IG Finance plc

Report & Financial Statements

31 December 2021

Company registration number: C 78720

Contents

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The company's principal activity is that of providing finance to other group companies.

The Guarantor's principal activities, as exercised by the holding company and its subsidiaries, and which are substantially unchanged since last year, are mainly the manufacture of electronic packaging products, electrical fittings and other injection moulded products for third parties.

Review of the business

During the year under review, the company registered a profit before taxation of € 2,967 (2020: € 3,053).

Income derived from interest charged on loans to related parties amounted to € 225,700 (2020: € 225,440), whereas the accumulated interest payable on the bond issued in 2017 amounted to € 203,500 (2020: €203,500).

The directors expect that the activities of the company will remain consistent for the foreseeable future in line with the projected inflows and outflows.

Guarantor's performance for the year ended 2021

Impresa Limited is the Guarantor of the bond issued by the Company in 2017. The Group's turnover for the year decreased by 5.5% from € 8.96M during the year ending 31 December 2020 to € 8.47M during the year ending 31 December 2021. Cost of Sales also decreased by 5.7%, from € 7.44M to € 7.02M.

The year 2021 was a difficult year on many fronts. The group suffered continuous increases in the cost of raw materials throughout the year and substantial decrease in the production of one particular product. Furthermore, it also faced disruption and unavailability of transport modes.

The Group was facing these problems at a critical period in the finishing of the new premises project, from where, as stated in the Directors' Report last year, we had hoped to be fully operational by the end of 2021. Clearly, as also anticipated in the Report of last year, the supply chain issue also negatively impacted this large project and the actual move took place in March 2022, which, under the circumstances, is a minimal delay of three months from the targeted moving date of 31st December 2021.

Notwithstanding this, the Directors believe that the Group is continuing to enjoy the substantial cost savings achieved during 2018 and 2019 as a result of the investment in new machinery that runs with higher energy efficiency, higher productivity and improved yields.

As done in previous years, in order to adequately assess the performance of the Group, any other income not generated from core business activities during 2020 and 2021 should be eliminated. The below is reflects the EBIDTA calculation for the respective periods:

EBIDTA calculation

	2021	2020
	€	€
Profit for the year	**1,152,156**	**1,070,283**
Add back: depreciation and amortisation	448,945	496,151
Less: other non-operating income	(283,344)	(158,434)
EBIDTA	**1,317,757**	**1,408,000**

Outlook for 2022

The Group makes reference to the continuously developing situation relating to Covid-19 in Malta and in other countries around the world in Note 2.2 of these Financial Statements.

As in 2021, the Group will continue to monitor the situation on an on-going basis to ensure that further action, if required, is taken. The wellbeing of its employees and customers are of paramount importance to the Group and therefore the Group will continue to abide by all the directives issued by the competent health authorities.

The Group will also continue to take measures, within its control, to mitigate the adverse impact on its business, both operationally and financially.

Financial risk management

The company's activities expose it to a variety of financial risks, including credit and liquidity risk. Refer to note 18 to these financial statements.

Results and dividends

The income statement is set out on page 13. The directors do not recommend the distribution of a dividend.

Directors

The directors of the company who held office during the year were:

Chairman - Paul Mercieca (Non-Executive Director)
Joseph Borg (Co-Chief Executive Officer)
Anton Borg (Co-Chief Executive Officer)
Mark Joseph Borg (Executive Director)
Julian Edward Borg (Executive Director)
Kristina Christie (Executive Director)
Anthony Bartolo (Non-Executive Director)
Matthew Borg (Non-Executive Director)

The company's Articles of Association do not require any director to retire.

Disclosure of information to the auditor

At the date of making this report the directors confirm the following:

- As far as the directors are aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Statement of directors' responsibilities

The Companies Act, Cap 386 requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of the profit or loss of their operations for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company as at 31 December 2021, 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 European Union; and

- the report and financial statements include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that the company and the guarantor face.

Auditor

Grant Thornton have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Anton Borg
Director

Joseph Borg
Director

Registered address:
HHF 417, Hal Far Industrial Estate
Birzebbugia BBG 3000
Malta

20 April 2022

Statement of Compliance with the Code of Principles of Good Corporate Governance

Preliminary

The Company supports the Rules and also the stipulations of the said rules in relation to dealing restrictions.

