Directors' Report

endo ventures

The vessels
endo ventures

ENDO BREEZE
Balboa Panama

ENDO SIROCCO
Malta

MUMTAZ
Malta

ENDO BREEZE
Vancouver Canada

Directors' Report

The attached consolidated statement of comprehensive income has been extracted from Endo Ventures Ltd consolidated audited financial statements for the year ending 31 December 2020 and for its comparative period in 2019, and has been approved by the Board of Directors on 13 April 2021. The financial statements for year ended 31 December 2020 were audited by Grant Thornton, who have been appointed as auditors for Endo Ventures Group of Companies on 14 October 2020.

Principal Activities

Endo Ventures Ltd (the 'Company') was incorporated on 11 June 2018 under the terms of the Companies Act (Cap. 386 of the laws of Malta). The Company was formed principally to serve as the ultimate holding company of the Endo Group.

The Endo Group consists of Endo Ventures Ltd (C 86730) as the parent company, and its direct and indirect subsidiaries, including:

Endo Finance plc (C 89481), the issuer of €13.5 million 4.5% Unsecured Bonds 2029;

The Guarantors, namely International Fender Providers Ltd (C 69877) and IFP International Fender Providers Ltd (a company registered under the laws of Cyprus with company registration number HE 348221), both providing ship-to-ship services in Malta, Augusta and Cyprus, and Endo Properties Ltd (C 13033), owning a number of properties in Malta currently valued at € 10.2 million; and

Endo Tankers Ltd (C 88663) and its sub-group consisting of Intership Management Ltd (C 74524), Endo One Maritime Ltd (C 88665), Endo Two Maritime Ltd (C 88666), Endo Three Maritime Ltd (C 88674), Endo Headwind Maritime Ltd (C 93341), and Endo Tailwind Maritime Ltd (C 93340).

The objective of the Endo Group of Companies is to acquire, finance, manage and charter commercial vessels, in addition to providing ship-to-ship services.

Endo Tankers Ltd, through its subsidiary companies, now has a fleet of 3 vessels consisting of MT Mumtaz (acquired on 31 October 2018) owned by Endo One Maritime Ltd, MT Endo Breeze (acquired on 22 May 2019) owned by Endo Two Maritime Ltd, and MT Endo Sirocco (acquired on 09 September 2020) owned by Endo Three Maritime Ltd.

Performance Review

The Endo Group of Companies generated revenue of €9,820,180 during 2020, which is significantly better than revenue generated in 2019 of €5,544,637. This increase is mainly attributable to:

Fendering revenues generated by International Fender Providers Ltd, which were 132% higher than prior year; and Revenue from time charter of vessels, which increased by 76% from 2019, however comparison with prior year needs to be taken also into the context that time charter of MT Endo Breeze only started on 22 May 2019 and Endo Sirocco was not yet acquired in 2019.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €3,152,652 in 2020 (2019: EBITDA of €2,134,772). Operating profit of the Endo Group of Companies in 2020 amounted to €1,846,783 (2019: €908,634), which is 103% better than previous year. The Group's profit before taxation for the year amounted to €1,095,647, compared to €2,583,619 in 2019, however prior year's profit before tax included a gain from revaluation of investment property of €2,236,957, whereas there were no revaluations in 2020. Therefore, if one had to remove the effect of the revaluation of investment property from prior year, the current year's profit before tax was €748,985 (216%) better than prior year.

The total equity of the Endo Group of Companies as at year-end amounted to €11,565,800 (2019: €10,450,905), reflecting an increase in share capital of €763,043, and increase in retained earnings of €905,466, and a decrease in translation reserve of €553,614, as compared to prior year. The decrease in translation reserve is the result of unrealised foreign exchange adjustments.

The Endo Group of Companies' activities are expected to remain consistent for the foreseeable future.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	YEAR TO 31/12/2020 AUDITED	YEAR TO 31/12/2019 AUDITED
	€	€
Revenue	9,820,180	5,544,637
Direct costs	(6,145,683)	(2,758,918)
Gross profit	3,674,497	2,785,719
Administrative expenses	(950,334)	(659,785)
Other operating income	428,489	8,838
EBITDA	3,152,652	2,134,772
Depreciation & amortisation	(1,305,869)	(1,226,138)
EBIT / Operating Profit	1,846,783	908,634
Movement in revaluation of investment property	-	2,236,957
Finance income		99,859
Finance costs	(751,136)	(661,831)
Profit before taxation	1,095,647	2,583,619
Income tax	(90,181)	(330,172)
Profit for the year	**1,005,466**	**2,253,447**
Other comprehensive income / (expense):		
Movement in foreign currency translation reserve	(553,614)	576
Total comprehensive income	451,852	2,254,023

Consolidated Statement of Financial Position

For the year ended 31 December 2020

	YEAR TO 31/12/2020 AUDITED	YEAR TO 31/12/2019 AUDITED
	€	€
ASSETS		
Non-current assets		
Investment property	4,800,000	4,800,000
Property, plant and equipment	18,879,201	18,375,265
Intangible assets	4,895	3,193
Long-term receivables	3,047,623	3,657,446
	26,731,719	26,835,904
Current assets		
Trade and other receivables	1,431,013	1,480,938
Current tax recoverable	-	32,381
Cash and cash equivalents	2,638,955	3,102,607
	4,069,968	4,615,926
Total assets	**30,801,687**	**31,451,830**
EQUITY AND LIABILITIES		
Capital and reserves		
Called up issued share capital	2,582,573	1,819,530
Translation reserve	(559,207)	(5,594)
Retained earnings	7,545,477	6,640,011
Revaluation reserve	1,996,957	1,996,957
	11,565,800	10,450,904
Non-current liabilities		
Debt securities in issue	13,259,887	13,229,872
Borrowings	1,262,762	1,418,377
Long-term payables	470,514	574,841
Deferred tax	863,902	901,769
	15,857,065	16,124,859
Current liabilities		
Short-term borrowings	1,788,421	2,279,219
Trade and other payables	1,568,407	2,596,848
Current tax liability	21,994	-
	3,378,822	4,876,067
Total liabilities	19,235,887	21,000,926
Total equity and liabilities	**30,801,687**	**31,451,830**

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Endo Ventures Ltd

Report & Consolidated Financial Statements

31 December 2020

Company Registration Number: C 86730

Contents

Directors' report

The directors present their report together with the audited financial statements of Endo Ventures Ltd (the 'company') and the consolidated fiancnial statements of the group for the year ended 31 December 2020.

Principal activities

The company was incorporated on 11 June 2018 and was formed principally to serve as the ultimate holding company of the Endo Group of Companies.

The Endo Group of Companies is composed of Endo Ventures Ltd as the parent company and its direct subsidiaries, including Endo Finance plc (C 89481), Endo Tankers Ltd (C 88663), Endo Properties Ltd (formerly P&C Limited) (C 13033), International Fender Providers Ltd (C 69877), and indirect subsidiaries including IFP International Fender Providers Limited (a company registered under the laws of Cyprus with company registration number HE 348221), Intership Management Limited (C 74524), Endo One Maritime Ltd (C 88665), Endo Two Maritime Ltd (C 88666), Endo Three Maritime Ltd (C 88674), Endo Headwind Maritime Ltd (C 93341) and Endo Tailwind Maritime Ltd (C 93340), which are involved in the business of acquiring, financing, managing and chartering commercial vessels, renting of properties and provision of ancillary services, provisioning of ship to ship fendering and bunkering services, management services, sea to shore operations and mooring services.

Dividends

Dividends amounting to € 100,000 (2019: € nil) were declared during the year.

