S.D. Holdings Limited

Annual Financial Statements

31-March-2024

Company Registration Number: C 40318

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Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2024.

Principal activities

The Company's principal activity is that of holding investments.

The Group operates in the local market and predominantly in hospitality, leisure and catering activities. It operates and owns three hotels: the db Seabank Resort & SPA situated at Ghadira Bay Mellieha, the db San Antonio Hotel & SPA situated in Bugibba and The Melior Boutique Hotel in Valletta. It also operates a number of restaurants in Mellieha Bay, namely Westreme, Amami and Blu Beach together with PickNGo as a general store. It also operates AKI Restaurant in Valletta, Nine Lives in Bugibba, LOA and Sonora in St. Paul's Bay and Amami Food Bar at University Campus. The Group also operates outlets under the Hard Rock Café franchise and the Starbucks franchise.

The Group also holds investments in associates which provide healthcare and catering services to hospitals and retirement homes and associates which provide catering services primarily to Air Malta and other airlines operating from Malta. Other associated investments operate in the hospitality and catering industries.

Review of business

Following a tumultuous period due to the global pandemic, during the year ended 31 March 2024, the Group experienced continued growth in revenues and profitability. Total revenue for the Group during the year under review reached €88.7 million resulting in a year-on-year increase of €18.0 million (25%). The increase in revenue reflected itself in earnings before interest, tax, depreciation and amortisation (EBITDA) factoring in at €36.8 million as against €30.4 million registered for 2023 (21%).

	2024	2023
	€	€
Profit for financial period	**14,273,936**	12,374,478
Net interest	**5,347,785**	5,288,077
Tax expense	**6,170,561**	3,185,306
Depreciation	**8,738,444**	8,233,767
Amortization	**2,304,646**	1,321,413
EBITDA	**36,835,372**	30,403,041
Adjustment:		
Share of results of associates	**(5,486,700)**	(5,651,036)
Adjusted EBITDA	**31,348,672**	24,752,005

Net interest pertains to finance costs net of finance income during the year. The adjusted EBITDA is the measure used by management to monitor the performance of the Group.

The margin of profit or return on turnover generated is 32%, when compared to 28% during 2023. These results are excellent given the increase in salaries paid and overall higher price of goods and services. The Group has taken various measures to maximise its revenues and keep its costs in check.

Consequently, the financial year ended 2024 resulted in a profit after tax of €14.3 million when compared to €12.4 million recorded in the previous year. The overall hotel portfolio occupancy increased to 89% when compared to 85% in 2023. These results are even better than the 81% occupancy levels shown during year ended 31 March 2020 before the disruptions brought about by the pandemic.

Meanwhile the food and beverage sector also experienced better turnover figures, almost doubling the figures achieved during the previous year. Turnover for the year reached €35.6 million (€25.4 million in 2023) and now includes four new restaurants in Sliema, Mellieha and Malta International Airport and continued adding new Starbucks for a total of 17 outlets across Malta and Gozo.

The Group's total assets amount to €474 million (2023: €376 million). The Group's equity base also increased by €59.2 million which is a direct result of the net profit registered for the year of €14.3 million and revaluation surplus on the Group's land and buildings measured at the revaluation model of €51.1 million.

The Group also monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings, as shown in the consolidated statement of financial position, less cash at bank and in hand. Total capital is calculated as total equity, as described below, plus net debt. The aggregated figures in respect of the Group are reflected in the following table:

Directors' Report - continued

	2024 €	2023 €
Total external borrowings	**88,354,646**	84,062,682
Less: cash at bank and in hand	**(71,036,869)**	(54,419,433)
Net debt	**17,317,777**	29,643,249
Equity – as shown in the consolidated statement of financial position	**211,378,507**	152,169,579
Total capital	**228,696,284**	181,812,828
Net debt/total capital	**7.57%**	16.30%

The interest rate cover now stands at 6 multiple (2023: 5 multiple) mainly because of higher revenues of €18.0 million when compared to the previous year.

	2024 €	2023 €
Adjusted EBITDA (A)	**31,348,672**	24,752,005
Interest (B)	**5,347,785**	5,288,077
Interest rate cover (=A/B)	**5.86x**	4.68x

Given the size of the Group and its dependence on the local economy, the Group recognises that the main risks and uncertainty to its business is the potential downturn in the local economy with reference to the tourism and services industry.