The Issuer adopts a Code of Principles of Good Corporate Governance (the "Code"), guided by the Prospects Rules issued by the Malta Stock Exchange with the exceptions mentioned below, and is confident that by being guided by this Code this shall result in positive effects accruing to it. The Issuer adopts measures in line with the Code of Principles with a view to ensure that all transactions are carried out at arm's length.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing obligations in terms of the rules of Prospects.

As required by the Act, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the Non-Executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. In ensuring compliance with other statutory requirements and with continuing admission obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

The Company acts as a finance company to the Impresa Group and as such has minimal operations emanating from this task. Its primary function is the lending and monitoring of the proceeds of bonds issued to the public to its parent company. The Company has no employees but is managed by the Directors and the company secretary.

The Guarantor

The Guarantor (Impresa Limited) is a private company and, accordingly, is not bound by the provisions of the Code set out in the Prospects Rules of the Malta Stock Exchange. While the Guarantor is not required to adopt the provisions of the Code, the Audit Committee which is set up at the level of the Guarantor has been specifically tasked with keeping a watching brief over the financial performance of the Issuer, the Guarantor and other Group subsidiaries.

Principle 1: The Board

The Board of Directors is responsible for the Company's affairs, in particular in giving direction to the Company and being actively involved in overseeing the systems of controlling and financial reporting. The Board has discussed the Code and all directors are aware of their responsibilities as such.

The Board of Directors meets regularly to discuss policy decisions and to discuss the operations of the parent company, Impresa Ltd. The Board is made up of eight Directors, two of which are completely independent from the Company or any related companies. Regular Board meetings are held in order to provide all relevant information to each Board member and to ensure that each Director is adequately informed of all key items specifically relating to operations and general day to day management.

Principle 2: The Company's Chairman and Chief Executive

The Company has adopted to clear separation of roles between the role of the Chairman and the Chief Executive of the Company. The Chief Executive role is further split between the two senior Executive Directors and explained within Principle 3 of this Statement of Compliance.

The Chairman has the role to allow Directors to play a full and constructive role in the affairs of the Company. In this regard, the Chairman leads the Board and sets its agenda while ensuring that the Board receives precise, timely and objective information through the company secretary. The Chairman also ensures effective communication with shareholders and actively encourages engagement by all board members for discussion of complex and contentious issues.

Principle 3: Composition of the Board

The Company has ensured to appoint to its Board of Directors members with a variety of skills, knowledge and expertise required for all business processes, mainly focusing on technical and financial aspects of the Group's Core Operations. The Board of directors is made up of eight members as follows:

Independent, Non-Executive Directors
Mr. Paul Mercieca (Chairman)
Eng. Anthony Bartolo (Non-Executive Director)

Executive Directors
Mr. Joseph Borg (Co-Chief Executive Officer)
Mr. Anton Borg (Co-Chief Executive Officer)
Mr. Mark Joseph Borg (Executive Director)
Mr. Julian Edward Borg (Executive Director)
Ms. Kristina Christie Borg (Executive Director)

Non-Executive Directors
Mr. Matthew Borg (Non-Executive Director)

Secretary to the Board
Mr. Philip Mifsud

None of the independent Non-Executive Directors:

a) is or has been employed in any capacity with the Company

b) has or had a significant business relationship with the Company;

c) has received significant additional remuneration from the Company;

d) has close family ties with any of the Company's Executive Directors or senior employees;

e) has served on the Board for more than twelve consecutive years; or

f) is or has been within the last three years an engagement partner or a member of the audit team of the present or former external auditor of the Company.

Each Non-Executive Director has declared in writing to the Board that he undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;

b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and

c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the Company.