Directors

The directors of the company during the year were:

Christopher Frendo
Nicholas Frendo

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

Review of business

The Endo Group of Companies generated a total revenue of € 9,820,180 during 2020 (2019: € 5,544,637). Most of the subsidiaries have now been in operation for a full financial year (with the exception of Endo Three Maritime Ltd which started its operations in October 2020), whereas in previous year, the operations of some of the subsidiaries did not commence from the beginning of the year. Therefore, the higher revenue when compared to prior year must also to be taken into this context, in addition to the increase in revenues as a result of an increase in operations of the other companies which were operating for a full year during both financial years.

The group's profit before taxation for the year was € 1,095,647 (2019: € 2,583,619, which however included a gain from revaluation of investment property of € 2,236,957). Thus, when one removes the effect of the revaluation of investment property from prior year, the current year's profit before tax was € 748,985 better than prior year.

The company's profit before taxation for the year was € 98,372 (2019: € 70,434).

The Endo Group of Companies' total equity as at year-end amounted to € 11,565,800 (2019: € 10,450,905), reflecting an increase in share capital of € 763,043, an increase in retained earnings of € 905,466, and a decrease in translation reserve of € 553,614 as compared to 2019. The decrease in translation reserve is the result of unrealised foreign exchange adjustments.

The company's total equity as at year-end amounted to € 2,594,570 (2019: € 1,887,000).

The Endo Group of Companies' activities are expected to remain consistent for the foreseeable future.

Effects of the Covid-19 pandemic

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 and company as changes in the business environment become more evident or any deterioration suspected. Despite this situation, the group still managed to improve on its actual revenue over the previous reporting year and such events are so far not expected to have any material impact on the performance and financial position of the group in the future. However, any effects that this pandemic is having on the economy and the industry in which the group operates, are constantly being monitored.

The results for the current year show that the group has achieved satisfactory results. Whilst the situation remains extremely fluid, the directors do not believe that the pandemic might have a material effect on the group's profitability and liquidity and the outlook remains cautiously optimistic.

The group and company have continued their operations normally during the pandemic months and have taken all measures possible in order to protect staff in line with Government guidelines and will continue to do so for a smooth transition during this period of global and local economic uncertainty.

Disclosure of information to the auditor

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

- As far as each director is 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
- Each director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing the 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 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 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;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and 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 group and company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Grant Thornton have intimated their willingness to continue in office.

A resolution to reappoint Grant Thornton as auditor will be proposed at the forthcoming annual general meeting.

Approved and signed by the directors on 13 April 2021.

Christopher Frendo
Director

Nicholas Frendo
Director

Registered address:
10, Timber Wharf
Marsa MRS 1443
Malta

13 April 2021

Statements of comprehensive income

	Notes	Group		Company	
		2020	2019	2020	2019
		€	€	€	€
Revenue	6	**9,820,180**	**5,544,637**	-	-
Direct costs		(7,326,865)	(3,888,814)	-	-
Gross profit		**2,493,315**	**1,655,823**	-	-
Administrative expenses		(1,075,021)	(756,327)	(40,474)	(17,551)
Other income	7	428,489	8,838	-	-
Operating profit (loss)		**1,846,783**	**908,634**	**(40,474)**	**(17,551)**
Revaluation of investment property		-	2,236,957	-	-
Finance income	8	-	99,859	153,846	99,115
Finance costs	8	(751,136)	(661,831)	(15,000)	(11,130)
Profit before tax	9	**1,095,647**	**2,583,619**	**98,372**	**70,434**
Tax expense	11	(90,181)	(330,172)	(53,845)	-
Profit for the year		**1,005,466**	**2,253,447**	**44,527**	**70,434**
Other comprehensive income					
Iterms that will be reclassified subsequently to profit or loss:					
Movement in foreign currency translation reserve		(553,614)	576	-	-
		(553,614)	**576**	-	-
Total comprehensive income		**451,852**	**2,254,023**	**44,527**	**70,434**

Statements of financial position

	Notes	Group		Company	
		2020	2019	2020	2019
		€	€	€	€
Assets					
Non-current					
Investment property	13	4,800,000	4,800,000	-	-
Property, plant and equipment	14	18,879,201	18,375,265	-	-
Intangible asset	15	4,895	3,193	-	-
Investment in subsidiaries	16	-	-	2,833,067	2,070,024
Long-term receivables	17	3,047,623	3,657,446	-	-
		26,731,719	**26,835,904**	**2,833,067**	**2,070,024**
Current					
Trade and other receivables	17	1,431,013	1,480,938	100,000	91,774
Cash and cash equivalents	18	2,638,955	3,102,607	52,290	102
Current tax asset		-	32,381	-	-
		4,069,968	**4,615,926**	**152,290**	**91,876**
Total assets		**30,801,687**	**31,451,830**	**2,985,357**	**2,161,900**

Statements of financial position - continued

	Notes	Group		Company	
		2020	2019	2020	2019
		€	€	€	€
Equity					
Share capital	19	2,582,573	1,819,530	2,582,573	1,819,530
Translation reserve		(559,207)	(5,593)	-	-
Retained earnings		7,545,477	6,640,011	11,997	67,470
Revaluation reserve		1,996,957	1,996,957	-	-
Total equity		**11,565,800**	**10,450,905**	**2,594,570**	**1,887,000**
Liabilities					
Non-current					
Debt securities in issue	20	13,259,886	13,229,872	-	-
Borrowings	21	1,262,762	1,418,377	250,000	250,000
Long-term payables	22	470,514	574,841	-	-
Deferred tax liabilities	23	863,902	901,769	-	-
		15,857,064	**16,124,859**	**250,000**	**250,000**
Current					
Borrowings	21	1,788,421	2,279,219	-	-
Trade and other payables	22	1,568,407	2,596,847	140,787	24,900
Current tax liability		21,995	-	-	-
		3,378,823	**4,876,066**	**140,787**	**24,900**
Total liabilities		**19,235,887**	**21,000,925**	**390,787**	**274,900**
Total equity and liabilities		**30,801,687**	**31,451,830**	**2,985,357**	**2,161,900**

The financial statements on pages 4 to 40 were approved, authorised for issue and signed by the directors on 13 April 2021.

Christopher Frendo
Director

Nicholas Frendo
Director

Statements of changes in equity

Group	Share capital €	Translation reserve €	Retained earnings €	Revaluation reserve €	Total €
At 1 January 2019	1,819,530	(6,169)	6,383,521	-	8,196,882
Profit for the year	-	-	2,253,447	-	2,253,447
Movement in foreign currency translation reserve	-	576	-	-	576
Total comprehensive income	-	576	2,253,447	-	2,254,023
Revaluation of investment property, net of deferred tax	-	-	(1,996,957)	1,996,957	-
At 31 December 2019	**1,819,530**	**(5,593)**	**6,640,011**	**1,996,957**	**10,450,905**
At 1 December 2020	1,819,530	(5,593)	6,640,011	1,996,957	10,450,905
Transaction with owners:					
Issue of share capital	763,043	-	-	-	763,043
Dividends	-	-	(100,000)	-	(100,000)
	763,043	-	(100,000)	-	663,043
Profit for the year	-	-	1,005,466	-	1,005,466
Movement in foreign currency translation reserve	-	(553,614)	-	-	(553,614)
Total comprehensive income	-	(553,614)	1,005,466	-	451,852
At 31 December 2020	**2,582,573**	**(559,207)**	**7,545,477**	**1,996,957**	**11,565,800**

Statement of changes in equity - continued

Company	**Share capital**	**Retained earnings**	**Total**
	€	**€**	**€**
At 1 January 2019	1,819,530	(2,964)	1,816,566
Profit for the period	-	70,434	70,434
At 31 December 2019	**1,819,530**	**67,470**	**1,887,000**
At 1 January 2020	1,819,530	67,470	1,887,000
Transactions with owners:			
Issue of share capital	763,043	-	763,043
Dividend paid	-	(100,000)	(100,000)
	763,043	(100,000)	663,043
Profit for the year	-	44,527	44,527
At 31 December 2020	**2,582,573**	**11,997**	**2,594,570**

