

Crecol Limited  
Annual report and financial statements  
For the period ended 31<sup>st</sup> December 2019

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**Crecol Limited**  
**Annual report and financial statements**  
For the period ended 31<sup>st</sup> December 2019

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## Director's report

### **For the period ended 31<sup>st</sup> December 2019**

The director presents his report and the audited financial statements of Crecol Limited (“the Company”) for the period ended 31<sup>st</sup> December 2019.

### **Principal activities**

The company is to hold investments in subsidiary companies for capital growth and income generation.

### **Review of business development and financial position**

The company made a loss before tax of €20,635 for the period ended 31<sup>st</sup> December 2019.

### **Results and dividends**

The loss for the period after taxation amounted to €20,635. The director does not recommend the payment of dividend during the year.

### **Subsequent event**

Since the year ending 31<sup>st</sup> December 2019, the existence of a new coronavirus (COVID-19) was confirmed. Due to its spread across a number of countries, COVID-19 has caused interruption to businesses and economic activity which has been reflected in fluctuations in global stock markets. The rapidly changing environment arising from the COVID-19 pandemic does not result in any adjusting events as at the reporting date as this is considered a non-adjusting post balance sheet event. The current circumstances are still affecting many countries, businesses and people. Whilst it is possible that the level of activity of the Company may be negatively impacted for a limited time period, the director is confident that the longer-term forecasts and opportunities will outweigh any short-term negative impact. As a result, it is not feasible at this time to determine the quantitative impact of COVID-19 and make reliable forecasts of the total global impacts on the Company, given the inherent uncertainties.

### **Director**

The following has served as director of the company during the period under review, and the respective shareholding, if applicable:

FJV Management Limited — 1 share held

In accordance with the company's Articles of Association, the present director is to remain in office.

# **Crecol Limited**

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## **Annual report and financial statements**

For the period ended 31<sup>st</sup> December 2019

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## **Director's report (continued)**

### **Auditors**

Reliance Auditors Limited have intimated their willingness to continue in office. A proposal to reappoint Reliance Auditors Limited as auditors of the company will be put to the General Meeting.

### **Adriana'Gamlllen Vassallo**

*for and on behalf of*

### **FJV Management Limited**

### **Director**

Registered address:

B2, Industry Street,

Zone 5, Central Business District, Qormi CBD 5030,

Malta

21<sup>st</sup> October 2020

## Director's Responsibility for the Financial Statements

The Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the director of Crecol Limited (the "Company") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable her to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible to ensure that the Company establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The director is also responsible to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's business. This responsibility includes establishing and maintaining controls pertaining to the Company's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, the director considers the risks that the financial statements may be materially misstated as a result of fraud.

**Adriana Camilleri Vassallo**

*for and on behalf of*

**FJV Management Limited**

**Director**

**Crecol Limited**  
**Statement of Financial Position**  
As at 31<sup>st</sup> December 2019

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<b>Assets</b>	Note	<b>2019</b> €
<b>Total assets</b>		_____
<b>Equity and liabilities</b>		
Share capital	7.1	3,000
Accumulated losses	7.2	(20,635)
		_____
<b>Total equity</b>		(17,635)
		_____
<b>Current Liabilities</b>		
Other payables	8	4,611
Borrowings	9	13,024
		_____
<b>Total current liabilities</b>		17,635
		_____
<b>Total liabilities</b>		17,635
		_____
<b>Total equity and liabilities</b>		-
		_____

The notes on pages 8 to 13 are an integral part of these financial statements.

The financial statements on pages 4 to 13 were approved and authorised for issue on 21<sup>st</sup> October 2020.

**Adriana Camilleri Vassallo**  
*for and on behalf of*  
**FJV Management Limited**  
**Director**

**Crecol Limited**  
**Statement of Comprehensive Income**  
For the period ended 31<sup>st</sup> December 2019

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	Note	2019 (26 weeks) €
Administrative expenses		(20,635)
<b>Loss before tax</b>	5	(20,635)
Income tax expense	6	
<b>Loss for the period</b>		(20,635)
<b>Total comprehensive loss for the period</b>		(20,635)

The notes on pages 8 to 13 are an integral part of these financial statements.