Principle 4: The Responsibilities of the Board

During the board meetings held, the agenda set forth has consistently been drawn up to ensure the following are adequately discussed and reported on:

(i) Clear definition of the Company's strategy, through assessing management performance and business policies;
(ii) Continuously assess and monitor the Company's present and future operations, opportunities, threats and risks both internally and in the external environment;
(iii) Review of policies and procedures in place to ensure that the company and its employees maintain the highest standards of corporate conduct;
(iv) Regular information sessions to ensure that directors are made aware of their duties and responsibilities;
(v) Discussions on business risk and KPIs benchmarked against the Company's historic performance and budgeted performance;
(vi) Management constantly monitor performance and report to its satisfaction fully and accurately on the key performance indicators; and
(vii) Ensuring that the financial statements of the Company and the annual audit thereof are complete within the stipulated time periods.

Principle 5: Board Meetings

The Board ensures regular review and overall evaluation of corporate strategy, major operational and financial plans, risk policy, performance objectives, and implementation and corporate performance. During 2021 the Board met regularly and have planned a number of meetings for 2022. The Board has targeted and set meetings to be held bi-monthly, however Executive Directors are entrusted to keep independent Non-Executive Directors informed on matters arising even between such planned meetings.

Internal Control System

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

Whilst the Board of Directors is responsible for an effective internal control system, it relies on its effectiveness on the Group's financial controller and the audit committee. The Group's management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. Through these channels, the Directors have reasonable assurance that risk factors are managed properly and that material misstatements in the financial statements are not likely to occur.

Risk Management

The objective of the risk management function of the Company is to minimise the cost of risk and to maximise return on assets.

In order to manage the above mentioned risks, the financial controller during Audit Committee meetings and prior to presenting any quarterly figures, explains any issues in reporting and factors which may currently or in future provide difficulties in reaching such reporting targets. These periodic reports comment on areas likely to have elements of risk, highlighting any weaknesses or possible threats.

The Audit Committee makes recommendations, as necessary, to the Board.

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

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

The Board will continue to monitor the code in future years and will decide on an annual basis if the position sited above will apply.

Board Committees

The Group (specifically Impresa Limited) established an Audit Committee. The terms of reference of the Audit Committee have been formally set out in a separate charter. The Audit Committee is composed of two Non-Executive Directors and one Executive Director. The following Directors sit on the Committee:

Members

Chairman - Mr. Paul Mercieca (Non-Executive Director)
Member – Eng. Anthony Bartolo (Non-Executive Director)
Member - Mr. Julian Edward Borg (Executive Director)

Secretary to the Board

Mr. Philip Mifsud

The Committee's primary objective is to assist the board in fulfilling the oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee reports directly to the Board of Directors and has continued to meet over 2021 regularly to ensure that all reporting requirements are met accordingly.

The company secretary is responsible to the Board for ensuring that board procedures are complied with and to aid the chairman to ensure that all members receive precise, timely and objective information.

Principle 6: Information and Professional Development

Executive Directors and management are committed to ensure that the board is adequately informed of all events and allows time during such meetings for high level discussions in order to allow all directors to put forward their ideas and perspectives. This allows management to ascertain themselves that a decision is taken knowledgeably and diligently.

Specifically when discussing more technical topics, the Board ensures that Directors, especially NEDs, have access to independent professional advice at Company's expense where they judge it necessary to discharge their responsibilities as Directors.

Principle 7: Evaluation of the Board's performance

Under the present circumstance, the Board does not consider it necessary to appoint a Committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the Shareholders.

Principle 8: Nomination and Remuneration Committee

Due to the nature of the Company's restricted operational functions, the Board does not consider it necessary to set up a Nomination Committee. However, the Board believes that the members hold a variety of skills, knowledge and expertise required for all business processes.

With respect to the Remuneration Committee, the Board does not consider it necessary to set up such a Committee. The Directors received in aggregate €12,540 for services rendered during 2021. This remuneration has been approved by the Directors. The Board has resolved to disclose these fees in aggregate rather than as separate figures for each Director as recommended by the code.

Principles 9: Relations with Shareholders and the Market

The Company is committed to maintain an informed market. Communication with bondholders has to date been handled by way of the Annual Report and Financial statements. The Company also communicates with bondholders via company announcements made through the Malta Stock Exchange as well as regularly updating as may be required on the Issuers website.

