Under IAS 18, revenue from maintenance had been recognised on a pro-rata basis with reference to the period to which it relates. Maintenance services, which may include the provision of support, software enhancements and software upgrades are each determined to be distinct performance obligations under IFRS 15, since the customer enjoys the benefit from such services in conjunction with the licence and implementation that would have already been obtained by the customer. Consistently with the requirements in IAS 18, revenues allocated to the maintenance performance obligations will be recognised over time under IFRS 15, as the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs.

4.1.4 Comprehensive Packages

Revenue from comprehensive package agreements had been recognised rateably over the term of the agreement under IAS 18, unless revenue arising from separately identifiable deliverables could have been measured reliably to reflect the substance of the transactions. Where separable deliverables could have been identified, revenue was recognised upon satisfaction of the criteria for recognition of these deliverables and presented in accordance with the respective categories.

The Group has assessed the impact of IFRS 15 on comprehensive packages and has determined that revenue should continue to be recognised over time under IFRS 15; accordingly, management does not anticipate any impact on revenue recognition for such contracts.

4.2 IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The following table summarises the impact, net of tax, of transition to IFRS 9 on the opening balance of reserves and retained earnings quoted in the Statement of Changes in Equity.

	Group and Company
	Impact of adopting IFRS 9 at 1 January 2018
	€
Fair value reserve	
Recognition of expected credit losses under IFRS 9 for debt financial assets at FVOCI	(87,193)
Impact at 1 January 2018	(87,193)
Retained earnings	
Reversal of expected credit losses for debt financial assets now recognised at FVOCI	87,193
Recognition of expected credit losses under IFRS 9	(105,000)
Related tax	36,750
Impact at 1 January 2018	18,943

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.2 IFRS 9 Financial Instruments (continued)

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.2.1 Trade and other receivables

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group expects a small increase in the loss allowance for trade debtors to approximately range between 4% and 7% of trade receivables and accrued income.

The Group estimated ECLs were calculated based on lifetime expected credit losses on trade receivables and contract assets in line with the requirements of IFRS 9. The Group has determined that the application of IFRS 9's impairment requirements for the Group and the Company at 1 January 2018 results in an additional impairment allowance as follows.

	€
Loss allowance at 31 December 2017 under IAS 39	5,002
Additional impairment recognised at 1 January 2018 on:	
Trade and other receivables as at 31 December 2017	63,000
Contract assets recognised on adoption of IFRS 15	42,000
Loss allowance at 1 January 2018 under IFRS 9	110,002

4.2.2 Cash at bank and in hand

The cash and cash equivalents are held with banks which are rated BBB to AA-, based on Standard and Poor's ratings as at 2nd July 2018.

The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and cash equivalents have low credit risk based on the external credit ratings.

The Group and the Company estimated that application of IFRS 9's impairment requirements at 1 January 2018 will not result in an increase of any impairment recognised likewise under IAS 39.

4.2.3 Classification - Financial Assets and Financial Liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Under IFRS 9, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The other investment of the Group which was classified as non-current available-for-sale financial assets under IAS 39, is classified as financial assets at FVOCI under IFRS 9.

The Group's assessment did not indicate that there will be an impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments:

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			€	€
Financial Assets				
	Available for sale	FVOCI – equity instrument	131,785	131,785
Total financial assets			131,785	131,785

Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

4 Significant accounting policies (continued)

4.2 IFRS 9 Financial Instruments (continued)

4.2.4 Hedge Accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach.

Upon initial application of IFRS 9, the Group chose as its accounting policy to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements in IFRS 9. The Group has elected to retain the IAS 39 accounting requirements.

4.2.5 Transition

In line with the exemption, the Group did not restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 were recognised in retained earnings and reserves as at 1 January 2018.

5 New Standards and Interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted, however the Group has not early adopted the new or amended standards in preparing these financial statements. Those which may be relevant to the Group are set out below.

The following standards are expected to have a material impact on the Group's and the Company's financial statements in the period of initial application.

5.1 IFRS 16 Leases

The new standard introduces a single lease accounting model for lessees under which all major leases are recognized on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgmental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgments at each reporting date were introduced.

IFRS 16 is effective for annual periods beginning on or after **1 January 2019**. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

The Group has started an initial assessment of the potential impact on its consolidated financial statements. So far, the most significant impact identified is that the Group will recognize new assets and liabilities for its operating leases. In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight line operating lease expenses with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

IFRS 16 can be applied, by a lessee, using either the retrospective approach or the modified retrospective approach with optional practical expedients. Application should be consistent to all the leases.

The Group plans to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

6 Determination of Fair Value

The Group has an established control framework with respect to the measurement of fair values. The reported carrying amounts of the Group's and Company's current financial instruments are the same as those applied in the last annual financial statements and are a reasonable approximation of the financial instruments' fair values in view of their short-term maturities and in the case of the derivative, this was measured at fair value.

The Group's and Company's fair values of other financial assets and liabilities, together with the carrying amounts in the statement of financial position are also a reasonable approximation of their respective fair values.