## Crecol Limited

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### Statement of Changes in Equity

For the period ended 31<sup>st</sup> December 2019

	Share capital €	Accumulate dlosses €	Total €
	3,000	-	3,000
<b>Issue of share capital</b>			
<b>Total comprehensive loss for the year</b>			
Loss for the period	-	(20,635)	(17,635)
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<b>At 31st December 2019</b>	3,000	(20,635)	(17,635)

The notes on pages 8 to 13 are an integral part of these financial statements.



# Crecol Limited

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## Statement of Cash Flows

For the period ended 31<sup>st</sup> December 2019

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	Notes	2019 €
<b>Cash flows from operating activities</b>		
Loss for the year		(20,635)
		_____
Loss for the year before working capital changes		(20,635)
Charge in payables		5,611
		_____
Cash used in opening activities		(16,024)
		_____
<i>Net cash used in opening activities</i>		(16,024)
		_____
<b>Cash flows from financing activities</b>		
Issue of share capital		3,000
Advances from shareholder		13,024
		_____
<i>Net cash generated financing activities</i>		16,024
		_____
<b>Net movement in cash and cash equivalents</b>		-
Cash and cash equivalents at beginning of year		-
		_____
Cash and cash equivalents at end of year		-
		_____

The notes on pages 8 to 13 are an integral part of these financial statements.

**1 Reporting Entity**

Crecol Limited (the “Company”) is a limited liability company domiciled and incorporated in Malta in terms of the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

**2 Basis of preparation****2.1 Statement of compliance**

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU (“the applicable framework”). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. They have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the “Act”), to the extent that such provisions do not conflict with the applicable framework.

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the director of the company, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of their requirements of IAS 1 (revised).

**2.2 Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimate are significant are explained in the notes to the financial statements

**2.3 Basis of measurement**

Assets and liabilities are measured at historical cost. The methods used to measure fair values are discussed in note 4.

**2.4 Functional and presentation currency**

These financial statements are presented in Euro (€), which is the Company’s functional currency.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all year presented in **these financial statements**.

**3.1 Financial instruments****3.1.1 Non-derivative financial liabilities**

The company initially recognises all financial liabilities on the on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial liabilities: other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

**3.1.2 Share capital**

Share capital consists of ordinary shares which are classified as equity.

**3.2 Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tire laws that have been enacted or substantively enacted by the reporting date.

**Notes to the financial statements**For the period ended 31<sup>st</sup> December 2019

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**3 Significant accounting policies (continued)****3.3 Income tax (continued)**

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**4 Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**4.1 Other payables**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**5 Loss before tax****5.1 Loss before tax is stated after charging:**

	<b>2019</b>
	<b>(26 weeks)</b>
	€
Audit fees	1,300
Director fees	<u>2,183</u>

**Notes to the financial statements**For the period ended 31<sup>st</sup> December 2019

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**6 Income tax expense****6.1 Charge for taxation:**

	<b>2019</b> <b>(26 weeks)</b> €
Malta Income Tax at 35% :	
Current	-
Deferred	-
	<hr/>

**6.2 The tax expense and the result of accounting loss multiplied by the statutory domestic income tax rate is reconciled as follows:**

	<b>2019</b> <b>(26 weeks)</b> €
Loss before taxation	(20,635)
	<hr/>
Tax at the applicable rate of 35%	7,222
	<hr/>
Effect of: Disallowed expenses	(7,222)
	<hr/>
Income taxation charge	

**7 Equity****7.1 Share capital**

	2019 €
Authorised, issued and fully paid-up 2,999 Ordinary 'A' shares of €1 each	2,999
1 ordinary 'B' share of €1	1
	<hr/>
	3,000

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## 7 Equity (continued)

## 7.1 Share capital (continued)

All ordinary shares in the company, irrespective of the letter by which they are denominated shall rank equally in all respects subject that the 'B' ordinary shares will not be entitled to a vote in the general meetings, shall not carry any dividend entitlements and shall not be entitled to any surplus of assets of the company on a winding up but shall have a prior claim over the holder/s of the Ordinary 'A' shares for the return of the nominal value of the said Ordinary 'B' shares.

## 7.2 Accumulated losses

Accumulated losses represent accumulated profits or losses. No dividends were distributed out of the accumulated losses during the period.