The Company also holds an Annual General Meeting with its shareholders whereby a number of resolutions are looked into, mainly referring to:

(i) The consideration for approval of the Audited Financial Statements both of the Company as a standalone Company and of the Group of which the Company forms part of;
(ii) Consideration of the reappointment of the Company's auditors, and the consideration to authorise the Board of Directors to determine their remuneration;
(iii) The consideration to reappoint the Directors up to the next Annual General Meeting in accordance with the Company's Articles of Association

Principles 10: Institutional Shareholders

The Company has no institutional Shareholders.

Principles 11: Conflicts of Interests

The Directors always act in the interest of the Company and its Shareholders. If any Director has a conflict of interest he is not allowed to vote on the matter or may even request not to be present during specific discussions.

Principles 12: Corporate Social Responsibility

The Directors are committed to behave ethically and contribute to economic development whilst improving the quality of life of the Company's workforce, their families and society in general. Initiatives have been put in place which are aimed at investing in human capital, health and safety, employee training and environmental awareness. Given the strong family business core of the Company, the Directors believe that such values should be echoed throughout the whole of the business organisation.

Non-Compliance with the Code

Principle 3: Composition of the Board

The Company does not have a majority of Non-Executive Directors nor does it have a majority of Independent Directors appointed to its Board of Directors. Given the size and circumstances of the Company's business, this is not deemed necessary. The Company would like to note that it does however adhere to the requirements as dictated in the Prospects Rules.

Principle 4: The Responsibilities of the Board

The Non-Executive Directors have not signed a written statement stating that they will maintain independence in all circumstances, they will not seek or accept any unreasonable advantages that could be considered as compromising their independence, or/and that they will clearly express their opposition to any Board decision that may harm the Company. The Company and its independent Directors feel that this is the responsibility and duty they have and have taken on when accepting such a role.

Principle 6: Information and Professional Development

Given the size and circumstances of the Company's business, this is not deemed necessary.

The Company has discussed succession in depth and has plans to formalise these plans, however at a later stage. No time frame has been given as to when this will be effected.

Principle 7: Evaluation of the Board's performance

Given the size and circumstances of the Company's business, the Company does not deem it necessary to carry out a board evaluation. The Board feels that its performance is reflected in the Company's annual performance itself, the reaching of investment targets and the potential for growth which is evaluated regularly.

Principle 8: Nomination and Remuneration Committee

Given the size and circumstances of the Company's business, the Company does not deem it necessary to appoint a Nomination and Remuneration Committee as decisions on these matters are more adequately taken by the Board of Directors and at Shareholder level.

Principle 9: Relations with Shareholders and the Market

The Company does not have procedures in place stipulated in the Company's Memorandum and Articles of Association as a mechanism to resolve conflict between minority and controlling Shareholders.

Approved by the Board of Directors on 20th April 2022 and signed on behalf of:

Anton Borg
Director

Joseph Borg
Director

Income statement

	Notes	2021	2020
		€	€
Finance income	5	225,700	225,440
Finance costs	6	(203,500)	(203,500)
Net finance income		**22,200**	**21,940**
Administrative expenses		(9,869)	(9,523)
Amortisation of bond issue costs		(9,364)	(9,364)
Profit before tax	7	**2,967**	**3,053**
Tax expense	8	-	-
Profit for the year		**2,967**	**3,053**
Earnings per share	9	**0.06**	**0.06**

Statement of financial position

	Notes	2021	2020
		€	€
Assets			
Non-current			
Loans receivable from group entities	10	3,606,265	3,606,265
		3,606,265	**3,606,265**
Current			
Other receivables	11	235,484	229,611
Cash and cash equivalents	12	-	75
		235,484	**229,686**
Total assets		**3,841,749**	**3,835,951**

Statement of financial position – continued

	Notes	2021	2020
		€	€
Equity			
Share capital	13	47,000	47,000
Retained earnings		9,176	6,209
Total equity		**56,176**	**53,209**
Liabilities			
Non-current			
Borrowings	14	3,650,059	3,640,695
		3,650,059	**3,640,695**
Current			
Borrowings	14	127,118	127,118
Trade and other payables	15	8,396	14,929
		135,514	**142,047**
Total liabilities		**3,785,573**	**3,782,742**
Total equity and liabilities		**3,841,749**	**3,835,951**