Statements of cash flows

	Notes	Group		Company	
		2020	2019	2020	2019
		€	€	€	€
Operating activities					
Profit before tax		1,095,647	2,583,619	98,372	70,434
Adjustments for:				-	-
Depreciation	14	1,305,870	1,226,138	-	-
Amortisation	15	583	355	-	-
Unrealised (gain) loss on foreign exchange		(123,911)	-	5,152	-
Dividends income	8	-	-	(153,846)	(99,115)
Amortisation of bonds issue costs	20	30,014	30,014	-	-
Capitalisation of bond issue costs	20	-	(300,142)		-
Interest expense	8	751,136	661,831	15,000	11,130
Interest income	8	-	(99,859)	-	-
Gain on disposal of property, plant and equipment		(4,766)	-	-	-
Revaluation of investment property	13	-	(2,236,957)	-	-
		3,054,573	1,864,999	(35,322)	(17,551)
Changes in working capital:					
Trade and other receivables		16,939	(513,727)	91,775	8,541
Trade and other payables		(1,045,847)	783,229	95,887	(229,758)
		2,025,665	2,134,501	152,340	(238,768)
Interest paid		(4,097)	(121,511)	-	-
Interest recieved		-	99,859	-	-
Taxes paid		(73,725)	(121,708)	-	-
Net cash generated from (used in) operations		**1,947,843**	**1,991,141**	**152,340**	**(238,768)**
Investing activities					
Acquisition of property, plant and equipment		(1,811,449)	(11,354,880)	-	-
Acquisition of intangible assets		(2,285)	(3,548)	-	-
Movements in related parties balances		609,823	(1,469,677)	-	-
Proceeds from disposal of property, plant and equipment		6,409	-	-	-
Net cash used in investing activities		**(1,197,502)**	**(12,828,105)**	**-**	**-**

Statements of cash flows – continued

	Note	Group		Company	
		2020	2019	2020	2019
		€	€	€	€
Financing activities					
Movement in bank loans		(149,647)	800,534	-	-
Movement in related parties balances		105,101	(188,986)	-	250,000
Proceeds from issue of debt securities		-	13,500,000	-	-
Interest paid		(747,039)	(540,320)	(15,000)	(11,130)
Dividends paid		(80,000)	-	(80,000)	-
Net cash (used in) generated from financing activities		**(871,585)**	**13,571,228**	**(95,000)**	**238,870**
Net movement in cash and cash equivalents		(121,244)	2,734,264	57,340	102
Cash and cash equivalents, beginning of year		1,051,138	(1,683,702)	102	-
Effects of exchange rate changes on cash and cash equivalents		154,358	576	(5,152)	-
Cash and cash equivalents, end of year	18	**1,084,252**	**1,051,138**	**52,290**	**102**

Notes to the financial statements

1 Nature of operations

Endo Ventures Ltd (the 'company') was incorporated on 11 June 2018 and was formed principally to serve as the ultimate holding company of the Endo Group of Companies.

The group is principally involved in the business of acquiring, financing, managing and chartering commercial vessels, renting of properties and provision of ancillary services, provisioning of ship to ship fendering and bunkering services, management services, sea to shore operations and mooring services.

2 Basis of preparation

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

Endo Ventures Ltd, a private limited liability company, is incorporated and domiciled in Malta. The address of the company's registered office, which is also its principal place of business is 10 Timber Wharf, Marsa MRS 1443, Malta.

These financial statements consolidate those of the parent company and its subsidiaries (together referred to as the 'group' and individually as 'group entities').

The financial statements of the group have been prepared in accordance with IFRSs 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. These consolidated financial statements are filed and are available for public inspection at Malta Business Registry.

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

2.2 Basis of measurement

Assets and liabilities are measured at historical cost except for land and buildings forming part of property, plant and equipment and investment property which are stated at their fair values.

3 Consideration of the effects of Covid-19

In view of the developments pertaining to the Covid-19 pandemic that occurred during the current reporting period, management have prepared budgets and cash flow projections to assess the impact that the pandemic has, and might have on the profitability, liquidity and going concern of the group and company in the future. The directors do not believe that the pandemic has or might have an effect on its profitability and liquidity. They consider the going concern assumption in the preparation of the financial statements as appropriate as at the date of authorisation. They also believe that no material uncertainty that may cast significant doubt about the group's and company's ability to continue as a going concern exists as at that date.

No adjustments arising from uncertainties brought about by the pandemic were necessary to be made in these financial statements.

4 Changes in accounting policies

4.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2020

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2020. These and other amendments to IFRSs that became mandatorily effective in 2020 have no material impact on the group's and company's financial results or position. Accordingly, the group and company made no changes to the accounting policies in 2020.

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

At the date of authorisation of these financial statements, certain new standards, amendments, and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the group and company.

Management anticipates that all relevant pronouncements will be adopted in the group's and company's accounting policies for the first period beginning after the effective date of the pronouncement. No new standards, amendments and interpretations are expected to have a material impact on the group's and company's financial statements.

5 Significant accounting policies

5.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

The accounting policies are consistent with those applied in previous year.

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 below.

The financial statements are presented in accordance with IAS 1 'Presentation of Financial Statements' (Revised 2007). The group has elected to present the statement of profit and loss and other comprehensive income in one statement.

5.2 Basis of consolidation

The group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 December 2020. Subsidiaries are all entities over which the group has power to control the financial and operating policies.

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

Profit or loss of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

5.3 Business combinations

The acquisition of subsidiaries is accounted for by applying the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets less liabilities incurred, and equity instruments issued by the group in exchange for control. Acquistion costs are expensed as incurred.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition is recognised as goodwill. Goodwill is initially recognised at cost and is subsequently measured at cost less any impairment losses. Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, after reassessment, is recognised immediately in the statement of comprehensive income.

5.4 Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the group for services provided, excluding value-added taxes (VAT) and trade discounts.

To determine whether to recognise revenue, the group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The group enters into transactions involving services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone prices. The transaction price for a contract excludes any amounts collected on behalf of third parties, VAT and trade discounts.

Revenue is recognised either at a point in time or over time, when (or as) the group satisfies performance obligations by providing the promised services to the customers.

Rental income from investment property is accounted for on an accrual basis.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Dividend income from investments is recognised when the dividends are declared.

5.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

5.5 Employee benefits

Contributions towards the state pension in accordance with local legislation are recognised in profit or loss when they are due.

5.7 Borrowing costs

Borrowing costs primarily comprise interest on the group's and company's borrowings. Borrowing costs are expensed in the period in which they are incurred and reported within 'finance costs'.

5.8 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

Foreign operations

In the group's financial statements, all assets, liabilities and transactions of group entities with a functional currency other than the Euro (€) are translated into € upon consolidation. The functional currencies of entities within the group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into € at the closing rate at the reporting date. Income and expenses have been translated into € at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

5.9 Investment property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the property will flow to the group, and the cost of the property can be reliably measured. Investment property is initially measured at cost, including transaction costs, less impairment losses.

After initial recognition, investment property is measured using the fair value model, with changes in fair value above the historical cost of the investment property being recognised in a separate component of equity under the heading of revaluation reserve.

Rental income, if any, and operating expenses from investment property are reported with 'revenue' and 'administrative expenses', respectively.

5.10 Property, plant and equipment

Property, plant and equipment, except for land and buildings, are initially recorded at cost. They are subsequently stated at cost less accumulated depreciation and impairment losses.