## 8 Other payables

	2019 €
Other payables	3,077
Accrued expenses	1,534
	4,611

## 9 Borrowings

	2019 €
Amount due to shareholder	<u>13,024</u>

## Note:

Amount due to shareholder is unsecured, interest free and repayable on demand.

## 10 Risk management objectives and policies

## 10.1 Overview

The company's activities expose it to a variety of financial risks: Liquidity risk. The company's overall risk management programme focuses on the unpredictability of market conditions and therefore seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the director. The director evaluates, on a periodical basis, financial risk factors based on appropriate risks, experience and supervision.

The most significant risks to which the company is exposed to are described below.

## 10.2 Liquidity risk

The company's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

## 10.3 Capital management

The company's objectives when managing capital are to safeguard its ability to continue to operate as a going concern in order to provide returns for shareholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The company monitors capital on the basis of its gearing ratio.

## 11 Related party transactions

## 11.1 Ultimate controlling party

The company is controlled by Mr. Omar Koleilat who owns 100% of the entire share capital.

## 11.2 Transactions with director

No emoluments were granted to the director in respect of the current financial reporting year.

## 11.3 Transactions with related parties

	Transaction value period ended 31st December 2019 €	Balance outstanding As at 31st December 2019 €
Financing transactions		
Amount due to shareholder	13,024	13,024

## 12 Subsequent event

Since the end of the reporting period, the existence of a new coronavirus (COVID-19) was confirmed. Due to its spread across a number of countries, COVID-19 has caused interruption to businesses and economic activity which has been reflected in fluctuations in global stock markets. The rapidly changing environment arising from the COVID-19 pandemic does not result in any adjusting events as at the reporting date as this is considered a non-adjusting post balance sheet event. The current circumstances are still affecting many countries, businesses and people. Whilst it is possible that the level of activity of the Company may be negatively impacted for a limited time period, the director is confident that the longer-term forecasts and opportunities will outweigh any short-term negative impact. As a result, it is not feasible at this time to determine the quantitative impact of COVID-19 and make reliable forecasts of the total global impacts on the Company, given the inherent uncertainties.

# RELIANCE AUDITORS LIMITED

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of Crecol Limited Report on the

### Audit of the Financial Statements

We have audited the financial statements of Crecol Limited (the Company), set out on pages 4 to 13, which comprise the statement of financial position as at 31<sup>st</sup> December 2019 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

### Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

### Basis for Opinion

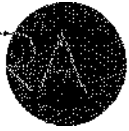
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with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

### Other matter

Without qualifying our audit opinion reference is made to note 12 to these financial statements. Uncertainties related to the consequential economic effects of the Coronavirus pandemic are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the director, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

The Coronavirus outbreak is one of the most significant economic events in the last century, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes consequences, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the economic effects of the pandemic.





#### Other Information

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

With respect to the Director's Report, we also considered whether the Director's Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). 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 director's report has been prepared in accordance with the Maltese Companies Act (Cap.386).

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. We have nothing to report in this regard.

#### Responsibilities of the Director

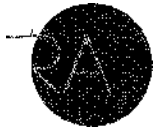
The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS, and for such internal control as the director determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material, misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Appendix 1 to this report, which is incorporated into this report as if set out in full, should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinion.



# REL IANCE AUDITORS L I M I T E D


## Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- 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 nothing to report to you in respect of these responsibilities.

This copy of the audit report has been signed by:



**Kenneth Swain (Audit Partner)**  
*for*  
**Reliance Auditors Limited**

Certified Public Accountants

Office address:  
64, Triq it-Taghlim,  
Fgura,  
Malta  
21<sup>st</sup> October 2020

## APPENDIX TO THE AUDITORS' REPORT

As part of an audit in accordance with ISAs, we exercise professional judgment 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 the director.
  - Conclude on the appropriateness of the director'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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 the director 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 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.

## Income statement schedules

	<b>2019</b>
	<i>(26 weeks)</i>
	€
<b>Administrative expenses</b>	
Compliance costs	<b>290</b>
Disbursements	<b>707</b>
Audit fees	<b>1,300</b>
Professional fees	<b>12,591</b>
Registered office fees	<b>590</b>
Director fees	<b>2,183</b>
Company secretary fees	<b>850</b>
Formation costs	<b>2,124</b>
	<b>20,635</b>

*This page does not form part of the financial statements.*