The financial statements on pages 13 to 29 were approved and authorised by the board on 20 April 2022 and signed on its behalf by:

Anton Borg
Director

Joseph Borg
Director

Statement of changes in equity

	Share capital €	Retained earnings €	Total €
At 1 January 2020	47,000	3,156	50,156
Profit for the year	-	3,053	3,053
At 31 December 2020	**47,000**	**6,209**	**53,209**
At 1 January 2021	47,000	6,209	53,209
Profit for the year	-	2,967	2,967
At 31 December 2021	**47,000**	**9,176**	**56,176**

Retained earnings include current and prior period results as disclosed in the income statement.

Statement of cash flows

	Notes	2021	2020
		€	€
Operating activities			
Profit before tax		2,967	3,053
Adjustments	16	9,364	9,364
Net changes in working capital	16	(34,606)	(34,287)
Net cash used in operating activities		**(22,275)**	**(21,870)**
Investing activity			
Interest received		225,700	225,440
Cash generated from investing activity		**225,700**	**225,440**
Financing activity			
Interest paid		(203,500)	(203,500)
Cash used in financing activity		**(203,500)**	**(203,500)**
Net change in cash and cash equivalents		(75)	70
Cash and cash equivalents, beginning of year		75	5
Cash and cash equivalents, end of year	12	**-**	**75**

Notes to the financial statements

1 Nature of operations

The company's principal activity is that of providing finance to other Companies within the Impresa Group.

2 Basis of preparation

2.1 General information and statement of compliance with International Financial Reporting Standards

IG Finance plc is a public limited liability company incorporated in Malta. The address of the company's registered office is at HHF 417, Hal Far Industrial Estate, Bizebbugia BBG 3000, Malta.

The financial statements of IG Finance plc ("the company") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the Companies Act (Cap. 386). They have been prepared under the assumption that the company operates on a going concern basis.

The parent Company is Impresa Limited with registered office and principal place of business at HHF 417, Hal Far Industrial Estate, Bizebbugia BBG 3000, Malta.

The financial statements are presented in euro (€), which is also the functional currency of the company.

2.2 Consideration of the effects of Covid-19

Following the outbreak of the COVID-19 pandemic, the directors have continued to actively monitor all developments currently taking place in Malta in order to take any immediate action to safeguard the interests of the Group as changes in the business environment become more evident or any deterioration suspected. Such events are expected to have an impact on the performance and financial position of the Group in the future due to any effects that this pandemic is having on the economy.

The results for the current year show that the Group has achieved satisfactory results. Whilst the situation remains extremely fluid and future events may have an adverse effect on the Group's profitability in the medium to longer term, as well as its liquidity and financial position, the outlook remains cautiously optimistic.

The Group has taken all measures possible in order to protect its staff in line with Government guidelines and will continue to do so for a smooth transition into a period of uncertainty.

3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments and interpretations to existing standards have been published by the IASB. None of these standards, amendments or interpretations have been adopted early by the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the company's financial statements.

4 Significant accounting policies

4.1 Overall considerations and presentation of financial statements

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The accounting policies have been consistently applied by the company during the period under review.

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The company did not have any items classified as 'other comprehensive income' and consequently, management has elected to present only an income statement.

4.2 Revenue and expense recognition

Interest income

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 the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Expenses are recognised in the income statement upon utilisation of the service or at date of their origin.

4.3 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade and other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

- fair value through other comprehensive income (FVOCI).

The company does not have any financial assets categorised as FVTPL and FVOCI in the period presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs' or 'finance income'.

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents and receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit and loss.

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

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

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

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

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

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Receivables

The company makes use of a simplified approach in accounting for receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The company assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designates a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.4 Income taxes

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current 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 on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

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

Deferred tax assets and liabilities are offset only when the company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.5 Cash and cash equivalents

For the purpose of the statement of financial position and statement of cash flows, cash and cash equivalents comprise cash at bank.