Subsequent to initial recognition, land and buildings are revalued periodically, such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any surpluses arising on revaluation are credited to a revaluation reserve. Any deficiencies resulting from decreases in value are deducted from this reserve to the extent that it is sufficient to absorb them, with any excess charged to profit or loss.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the income statement in the period of derecognition.

Depreciation is provided at rates intended to write off the cost of the assets over their expected useful lives. The annual rates used are as follows:

Improvements	1 - 20% straight line
Vessels	10% straight line
Drydocking	20% straight line
Fenders	10% straight line
Hardware	25% straight line
Other machinery	20% straight line
Electrical installations	10% straight line
Furniture and fittings	10% straight line
Air conditioner	17% straight line
Lift	17% straight line
Plant and machinery	20% straight line
Hoses	13% straight line
Motor vehicles	20% straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

5.11 Intangible assets

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Amortisation is provided at a rate intended to write off the cost of the assets over their expected useful lives. The annual rate used is as follows:

Website	10% straight Line

5.12 Impairment of non-financial assets

The carrying amounts of the group's and company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.13 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the group and company become 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 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), or
• fair value through other comprehensive income (FVOCI).

The group and company do not have any financial assets categorised as FVTPL and FVOCI in the periods 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 group's and company's cash and cash equivalents and trade and most receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements include 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 or loss.

Recognition of credit losses is no longer dependent on the group and company first identifying a credit loss event. Instead, the group and company consider a broader 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 expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

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

Classification and measurement of financial liabilities

The group's and company's financial liabilities include debt securities in issue, borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group and company designate a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Debt issue costs in relation to debt securities in issue are amortised using straight-line method over the period of the debt securities.

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'.

5.14 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised 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 consolidated 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 on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the company and it is probable that reversal will not occur in the foreseeable future.

In addition, tax losses available to be carried forward are assessed for recognition as deferred tax assets.

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

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 directly 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.

5.15 Equity

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

Retained earnings include the current and prior year results as disclosed in profit or loss less dividend distributions.

Revaluation reserve represents the surpluses arising on the revaluation of the group's investment property, net of related deferred tax effects.

Dividend distributions payable to equity shareholders are included with short-term financial liabilities when the dividends are approved in the general meeting prior to the end of the reporting period.

All transactions with owners are recorded separately within equity.

5.16 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents comprise cash at bank, cash held under trustee account and bank overdraft.

In the consolidated statements of financial position, bank overdraft is shown within borrowings under current liabilities.

5.17 Fair value measurement

Fair value of non-financial assets

The group owns land and buildings forming part of property, plant and equipment and investment property, which are measured at fair value (refer to notes 13 and 14).

When measuring fair value, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows,

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure fair value fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5.18 Provisions and contingent liabilities

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the group and company and they can be measured 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, such as product warranties, 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 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. Long term obligations are discounted to their present values, where the time value of money is material.

Any reimbursements that the group and company are virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5.19 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Except as disclosed below, in the opinion of the directors, the accounting estimates and judgements 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 the requirements of IAS 1 (revised).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to physical wear and tear, technical, technological, or commercial obsolescence.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Fair value measurement

The fair value of the group's investment property is estimated based on appraisal performed by an independent architect. The significant inputs and assumptions are developed in close consultation with management and in line with similar properties in similar location. The valuation process and fair value changes are reviewed by the directors at each reporting date. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6 Revenue

	Group	
	2020	2019
	€	€
Bareboat charter	307,303	313,960
Time charter	4,832,769	2,748,604
Rent receivable	87,611	168,562
Management fees receivable	23,060	23,060
Ship management fees	636,840	635,100
Fendering revenue	3,808,511	1,634,915
Other revenues	124,086	20,436
	9,820,180	**5,544,637**

7 Other income

	Group	
	2020	2019
	€	€
Rent charged to a third party	-	8,838
Gain on disposal of property, plant and equipment	4,766	-
Income from promise of sale default	285,000	-
Unrealised gain on foreign exchange differences	123,911	-
Realised gain on foreign exchange differences	2,763	-
Other income	12,049	-
	428,489	**8,838**

During the year, the group recognised other income amounting to € 285,000 as a result of a court judgment in relation to a buyer who defaulted on the promise of sale agreement.

8 Finance income and finance costs

	Group		Company	
	2020	2019	2020	2019
	€	€	€	€
Interest receivable from other related parties	-	99,854	-	-
Bank interest receivable	-	5	-	-
Dividend income from subsidiaries	-	-	153,846	99,115
Total finance income	-	**99,859**	**153,846**	**99,115**
Interest on debt securities in issue	607,500	455,625	-	-
Interest on bank overdraft	4,097	118,709	-	-
Interest on bank loans	139,539	84,695	-	-
Interest on related party loan	-	-	15,000	11,130
Other interest	-	2,802	-	-
Total finance costs	**751,136**	**661,831**	**15,000**	**11,130**

9 Profit before tax

Profit before tax is stated after charging (crediting):

	Group		Company	
	2020	2019	2020	2019
	€	€	€	€
Auditors' remuneration	28,000	26,722	6,500	6,336
Directors' remuneration	24,000	24,000	-	-
Depreciation of property, plant and equipment	1,305,870	1,226,138	-	-
Amortisation of intangible asset	583	355	-	-
Unrealised foreign exchange differences - net	(123,911)	54,727	5,152	-

10 Staff costs

	Group		Company	
	2020	2019	2020	2019
	€	€	€	€
Wages and salaries	545,870	370,586	6,089	-
Social securities	20,235	18,991	396	-
Wages recharged	(185,270)	(148,501)	-	-
	380,835	**241,076**	**6,485**	-

The average number of persons employed by the group and company during the year were:

	Group		Company	
	2020	2019	2020	2019
	No.	No.	No.	No.
Operations	6	6	-	-
Administration	5	1	1	-
	11	**7**	**1**	-

11 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the group at 35% (2018: 35%) and the actual tax expense recognised in the statements of comprehensive income can be reconciled as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Profit before tax	1,095,647	2,583,619	98,372	70,434
Tax rate	35%	35%	35%	35%
Expected tax expense	**(383,476)**	**(904,267)**	**(34,430)**	**(24,652)**
Adjustments for:				
Non-deductible expenses	(1,180,294)	(2,300)	(17,612)	(10,038)
Non-taxable income	1,658,038	554,418	-	34,690
Movement in unrecognised deferred taxes	(230,099)	-	(1,803)	-
Tax credit relief	34,609	-	-	-
Depreciation of ineligible assets	(597)	-	-	-
Income subject to different tax rate	7,629	23,820	-	-
Other permanent differences	4,009	(1,843)	-	-
Actual tax expense	**(90,181)**	**(330,172)**	**(53,845)**	**-**
Comprising:				
Current tax expense	(128,048)	(93,397)	-	-
Deferred tax income (expense)	37,867	(236,775)	-	-
Tax at source on dividends	-	-	(53,845)	-
	(90,181)	**(330,172)**	**(53,845)**	**-**

See note 23 for information on the group's deferred tax liabilities.

12 Dividends

On 31 December 2020, the company declared dividends of € 100,000 (2019: € nil) to its equity shareholders. This represents a payment of € 0.04 per share (2019: € nil). Dividends payable outstanding as at year end are included in 'Amounts owed to shareholders' under 'Trade and other payables'.

13 Investment property

Group	Freehold land and buildings €
Cost/revalued amount	
At 1 January 2019	1,800,000
Additions	763,043
Revaluation	2,236,957
At 31 December 2019	**4,800,000**
At 31 December 2020	**4,800,000**

The fair value of the investment property of the group as at 31 December 2020 and 2019 is based on the valuations carried out by an independent architect. The architect is qualified and has recent experience in the valuation of properties of similar locations and categories.