Outlook for the financial year ending 2025

Following the much-improved results achieved during the year ended 31 March 2024 we look forward with optimism for the coming year. It is evidently clear that the accommodation and leisure industry is recovering faster than originally anticipated. Results to date are better than the previous year and bookings are very encouraging.

From the db Group's perspective, there has been a continued expansion of its Starbucks outlets network in Malta and has opened or continued its investments in new restaurants in St. Paul's Bay, Sliema and Malta International Airport during the current financial year. It has also acquired franchising rights to start opening GROM and EL&N franchises. The Group is also looking into expanding internationally with the first step being the opening of a new restaurant in London. On the other hand, the Court of Appeal upheld the decision of the Environmental and Planning Review Tribunal approving the proposed St George's Bay Multi Purpose Development of the former ITS site in St. George's Bay, subsequent to year end.

The health care arm of the Group continues improving its results on a year-on-year basis. An upswing in demand for the services offered by the Group within this sector was experienced with the opening of the new 504-bed wing at the Saint Vincent de Paul Residence which is run and managed by one of the Group's associated companies.

The Group has also prepared projections for the coming 2 years, based on historical financial information and forecasts, but factoring in the improved results of the past year. The Ukraine-Russia conflict is not expected to affect the results of the Group as its exposure of business from these two countries is negligible. However, whilst the Group has no direct business linkages with these countries, we are monitoring the effect that this conflict might have. Continued increases in the price of goods and services is the principal challenge that the Group's entities have experienced during the current financial year. The projections contemplate the existence of a significant liquidity buffer at the end of the year and the Directors feel confident that with the measures taken and the secured financing arrangements, the Group shall overcome any potential further disruptions. The Group has over the past years accumulated a substantial cash reserve which as at year end amounted to €71.0 million. On this basis, the directors are of the opinion that there are no material uncertainties which may cast significant doubt about the ability of the Group to continue operating as a going concern.

SD Finance plc (the Issuer of the bonds) paid its bondholders the full interest that was due in April 2024. Furthermore, it should be noted that in view of the excellent results achieved by the Group, the projections outlined above, and the cash reserves accumulated by the Group in the past years, the directors are of the opinion that the Issuer will have the necessary funds to finance the interest falling due in April 2025 and going forward.

Directors' Report - continued

Governance

The Group understand that strong governance is the bedrock of a sustainable business. The Group is committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and fairness in all our dealings. The Group aim to protect the interests of our stakeholders, including our employees, guests, and shareholders with clear guidelines on decision-making processes, risk management, and ethical conduct, ensuring that we operate in a manner that is consistent with the Group's values and compliant with relevant laws and regulations. The Group continues to strengthen its governance practices, focusing on enhancing transparency and accountability which is key in maintaining the trust and confidence of stakeholders and ensuring the long-term sustainability of the business. The board of directors plays a crucial role in the governance structure and is responsible for overseeing our strategic direction, monitoring our performance, and ensuring that the Group meet its legal and ethical obligations.

Financial risk management

The Group's and Company's activities expose them to a variety of financial risks, including market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. Refer to Note 2 in these financial statements.

Results and dividends

The consolidated financial results are set out on page 8. The directors have declared a net dividend of €1,800,000 for 2024 (2023:2,272,500).

Retained earnings carried forward at the end of the financial reporting period for the Group and the Company amounted to €73,889,890 (2023: €61,290,275) and €15,129,088 (2023: €16,616,246), respectively.

Directors

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

- Silvio Debono
- Robert Debono
- Alan Debono
- David Debono
- Victoria Debono Borg
- Arthur Gauci
- Jesmond Vella
- Veronica Debono

The Company's Articles of Association do not require the directors to retire.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap.386) to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent Company as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap.386). They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report - continued