4.6 Equity

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current period results.

4.7 Provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.8 Significant management judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying adjustments are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of revision and future periods if the revision affects both current and future periods.

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

5 Finance income

	2021 €	2020 €
Interest on loans to group entities	225,700	225,440

6 Finance costs

	2021 €	2020 €
Interest on debt securities in issue	203,500	203,500

7 Profit before tax

The profit before tax is stated after charging:

	2021 €	2020 €
Auditor's remuneration	4,100	4,000

8 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the company at 35% and the tax expense actually recognised in the income statement can be reconciled as follows:

	2021 €	2020 €
Profit before tax	2,967	3,053
Tax rate	35%	35%
Expected tax expense	**(1,038)**	**(1,069)**
Adjustment for the tax effects of:		
- Deferred taxes not recognised	4,315	4,346
- Amortisation of bond issue costs	(3,277)	(3,277)
Actual tax expense	-	-

At the reporting date, the company had unabsorbed tax loss amounting to € 40,764 (2020: € 53,096). No deferred tax asset has been recognised at the reporting date in relation to the above.

9 Earnings per share

Basic earnings per share is based on the profit for the year of € 2,967 (2020: € 3,053) attributable to the equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

	2021 No. of shares	2020 No. of shares
Weighted average number of shares in issue	47,000	47,000

	2021 €	2020 €
Earnings per share	0.06	0.06

10 Loans receivable from group entities

	2021 €	2020 €
Carrying amount	3,606,265	3,606,265

Loans receivable from group entities are unsecured, repayable after more than 5 years and bear interest of 6.1% per annum.

11 Other receivables

	2021 €	2020 €
Amounts owed by fellow subsidiaries	79,997	74,102
Interest receivable from group entities	152,734	152,754
Financial assets	**232,731**	**226,856**
Prepayments	2,753	2,755
Total other receivables	**235,484**	**229,611**

The carrying value of financial assets is considered a reasonable approximation of fair value.

Amounts owed by fellow subsidiaries and group entities are unsecured, interest free and repayable on demand. Interest receivable is accrued interest on loans to group entities and payable on an annual basis.

12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and statement of cash flows include the following component:

	2021 €	2020 €
Cash at bank	-	75

13 Share capital

The share capital of IG Finance plc consists only of ordinary shares with a par value of € 1. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of IG Finance plc.

	2021	2020
	€	€
Authorised		
50,000 Ordinary shares of € 1 each	**50,000**	**50,000**
Issued and fully paid up		
47,000 Ordinary shares of € 1 each	**47,000**	**47,000**

14 Borrowings

	2021	2020
	€	€
Prospects MTF: 3,700,000 5.5% Unsecured Bonds 2024-2027		
Amounts falling due within one year	127,118	127,118
Amounts due after more than one year	3,650,059	3,640,695
Total borrowings	**3,777,177**	**3,767,813**

By virtue of the Company Admission Document dated 7 April 2017, the company has issued €3,700,000 5.5% Unsecured Bonds of nominal value of €1,000 per bond. Unless previously re-purchased or cancelled, the bonds are redeemable at their nominal value on 17 May 2027 with early redemption from 18 May 2024 at the option of the company.

The bonds have been admitted on Prospects MTF, a multilateral trading facility operated by the Malta Stock Exchange, on 2 May 2017 with trading in the bonds commencing on 3 May 2017. The carrying amount of the bonds is € 3,777,177 (2020: € 3,767,813). The market value of the debt securities on the last day before the reporting date was € 3,700,000 (2020: € 3,700,000)

Interest is payable on 17 May of each year at the rate of 5.5% per annum, payable annually in arrears on each interest payment date.

Transaction costs of €93,640 directly related to the bond issue are being amortised over the life of the bond.

Net proceeds from the bond issue amounting to €3,606,360 were advanced to Impresa Limited and form part of loans receivable from group entities in note 10.