Details of the investment property and the information about the fair value hierarchy as at the end of the year is as follows:

Type of property	Date of valuation	Level 2 €
Commercial property		1,800,000
Commercial property	7 August 2019	260,000
Residential	9 October 2019	2,740,000
Total	9 October 2019	**4,800,000**

There were no transfers between the hierarchy levels during the year.

For investment property categorised under Level 2 of the fair value hierarchy, the following approaches and inputs were used:

Type of property	Valuation technique	Inputs
Commercial property amounting to € 2,060,000	Market approach	The value of the property was based on the selling price of similar commercial property
Residential property amounting to € 2,740,000	Market approach	The value of the property is based on the selling Price of similar residential property.

Certain commercial properties under investment property and property, plant and equipment were subject to promise of sale agreement at an agreed price of € 7,200,000. The promise of sale agreement was valid up to 8 March 2020, and by this date the buyer failed to appear on the final deed subject to the agreed conditions. Since the buyer defaulted on the purchase, the deposit related to this promise of sale agreement was recognised as income during the year.

The rental income earned by the group from its investment property amounted to € 87,611 (2019: € 168,562). Direct operating expenses incurred in relation to the income generating investment property amounted to € 2,269 (2019: € nil).

14 Property, plant and equipment

The fair value of the land and buidings of the group as at 31 December 2020 and 2019 is based on the valuation carried out by an independent architect. The architect is qualified and has experience in the valuation of properties of similar locations and categories.

Details of the land and buildings and the information about the fair value hierarchy as at the end of the year is as follows:

Type of property	Date of valuation	Level 2 €
Commercial property	7 August 2019	5,400,000

There were no transfers between the hierarchy levels during the year.

For land and buildings categorised under Level 2 of the fair value hierarchy, the following approach and inputs were used:

Type of property	Valuation technique	Inputs
Commercial property	Market approach	The value of the property was based on the selling price of similar commercial property

The group's property, plant and equipment comprise land and buildings, improvements, vessels, drydocking, fenders, hardware, other machinery, electrical installations, furniture and fittings, air conditioner lift, plant and machinery, hoses and motor vehicles. The carrying amounts can be analysed as follows.

14 Property, plant and equipment - continued

Group	Land and buildings €	Improve-ments €	Vessels €	Drydocking €	Fenders €	Hardware €	Other machinery €	Electrical installations €	Furiture and fittings €	Air conditioner €	Lift €	Plant and machinery €	Hoses €	Motor vehicles €	Total €
Cost/revalued amounts															
At 1 January 2019	5,400,000	174,753	2,311,464	112,931	1,043,709	-	72,266	69,943	128,856	97,218	29,334	89,124	484,050	60,525	10,074,173
Additions	-	-	11,359,553	-	536	1,028	2,750	-	-	-	-	-	-	-	11,363,867
Disposals	-	-	-	-	-	-	(8,987)	-	-	-	-	-	-	-	(8,987)
At 31 December 2019	**5,400,000**	**174,753**	**13,671,017**	**112,931**	**1,044,245**	**1,028**	**66,029**	**69,943**	**128,856**	**97,218**	**29,334**	**89,124**	**484,050**	**60,525**	**21,429,053**
At 1 December 2020	5,400,000	174,753	13,671,017	112,931	1,044,245	1,028	66,029	69,943	128,856	97,218	29,334	89,124	484,050	60,525	21,429,053
Additions	-	-	1,635,981	136,894	-	677	3,793	-	-	-	-	-	34,104	-	1,811,449
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(9,856)	-	(9,856)
At 31 December 2020	**5,400,000**	**174,753**	**15,306,998**	**249,825**	**1,044,245**	**1,705**	**69,822**	**69,943**	**128,856**	**97,218**	**29,334**	**89,124**	**508,298**	**60,525**	**23,230,646**
Depreciation															
1 January 2019	-	6,427	246,360	37,644	699,175	-	48,349	69,943	128,856	97,218	29,334	55,949	359,887	48,508	1,827,650
Charge for the year	-	2,627	1,017,770	22,586	70,757	514	6,150	-	-	-	-	13,533	87,797	4,404	1,226,138
At 31 December 2019	**-**	**9,054**	**1,264,130**	**60,230**	**769,932**	**514**	**54,499**	**69,943**	**128,856**	**97,218**	**29,334**	**69,482**	**447,684**	**52,912**	**3,053,788**
At 1 January 2020	-	9,054	1,264,130	60,230	769,932	514	54,499	69,943	128,856	97,218	29,334	69,482	447,684	52,912	3,053,788
Charge for the year	-	2,632	1,063,069	49,965	123,827	426	4,765	-	-	-	-	13,534	43,249	4,403	1,305,870
Released on disposal	-	-	-	-	-	-	-	-	-	-	-	-	(8,213)	-	(8,213)
At 31 December 2020	**-**	**11,686**	**2,327,199**	**110,195**	**893,759**	**940**	**59,264**	**69,943**	**128,856**	**97,218**	**29,334**	**83,016**	**482,720**	**57,315**	**4,351,445**
Carrying amount															
At 31 December 2019	**5,400,000**	**165,699**	**12,406,887**	**52,701**	**274,313**	**514**	**11,530**	**-**	**-**	**-**	**-**	**19,642**	**36,366**	**7,613**	**18,375,265**
At 31 December 2020	**5,400,000**	**163,067**	**12,979,799**	**139,630**	**150,486**	**765**	**10,558**	**-**	**-**	**-**	**-**	**6,108**	**25,578**	**3,210**	**18,879,201**

Fully depreciated assets on which depreciation was not provided amounted to € 346,805 (2019: € 346,805).

15 Intangible asset

Group	Website €
Cost	
Additions	3,548
At 31 December 2019	**3,548**
At 1 January 2020	3,548
Additions	2,285
At 31 December 2020	**5,833**
Depreciation	
Charge for the year	355
At 31 December 2019	**355**
At 1 January 2020	355
Charge for the year	583
At 31 December 2020	**938**
Carrying amount	
At 31 December 2019	**3,193**
At 31 December 2020	**4,895**

16 Investment in subsidiaries

	Company €
Cost	
At 1 January/31 December 2019	**2,070,024**
At 1 January 2020	2,070,024
Additional investment	763,043
At 31 December 2020	**2,833,067**

On 28 April 2020, Endo Properties Ltd issued additional 763,043 ordinary shares of € 1, fully paid up, to the company.

The company has direct, unquoted investments in the following subsidiaries:

Name of company	Description of shares held	% holding 2020	% holding 2019	Nature of business
Endo Finance p.l.c.	249,998 ordinary shares of € 1 each	99.99	99.99	Financing of companies within the Endo Group of Companies
Endo Tankers Ltd	2,039,240 ordinary shares of USD 1 each	100	100	Holding company of shipping entites
Endo Properties Ltd (formerly P&C Limited)	774,690 ordinary shares of € 1 each	100	100	Renting of properties and provision of ancillary services
International Fender Providers Ltd	16,000 ordinary shares of € 1 each	100	100	Provision of ship to ship fendering and bunkering services

The company has indirect investments in the companies mentioned below through its investment in Endo Tankers Ltd (ETL) and International Fender Providers Ltd (IFPL).