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Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

7 Segment reporting

7.1 Information about the Group's reportable segments

	Licensing		Processing		Total	
	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €
External revenues *	13,908,213	9,211,610	1,684,765	1,362,775	15,592,978	10,574,385
Inter-segment revenues	226,343	214,031	-	-	226,343	214,031
Segment Revenues	14,134,556	9,425,641	1,684,765	1,362,775	15,819,321	10,788,416
Reportable segment profit/ (loss) before income tax	7,886,299	2,656,844	(593,166)	(224,124)	7,293,133	2,432,720

7.2 Reconciliation of the Group's reportable segment revenues and profit or loss

	30.06.18 Unaudited €	30.06.17 Unaudited €
External revenues		
Total revenue for reportable segments *	15,819,321	10,788,416
Elimination of inter-segment transactions	(226,343)	(214,031)
Consolidated revenues	15,592,978	10,574,385
Reportable segment profit before income tax		
Total reportable segment profit for reportable segments	7,293,133	2,432,720
Elimination of inter-segment transactions	73,332	73,334
Consolidated reportable segment profit	7,366,465	2,506,054

8 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

The nature and effect of initially applying IFRS 15 on the Group's interim financial statements are disclosed in Note 4.

8.1 Disaggregation of revenue

In the following table, revenue is disaggregated by category of activity, primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments

Category of activity	Reportable segments					
	Licensing		Processing		Total	
	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €
Licence fees *	9,125,000	2,507,500	-	-	9,125,000	2,507,500
Service fees	3,224,316	5,031,229	1,652,835	1,354,739	4,877,151	6,385,968
Maintenance fees	1,170,509	965,059	13,290	3,644	1,183,799	968,703
Comprehensive packages	380,333	392,000	-	-	380,333	392,000
Re-imbursment of expenses	8,055	315,823	18,640	4,391	26,695	320,214
	13,908,213	9,211,611	1,684,765	1,362,774	15,592,978	10,574,385
Geographical markets						
Europe *	13,651,519	8,935,371	1,632,790	1,328,190	15,284,309	10,263,561
Middle East	224,960	261,541	13,950	5,938	238,910	267,479
North America	-	-	13,545	25,460	13,545	25,460
South America	-	-	24,478	3,186	24,478	3,186
Asia	31,736	14,699	-	-	31,736	14,699
	13,908,215	9,211,611	1,684,763	1,362,774	15,592,978	10,574,385

* Includes the release of deferred income amounting to €5.6m as detailed in note 4.1

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Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

8 Revenue (continued)

8.1 Disaggregation of revenue (continued)

Timing of revenue recognition	Licensing		Processing		Total	
	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €
Transferred at a point in time *	8,800,000	2,507,500	-	-	8,800,000	2,507,500
Transferred over time	5,110,130	6,704,111	1,684,763	1,362,774	6,792,978	8,066,885
	13,908,215	9,211,611	1,684,763	1,362,774	15,592,978	10,574,385

* Includes the release of deferred income amounting to €5.6m as detailed in note 4.1

8.2 Contract balances

The following table provides information about the Group's receivables, contract assets and contract liabilities from contracts with customers.

	30.06.18 Unaudited €	01.01.18 Unaudited €
Receivables, which are included in 'Trade and other receivables'	4,744,913	1,441,046
Contract assets	3,125,278	981,029
Contract liabilities	(3,193,704)	(7,863,455)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time.

9 Property, plant and equipment

During the six months ended 30 June 2018, the Group acquired assets with a cost of €204,931 (six months ended 30 June 2017: €306,754). No assets were disposed of up to 30 June 2018 (six months ended 30 June 2017: €21,514).

10 Intangible assets

During the six months ended 30 June 2018, the Group capitalised expenditure on the development of computer software amounting to €664,209 (six months ended 30 June 2017: €457,618).

11 Related parties

11.1 Related party transactions

Similar to what was reported in the financial statements for the year ended 31 December 2017, the Group and the Company had the following transactions with related parties:

	The Group		The Company	
	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €
Key management personnel				
Dividend paid to	41,228	26,331	41,228	26,331
Parent company				
Interest charged to	5,213	5,213	5,213	5,213
Dividend paid to	1,253,232	792,350	1,253,232	792,350
Subsidiaries				
Services provided to			170,949	557,620
Services provided by			258,110	91,221
Services not yet invoiced provided to			(149,662)	138,918
Recharge of salaries			376,400	188,391
Recharge of overhead to			133,194	110,980
Recharge of salaries by			57,347	56,250

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Notes to the Condensed Interim Financial Statements

For the six months ended 30 June 2018

11 Related parties (continued)

11.1 Related party transactions (continued)

	The Group		The Company	
	30.06.18 Unaudited €	30.06.17 Unaudited €	30.06.18 Unaudited €	30.06.17 Unaudited €
Other related entities				
Services provided by	751,331	836,171	722,995	836,171
Services provided to	2,010,637	3,131,097	2,010,637	3,131,097
Services not yet invoiced provided to	456,522	1,739,293	456,522	1,739,293
Services not yet invoiced provided by	(110,000)	(110,000)	(110,000)	(110,000)

All transactions entered into with related parties have been accounted for at fair and reasonable prices.

11.2 Related party balances

	The Group		The Company	
	30.06.18 Unaudited €	30.06.17 Audited €	30.06.18 Unaudited €	30.06.17 Audited €
Amounts receivable				
Amounts owed by parent company	770,488	760,047	770,488	760,047
Amounts owed by subsidiary companies	-	-	753,826	597,051
Amounts owed by other related entities	342,550	1,307,197	342,550	1,307,197
Amounts payable				
Trade payables due to other related entities	12,534	20,976	16,136	20,976

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Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

As at 30 June 2018

We confirm that to the best of our knowledge:

- the condensed interim financial statements which have been prepared in compliance with International Financial Reporting Standards as adopted by the EU for interim financial statements (EU adopted IAS 34, Interim Financial Statements), give a true and fair view of the financial position of the Group as at 30 June 2018, as well as the financial performance and cash flows for the period ended 30 June 2018; and
- the interim Directors' report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Mario Schembri
Chairman



Radi El Haj
Director