The bonds are measured at the amount of net proceeds adjusted for the amortisation of the difference between net proceeds and the redemption value of the bonds using the effective interest methods as follows:

	2021	2020
	€	€
3,700,000 5.5% Unsecured Bonds 2024-2027		
Original face value of bonds issued	3,700,000	3,700,000
Gross amount of bond issue costs	(93,640)	(93,640)
Net proceeds from issuance	**3,606,360**	**3,606,360**
Amortisation of bond issue costs		
Accumulated amortisation at beginning of year	34,335	24,971
Amortisation charge for the year	9,364	9,364
Accumulated amortisation at end of year	**43,699**	**34,335**
Unamortised bond issue costs	49,941	59,305
Interest accrued as at end of year	**127,118**	**127,118**
Amortised cost and carrying amount	**3,777,177**	**3,767,813**

15 Trade and other payables

	2021	2020
	€	€
Amounts owed to parent company	475	-
Amounts owed to fellow subsidiaries	1,429	252
Other payables	362	8,552
Accruals	6,130	6,125
Financial liabilities	**8,396**	**14,929**

Financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

Amounts due to parent company and fellow subsidiaries are unsecured, interest free and have no fixed date of repayment.

16 Cash flow adjustments and net changes in working capital

The following cash flow adjustments and net changes in working capital have been made to the pre-tax result for the period to arrive at operating cash flow:

	2021	2020
	€	€
Adjustments:		
Amortisation of bond issue costs	9,364	9,364
	9,364	**9,364**
Net changes in working capital:		
Receivables	(230,074)	(235,786)
Payables	195,468	201,499
	(34,606)	**(34,287)**

17 Related party transactions

The companies forming part of the Impresa Limited group are considered by the directors to be related parties as these companies are ultimately owned by the Borg family.

The following transactions were also carried out with related parties:

	2021	2020
	€	€
Revenue – group entities		
Interest income on loans	**225,700**	**225,440**

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related companies are generally effected on a cost-plus basis. Outstanding balances are usually settled in cash. Related party balances are disclosed in notes 10, 11 and 15.

18 Risk management objectives and policies

The company is exposed to credit risk, liquidity risk and market risk through its use of financial instruments. The company's risk management is coordinated by the board of directors and focuses on actively securing the company's short to medium term cash flows by minimising the exposure to financial risks.

The financial risks to which the company may be exposed are described below. See also note 18.4 for a summary of the company's financial assets and financial liabilities by category.

18.1 Credit risk

The company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Notes	2021	2020
		€	€
Classes of financial assets – carrying amounts			
Financial assets at amortised cost			
Loans receivable from group entities	10	3,606,265	3,606,265
Other receivables	11	232,731	226,856
Cash and cash equivalents	12	-	75
		3,838,996	**3,833,196**

Credit risk with respect to loans and other receivables is limited due to the nature of the company's operations. Loans and other receivables comprise mainly the amounts due from group entities. The company's concentration to credit risk arising from these receivables is considered limited as there were no indications that the counterparties are unable to meet its obligations. Management considers these to be of good credit quality. Management does not consider these receivables to have deteriorated in credit quality and the effect of management's estimate of the 12-month credit loss has been determined to be insignificant to the results of the company.

The credit risk for liquid funds is considered negligible since deposits are made with reputable banks that have a credit-rating of BBB-.

18.2 Liquidity risk

The company's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise borrowings and trade and other payables (see notes 14 and 15). The company has the financial support of the group to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due. The company's exposure to liquidity risk is therefore limited.

At each reporting date, the company's financial liabilities have contractual maturities which are summarised below:

	Current €	Non-current €
As at 31 December 2021		
Borrowings	127,118	3,650,059
Trade and other payables	8,396	-
	135,514	**3,650,059**
As at 31 December 2020		
Borrowings	127,118	3,640,695
Trade and other payables	14,929	-
	142,047	**3,640,695**

18.3 Market risk

Foreign currency risk

The company transacts business mainly in euro and had no foreign currency denominated financial assets and financial liabilities at the end of the financial reporting date under review. Accordingly, the company's exposure to foreign exchange risk is not significant.

Interest rate risk

The company is not exposed to interest rate risk as the company's borrowings are at a fixed interest rate.