Name of company	Description of shares held	% holding 2020	% holding 2019	Nature of business
Endo One Maritime Ltd	2,039,240 ordinary shares of USD 1 each held by ETL	100	100	Chartering of motor vessel
Endo Two Maritime Ltd	12,502,000 ordinary shares of USD 1 each held by ETL	100	100	Chartering of motor vessel
Endo Three Maritime Ltd	2,000 ordinary shares of USD 1 each held by ETL	100	100	Chartering of motor vessel
Endo Headwind Maritime Ltd	2,000 ordinary shares of USD 1 each held by ETL	100	100	Chartering of motor vessel (non-trading)
Endo Tailwind Maritime Ltd	2,000 ordinary shares of USD 1 each held by ETL	100	100	Chartering of motor vessel (non-trading)
Intership Management Limited	1,200 ordinary shares of € 1 each held by ETL	100	100	Provision of management services
IFP International Fender Providers Ltd	1,000 ordinary shares of € 1 each held by IFPL	100	100	Sea to shore operations, fendering and mooring services

The registered office and principal place of business of all subsidiaries, except for IFP International Fender Providers Ltd, is at 10, Timber Wharf, Marsa MRS 1143, Malta.

The registered office and principal place of business of IFP International Fender Providers Ltd, a company registered under the laws of Cyprus with company registration number HE 348221, is at Greg Tower, floor 2, Florinis 7, 1065 Nicosia, Cyprus.

At 31 December 2020, the company earned dividends of € 153,846 (2019: € 99,115) from its subsidiaries.

17 Trade and other receivables

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Trade receivables	605,121	621,343	-	-
Provision for doubtful debts	(2,288)	(2,288)	-	-
	602,833	**619,055**	-	-
Amounts owed by related parties	3,688,192	4,278,615	100,000	91,774
Accrued income	1,700	86,916	-	-
Financial assets at amortised cost	**4,292,725**	**4,984,586**	**100,000**	**91,774**
Prepayments	77,936	96,470	-	-
Advance payments to suppliers	1,814	6,015	-	-
VAT receivable	83,903	-	-	-
Other receivables	22,258	51,313	-	-
Total trade and other receivables	**4,478,636**	**5,138,384**	**100,000**	**91,774**

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Comprising:				
Long-term receivables				
Amounts owed by related parties	3,047,623	3,657,446	-	-
	3,047,623	**3,657,446**	**-**	**-**
Trade and other receivables - current	**1,431,013**	**1,480,938**	**100,000**	**91,774**

Amounts owed by related parties include: (i) an amount of € 640,569 (2019: € 621,169) which are unsecured, interest free and are repayable within one year; and (ii) an amount of € 3,047,623 (2019: € 3,657,446) which are unsecured, interest free and have no fixed date of repayment.

The carrying values of financial assets at amortised cost are considered a reasonable approximation of fair value.

18 Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position and consolidated statements of cash flows include the following components:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Cash at bank	2,638,955	1,709,493	52,290	102
Bond trustee account	-	1,393,114	-	-
Cash and cash equivalents in the consolidated statements of financial position	**2,638,955**	**3,102,607**	**52,290**	**102**
Bank overdraft	(1,554,703)	(2,050,703)	-	-
Bank balance overdrawn	-	(766)	-	-
Cash and cash equivalents in the consolidated statements of cash flows	**1,084,252**	**1,051,138**	**52,290**	**102**

The group and company did not have any restrictions on cash at bank and cash held in trustee account at year end. The carrying values of cash and cash equivalents are considered a reasonable approximation of fair value.

19 Share capital

The share capital of Endo Ventures Ltd 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 Endo Ventures Ltd.

	Group and Company	
	2020	**2019**
	€	**€**
Shares authorised at 31 December		
2,893,043 (2019: 2,130,000) ordinary shares of € 1 each	**2,893,043**	**2,130,000**
Shares issued and fully paid at 31 December		
2,582,573 (2019: 1,819,530) ordinary shares of € 1 each	**2,582,573**	**1,819,530**

On 28 April 2020, by virtue of a resolution of the shareholders, the company increased its authorised share capital from 2,130,000 ordinary shares of € 1 each to 2,893,043 ordinary shares of € 1 each.

On the same date, the company issued additional 763,043 ordinary share of € 1, fully paid up, to its existing shareholders.

20 Debt securities in issue

	Group	
	2020	**2019**
	€	**€**
At 1 January	13,229,872	-
Issuance of debt securities	-	13,500,000
Capitalisation of bond issue costs	-	(300,142)
Bond issue costs amortisation for the year	30,014	30,014
At 31 December	**13,259,886**	**13,229,872**
Comprising:		
Falling due after five years	13,259,886	13,229,872
	13,259,886	**13,229,872**

As at 31 December 2020, Endo Finance p.l.c. has a balance of € 13,259,886 (2019: € 13,229,872) from the bond issue of € 13,500,000 4.5% bonds of € 50,000 nominal value each, redeemable at par in 2029. The amount is made up of the bond issue of € 13,500,000 net of the bond issue costs which are being amortised over the lifetime of the bonds. Interest on the bonds is due and payable annually in arrears on 22 March of each year at the above-mentioned rate.

The debt securities in issue are guaranteed by three companies forming part of the group: (i) International Fender Providers Ltd (C 69877), (ii) IFP International Fender Providers Ltd (a company registered under the laws of Cyprus with company registration number HE 348221) and (iii) Endo Properties Ltd (formerly P&C Limited) (C 13033).

21 Borrowings

	Group		Company	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Bank balance overdrawn	-	766	-	-
Bank overdraft	1,554,703	2,050,703	-	-
Bank loans	1,496,480	1,646,127	-	-
Loan from subsidiary	-	-	250,000	250,000
Total borrowings	**3,051,183**	**3,697,596**	**250,000**	**250,000**
Comprising:				
Due within one year				
Bank balance overdrawn	-	766	-	-
Bank overdraft	1,554,703	2,050,703	-	-
Bank loans	233,718	227,750	-	-
	1,788,421	**2,279,219**	**-**	**-**
Due within two and five years				
Bank loans	787,695	801,294	-	-
Loan from subsidiary	-	-	250,000	250,000
	787,695	**801,294**	**250,000**	**250,000**
Due after five years:				
Bank loans	**475,067**	**617,083**	**-**	**-**
Long-term borrowings	**1,262,762**	**1,418,377**	**250,000**	**250,000**

Bank overdraft

One of the subsidiaries has a bank overdraft facility of € 2,172,402 (2019: € 2,172,402), equivalent to USD 2,500,000. This facility is secured by a general hypothec over the company's assets, and by guarantees given by a related company. It bears interest at 3.588% (2019: 5.512%) per annum.

Bank loans

The group has total bank loan facilities amounting to € 1,788,891 (2019: € 1,788,891).

One of the subsidiaries has a loan facility of € 1,000,000 (2019: € 1,000,000). The loan is secured by a general hypothec over the company's assets, by a special hypothec over property in Sliema, and by the guarantees given by a related company. It bears interest at 5.4% (2019: 5.15%) per annum. The loan is to be repaid in 8 years through monthly instalments of € 12,800, inclusive of interest.

Another subsidiary has the following loan facilities:

Loan I — bank loan amounting to € 46,057, to be repaid in full by latest 9 January 2026 through monthly instalments of € 2,416, inclusive of interest.

Loan II — bank loan amounting to € 529,879 to be repaid in full by latest 29 October 2029 through monthly instalments of € 5,839, inclusive of interest.

Loan III — bank loan amounting to € 25,832 to be repaid in full by latest 9 March 2022 through monthly instalments of € 1,035, inclusive of interest.

Loan IV — bank loan amounting to € 82,509 to be repaid in full by latest 9 March 2022 through monthly instalments of € 3,579, inclusive of interest.

These bank loans are secured by a general hypothec over the company's assets, by a special hypothec over property in Marsa, by pledges taken over various insurance policies, and by personal guarantees of the shareholders.

Loan I and II bear interest at 5.35% per annum, while loans III and IV bear interest at 4.85% per annum

Loan from subsidiary

The company's loan from a subsdiary is unsecured, bears interest at 6% (2019: 6.5%) per annum and has no fixed date of repayment.

22 Trade and other payables

	Group		Company	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Trade payables	682,301	447,499	8,024	-
Amounts owed to related parties	537,754	1,355,434	102,600	18,880
Amounts owed to shareholders	20,000	30,273	20,000	-
Accruals	522,516	573,906	8,260	6,020
Financial liabilities measured at amortised cost	**1,762,571**	**2,407,112**	**138,884**	**24,900**
Other payables	21,084	360,100	1,903	-
Indirect taxes	53,838	8,176	-	-
Deferred income	203,428	396,300	-	-
	2,040,921	**3,171,688**	**140,787**	**24,900**
Comprising:				
Long-term payables				
Amounts owed to related parties	470,514	544,568	-	-
Amounts owed to shareholders	-	30,273	-	-
	470,514	**574,841**	**-**	**-**
Trade and other payables - current	**1,568,407**	**2,596,847**	**140,787**	**24,900**

Amounts owed to related parties include: (i) an amount of € 67,240 (2019: € 810,866) which are unsecured, interest free and are repayable within one year; and (ii) an amount of € 470,514 (2019: € 544,568) which are unsecured, interest free and has no fixed date of repayment.

Amounts owed to shareholders include: (i) an amount of € 20,000 (2019: € nil) which are unsecured, interest free and are repayable within one year. In 2019, the company owed the shareholders an amount of €30,273 which was unsecured, interest free and had no fixed date of repayment.

The carrying values of short-term financial liabilities measured at amortised cost are considered a reasonable approximation of fair value. The fair value of long-term financial liabilities measured at amortised cost is not materially different from their carrying amounts.

23 Deferred tax liabilities

Deferred taxes arising from temporary differences can be summarised as follows:

Group	1 January 2020 €	Recognised in profit or loss €	31 December 2020 €
Non-current assets			
Property, plant and equipment	31,981	12,073	44,054
Current assets			
Trade receivables	4,816	(3,108)	1,708
Unrealised foreign exchange differences	(50,566)	28,902	(21,664)
Revaluation of investment property	(888,000)	-	(888,000)
Total	**(901,769)**	**37,867**	**(863,902)**

Deferred taxes for the comparative periods can be summarised as follows:

	1 January 2019 €	Recognised in profit or loss €	31 December 2019 €
Non-current assets			
Property, plant and equipment	26,463	5,518	31,981
Current assets			
Trade receivables	801	4,015	4,816
Unrealised foreign exchange differences	(44,258)	(6,308)	(50,566)
Revaluation of investment property	(648,000)	(240,000)	(888,000)
Total	**(664,994)**	**(236,775)**	**(901,769)**

Refer to note 11 for information on the group's and company's tax expense.

24 Related party transactions

Related parties include its subsidiaries, companies under common control, shareholders, directors and key management personnel.

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. Amounts owed by/to related parties are shown separately in notes 17, 21 and 22. Directors' remuneration is disclosed in note 9.

Details of related party transactions between the group and company and its related companies are disclosed below.

24.1 Transactions with related parties

Group	**2020**	**2019**
	€	**€**
Revenue	1,494,456	1,043,629
Interest receivable	-	101,846
Acquisition of property	-	763,043
Directors' fees recharged from other related parties	103,596	92,680
Salaries recharged from other related parties	31,448	171,406
Purchases from other related parties	1,620,297	-
Expenses recharged (to) from other related parties	(18,516)	39,498

Company	**2020**	**2019**
	€	**€**
Dividend income from a subsidiary	153,846	99,115
Interest paid on loan due to subsidiary	15,000	11,130

25 Contingent liabilities

As at 31 December 2020, the group had guarantees in favour of related parties amounting to € 3,729,797 (2019: € 3,990,555).

26 Risk management objectives and policies

The group and company are exposed to credit risk, liquidity risk and market risk through its use of financial instruments, which result from both its operating and investing activities. The group's and company's risk management is coordinated by the directors and focuses on actively securing the group's and company's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the group and company are exposed are described below. See also note 26.5 for a summary of the group's and company's financial assets and liabilities by category.

26.1 Credit risk

The group's and 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:

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Classes of financial assets - carrying amounts				
Financial assets at amortised cost:				
- Trade receivables (net)	602,833	619,055	-	-
- Amounts owed by related parties	3,688,192	4,278,615	100,000	91,774
- Accrued income	1,700	86,916	-	-
- Cash and cash equivalents	2,638,955	3,102,607	52,290	102
	6,931,680	**8,087,193**	**152,290**	**91,876**

The group and company continuously monitor defaults of counterparties, identified either individually or by group, and incorporate this information into their credit risk controls. The group's and company's policy is to deal only with creditworthy counterparties.

The carrying amount of financial assets recorded in the financial statements represents the group's and company's maximum exposure to credit risk. None of the group's and company's financial assets is secured by collateral or other credit enhancements.

Trade receivables

To determine the expected credit losses of trade receivables, the group prepared a provision matrix based on the group's historically observed default rates over the expected life of the trade receivables adjusted for forward-looking estimates. Thereafter, at each reporting date, the default of rates and any changes in the forward-looking estimates analysis will be updated.

In addition to the above assessment on the recoverability and expected credit loss provisions on trade receivables, the group has considered the effect of Covid-19 on the economies in which its customers are based, where significant business is being conducted. It has also taken into consideration the financial position of, and risk exposure to large customers in order to determine whether the group's credit risk has increased as a result of the pandemic. There are no particular indicators that suggest that the assessment of the expected credit risk model adopted by the group materially varies from expectations of collectability and previous patterns of payments from such customers. Furthermore, subsequent to the end of the reporting period, the group has received all the amounts outstanding at 31 December 2020.

On the above basis, the expected credit loss for trade receivables as at 31 December 2020 and 2019 was determined as follows:

31 December 2020	Current	1 - 30 days	31 - 60 days	61 - 90 days	More than 90 days	Total
Expected credit loss rate (%)	0.3% - 0.4%	0.6% - 0.8%	1.1%	1.5%	4.9% - 5.0%	
Gross carrying amount (€)	348,514	237,711	8,339	-	10,557	605,121
Lifetime expected credit loss	1,089	1,889	96	-	530	3,604

31 December 2019	Current	1 - 30 days	31 - 60 days	61 - 90 days	More than 90 days	Total
Expected credit loss rate (%)	0.1% - 0.6%	0.6% - 1.0%	1.1% - 1.4%	1.5%	4.9% - 5.2%	
Gross carrying amount (€)	481,697	82,281	30,675	-	26,690	621,343
Lifetime expected credit loss	1,317	1,184	443	-	1,522	4,466

For the calculated expected credit losses, no adjustment has been made since the amount was not material. All receivables that have shown objective evidence of impairment have been provided for in full.

Amounts owed by related parties

To determine the expected credit losses of amounts owed by related parties, the group and company used a credit risk assessment model by taking into consideration the probability of default for each counterparty in which they have a financial exposure and the loss given default i.e., the maximum loss in the event that the counterparty fails to settle the obligation.

The model is based on the 'Capital, Assets, Management, Earnings and Liquidity' Model (C-A-M-E-L) approach, whereby reasoned weights are allocated to each of the variables as measured by information extracted from financial reports, as well as relevant non-financial information.

Each component of the C-A-M-E-L model is assigned a percentage weight and score. The assigned percentage weight and score are multiplied to obtain the weighted score for each component. The weighted scores are then added up to obtain the credit risk assessment score. As practical as possible, each component of the C-A-M-E-L assessment was compared and benchmarked with peer companies within Europe.