18.4 Summary of financial assets and liabilities by category

The carrying amounts of the company's financial assets and financial liabilities as recognised at the end of the reporting periods under review may also be categorised as follows. See note 4.3 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2021 €	2020 €
Non-current asset			
Financial asset measured at amortised cost			
- Loan receivables from group entities	10	**3,606,265**	**3,606,265**
Current assets			
Financial assets measured at amortised cost:			
- Other receivables	11	232,731	226,856
- Cash and cash equivalents	12	-	75
		232,731	**226,931**
Non-current liability			
Financial liability measured at amortised cost:			
- Borrowings	14	**3,650,059**	**3,640,695**
-			
Current liabilities			
Financial liabilities measured at amortised cost:			
- Borrowings	14	127,118	127,118
- Trade and other payables	15	8,396	14,929
		135,514	**142,047**

19 Capital management policies and procedures

The company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company monitors the level of debt, which includes borrowings and trade and other payables less cash and bank balances against total capital on an ongoing basis. The directors consider the company's gearing level at year end to be appropriate for its business.

20 Earnings trends and financial position and the effect of significant extraordinary events

The company is dependent on the business prospects of the group, and therefore the trend information of the group has a material effect on its financial position and prospects.

The group's principal activities, as exercised by Impresa Limited ("the guarantor") and its subsidiaries, are mainly the manufacture of electronic packaging products, electrical fittings and other injection moulded products for third parties.

The guarantor considers that generally, they shall be subject to the normal business risks associated with the business in which they operate. However, due to unforeseen circumstances in connection with the COVID-19 pandemic, a period of uncertainty is expected which could lead to material adverse effect on business of the group, at least with respect to the current financial year. Even so, the company fully expects to generate sufficient revenues to meet its payment obligations to its bondholder and other payables.

21 Post reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation.

Independent auditor's report

To the shareholders of IG Finance plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of IG Finance plc ("the company") set out on pages 13 to 29 which comprise the statement of financial position as at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for year ended 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap 386 (the "Act").

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described in the succeeding page to the key audit matters to be communicated in our report.

Recoverability of loans receivable from group entities

Description of key audit matter

Loans and receivables comprise amounts advanced to group entities amounting to €3,606,265 as at 31 December 2021. These loans represent the most significant asset of the company and have arisen because of the principal reason for which the company was incorporated, to act as a financing company for the group of which it forms part. Loans advanced to group entities were funded from the net proceeds of bonds issued by the company which are fully disclosed in note 14 to the financial statements.

How the key audit matter was addressed in our audit

We have examined and agreed the balances and terms of the loans to the supporting loan agreements. We have also agreed the outstanding balances as at year-end with the respective group entities. The recoverability of the loans were ascertained by assessing the financial soundness of the respective group entities and of the parent company of the group which is the guarantor of the bonds issued by the company, by referring to the latest financial information, their cash flow projections and forecasts.

On the basis of our work, we determined that management's assessment as to the recoverability of loans advanced to group entities is reasonable.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report and Statement of Compliance with the Code of Principles of Good Corporate Governance, shown on pages 2 to 12, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other 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.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Act

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the director's report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, 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 company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

Auditor's 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 auditor's 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 the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company 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 those charged with governance 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 those charged with governance with a statement that we have complied with the 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 those charged with governance, 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 benefit of such communication.

Report on other legal and regulatory requirements

Report on Corporate governance statement

The Prospects MTF Rules ("the Rules") issued by the Malta Stock Exchange require the directors to prepare and include in their Annual Report a Statement of Compliance with the Code of Principles of Good Corporate Governance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance under the Rules and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Rules also require us, as the auditor of the company, to include a report on the Statement of Compliance with the Code of Principles of Good Corporate Governance prepared by the directors.

We read the Corporate governance statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

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

In our opinion, the Corporate governance statement set out on pages 6 to 12 has been properly prepared in accordance with the requirements of the Rules.

Other matters on which we are required to report by exception

We also have responsibilities under the Companies Act, Cap 386 to report to you if, in our opinion:

- adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us
- the financial statements are not in agreement with the accounting records and returns
- 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 our report.

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

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.

Mark Bugeja (Partner) for and on behalf of

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20 April 2022