The credit risk assessment is adjusted to include forward-looking macroeconomic indicators. Macroeconomic factors affect the current and future performance of the company. The most influential factors are GDP growth, unemployment rate (positively correlated) and inflation (negatively correlated).

Following the results of the credit risk assessment adjusted for the macroeconomic factors, this score is then assigned a probability of default estimated based on exchange listed firms in various economies over a period of 30 years.

The resulting expected credit loss was not material. Therefore, no adjustment has been made in these financial statements.

Other financial assets at amortised cost

Other financial assets at amortised cost include cash and cash equivalents.

At 31 December 2020, cash and cash equivalents of the group and company amounting to € 2,638,955 (2019: € 3,102,607) and € 52,290 (2019: € 102), respectively, are held with counterparties with credit ratings of A-1 to A-3 and are callable on demand. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 month expected credit losses as any such impairment would be insignificant to the group and company.

26.2 Liquidity risk

The group's and company's exposure to liquidity risks arises from its obligations to meet financial liabilities, which comprise debt securities in issue, borrowings and trade and 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 entity's obligations when they become due.

The group and company monitor its cash flow requirements on a daily basis and ensure that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The following are the contractual maturities of financial liabilities measured at amortised cost including estimated future interest payments:

Group	Carrying amount €	Contractual cash flows €	Within 1 year €	Within 2 to 5 years €	More than 5 years €
At 31 December 2020					
Bank overdraft	1,554,703	1,554,703	1,554,703	-	-
Bank loans	1,496,480	1,801,174	308,023	972,610	520,541
Debt securities in issue	13,259,886	18,511,875	607,500	1,822,500	16,087,875
Trade payables	682,301	682,301	682,301	-	-
Amounts owed to related parties	537,754	537,754	65,241	470,514	-
Amounts owed to shareholders	20,000	20,000	20,000	-	-
Accruals	522,516	522,516	522,516	-	-
	18,073,640	**23,630,323**	**3,760,284**	**3,265,624**	**16,608,416**
At 31 December 2019					
Bank overdraft	2,050,703	2,050,703	2,050,703	-	-
Bank balance overdrawn	766	766	766	-	-
Bank loans	1,646,127	1,997,943	308,016	1,010,792	679,135
Debt securities in issue	13,229,872	19,119,375	607,500	1,822,500	16,689,375
Trade payables	447,499	447,499	447,499	-	-
Amounts owed to related parties	1,355,434	1,355,434	810,866	544,568	-
Amounts owed to shareholders	30,273	30,273	-	30,273	-
Accruals	573,906	573,906	573,906	-	-
	19,334,580	**25,575,899**	**4,799,256**	**3,408,133**	**17,368,510**

Company	Carrying amount €	Contractual cash flows €	Within 1 year €	Within 2 to 5 years €	More than 5 years €
At 31 December 2020					
Loan from subsidiary	250,000	250,000	-	250,000	-
Trade payables	8,024	8,024	8,024	-	-
Amounts owed to related parties	102,600	102,600	102,600	-	-
Amounts owed to shareholders	20,000	20,000	20,000	-	-
Accruals	8,260	8,260	8,260	-	-
	388,884	**388,884**	**138,884**	**250,000**	**-**
At 31 December 2019					
Loan from a subsidiary	250,000	250,000	-	250,000	-
Amounts owed to related parties	18,880	18,880	18,880	-	-
Accruals	6,020	6,020	6,020	-	-
	274,900	**274,900**	**24,900**	**250,000**	**-**

26.3 Foreign currency risk

Most of the group's transactions are carried out in Euros. Exposure to currency exchange rates arise from the group's purchases from foreign suppliers, sales to foreign customers and bank overdraft, which are denominated in US-dollars (USD).

Foreign currency denominated financial assets and liabilities, translated into Euro at the closing rate, are as follows:

Group	USD	
	2020	2019
	€	€
Financial assets	417,367	138,200
Financial liabilities	(1,554,703)	(2,050,703)
Short-term exposure	**(1,137,336)**	**(1,912,503)**

On the basis of the average market volatility in exchange rates in the previous 12 months, if the Euro had strengthened or weakened against the USD by 2% (2019: 5%) then this would have had the following impact on the net result for the year.

Group	USD	
	2020	2019
	€	€
Net result for the year	+/- 22,747	+/- 95,625

Exposure to foreign exchange rates varies during the year depending on the volume of transactions in foreign currencies. Nonetheless, the analysis above is considered to be representative of the group's exposure to currency risk.

The company does not have significant foreign currency denominated financial assets and liabilities at the end of the financial reporting period under review. Consequently, the company is not materially exposed to foreign currency risk.

26.4 Interest rate risk

The group's and company's exposure to interest rate risk is limited to the variable interest rates on borrowings.

The following calculation illustrates the sensitivity of profit to a reasonably possible change in interest rates of + or - 100 basis points. This change is considered by management to be reasonably possible based on observation of current market conditions. The calculation is based on the group's and company's financial instruments held at each reporting date. All other variables are held constant.

In such circumstances, the potential impact of the shift in interest rates with effect from the beginning of the year on the net results of the group for the reporting periods presented would be -/+ € 30,512 (2019: € 36,976).

The company's exposure to interest rate risk is limited since its borrowings are at fixed interest rate.

26.5 Summary of financial assets and liabilities by category

The carrying amounts of the group's and company's financial assets and liabilities as recognised at the reporting dates under review may also be categorised as follows. See note 5.13 for explanations about how the category of financial instruments affects their subsequent measurement.

	Group		Company	
	2020	2019	2020	2019
	€	€	€	€
Non-current assets				
Financial assets at amortised cost:				
- Amounts owed by related parties	3,047,623	3,657,446	-	-
	3,047,623	**3,657,446**	**-**	**-**
Current assets				
Financial assets at amortised cost:				
- Trade receivables	602,833	619,055	-	-
- Amounts owed by related parties	640,569	621,169	100,000	91,774
- Accrued income	1,700	86,916	-	-
- Cash and cash equivalents	2,638,955	3,102,607	52,290	102
	3,884,057	**4,429,747**	**152,290**	**91,876**
Non-current liabilities				
Financial liabilities measured at amortised cost:				
- Debt securities in issue	13,259,886	13,229,872	-	-
- Borrowings	1,262,762	1,418,377	250,000	250,000
- Amounts owed to related parties	470,514	544,568	-	-
- Amounts owed to shareholder	-	30,273	-	-
	14,993,162	**15,223,090**	**250,000**	**250,000**
Current liabilities				
Financial liabilities measured at amortised cost:				
- Borrowings	1,788,421	2,279,219	-	-
- Trade payables	682,301	447,499	8,024	-
- Amounts owed to related parties	67,240	810,866	102,600	18,880
- Amounts owed to shareholders	20,000	-	20,000	-
- Accruals	522,516	573,906	8,260	6,020
	3,080,478	**4,111,490**	**138,884**	**24,900**

27 Capital management policies and procedures

The group's and company's capital management objectives are to ensure their ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group and company may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt.

The group and company monitor the level of debt, which includes trade and other payables less cash and cash equivalents, against total capital on an ongoing basis.

28 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 by the board.

Independent auditor's report

To the shareholders of Endo Ventures Ltd

Report on the audit of the financial statements

Opinion

We have audited the consolidated financial statements of Endo Ventures Ltd set out on pages 4 to 40 which comprise the statement of financial position as at 31 December 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at 31 December 2020, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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").

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 group and 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.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report shown on pages 2 and 3 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 year 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 group and the company and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' 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 group's and 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 directors either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the group's and 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 group'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 group's and 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 group and 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.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

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;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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 Sharon Causon.

Causon

Sharon Causon (Partner) for and on behalf of
GRANT THORNTON

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13 April 2021