Auditors

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

On behalf of the board

Robert Debono
Director

Alan Debono
Director

Statement of Financial Position

	Notes	AS AT 31 MARCH GROUP 2024 €	GROUP 2023 €	COMPANY 2024 €	COMPANY 2023 €
ASSETS					
Non-current assets					
Property, plant and equipment	4	**247,681,097**	184,343,712	**-**	-
Investment property under development	5	**18,198,687**	82,628,497	**-**	-
Intangible assets	6	**888,667**	929,363	**-**	-
Inventories	7	**68,901,222**	-	**-**	-
Investments in subsidiaries	8	**-**	-	**36,516,136**	36,511,336
Investments in associates	9	**24,138,974**	19,046,570	**5,460**	5,460
Right-of-use assets	10	**19,702,362**	15,366,006	**-**	-
Deferred tax assets	11	**873,002**	1,952,058	**-**	-
Financial assets at fair value through profit or loss (FVPL)	15	**2,232,316**	-	**2,232,316**	-
Trade and other receivables	12	**4,631,034**	335,337	**15,323,147**	22,618,093
Total non-current assets		**387,247,361**	304,601,543	**54,077,059**	59,134,889
Current assets					
Inventories	13	**2,182,190**	2,017,878	**-**	-
Trade and other receivables	12	**11,983,989**	13,546,228	**14,334,957**	6,516,761
Current tax assets	28	**1,508,423**	1,508,837	**-**	-
Cash and cash equivalents	14	**71,036,869**	54,419,433	**48,201,728**	47,181,616
Total current assets		**86,711,471**	71,492,376	**62,536,685**	53,698,377
Total assets		**473,958,832**	376,093,919	**116,613,744**	112,833,266
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	16	**4,000,000**	4,000,000	**4,000,000**	4,000,000
Revaluation reserve	17	**124,905,451**	73,977,606	**-**	-
Reorganisation reserve	16	**(4,318,532)**	-	**(4,318,532)**	-
Other reserves	18	**12,901,698**	12,901,698	**-**	-
Retained earnings		**73,889,890**	61,290,275	**15,129,088**	16,616,246
Total equity		**211,378,507**	152,169,579	**14,810,556**	20,616,246
Non-current liabilities					
Trade and other payables	19	**11,393,508**	12,251,661	**-**	-
Borrowings	20	**80,445,622**	76,792,589	**4,695,951**	7,106,194
Deferred tax liabilities	11	**27,110,468**	19,405,384	**-**	-
Lease liabilities	21	**64,856,898**	60,868,788	**-**	-
Redeemable preference shares	16	**4,673,076**	-	**4,673,076**	-
Total non-current liabilities		**188,479,572**	169,318,422	**9,369,027**	7,106,194
Current liabilities					
Trade and other payables	19	**47,844,103**	36,386,196	**90,003,299**	82,988,618
Borrowings	20	**7,909,024**	7,270,093	**2,425,521**	2,116,867
Lease liabilities	21	**12,366,746**	9,763,796	**-**	-
Current tax liabilities		**5,980,880**	1,185,833	**5,341**	5,341
Total current liabilities		**74,100,753**	54,605,918	**92,434,161**	85,110,826
Total liabilities		**262,580,325**	223,924,340	**101,803,188**	92,217,020
Total equity and liabilities		**473,958,832**	376,093,919	**116,613,744**	112,833,266

The notes on pages 12 to 63 are an integral part of these financial statements.

The financial statements on pages 7 to 63 were authorised for issue and signed by the board of directors on 29 July 2024 and were signed on its behalf by:

Robert Debono
Director

Alan Debono
Director

Statement of Comprehensive Income

		YEAR ENDED 31 MARCH			
		GROUP		COMPANY	
		2024	2023	**2024**	2023
	Notes	€	€	€	€
Revenue	22	**88,724,934**	70,799,174	-	-
Cost of sales	23	**(60,366,531)**	(50,866,400)	-	-
Gross profit		**28,358,403**	19,932,774	-	-
Selling expenses	23	**(284,654)**	(158,089)	-	-
Administrative expense	23	**(9,890,728)**	(5,282,705)	**(1,894,433)**	(88,176)
Dividend income	25	-	-	**2,769,231**	3,496,154
Other operating income	26	**1,890,245**	704,845	-	-
Operating profit		**20,073,266**	15,196,825	**874,798**	3,407,978
Finance income	27	**708,257**	112,405	**1,198,665**	548,062
Finance costs	27	**(6,056,042)**	(5,400,482)	**(917,469)**	(455,149)
Share of results of associates	9	**5,486,700**	5,651,036	-	-
Fair value changes of investments at fair value through profit or loss	15	**232,316**	-	**232,316**	-
Profit before tax		**20,444,497**	15,559,784	**1,388,310**	3,500,891
Tax expense	28	**(6,170,561)**	(3,185,306)	**(1,075,468)**	(1,224,251)
Profit for the year – Attributable to equity holders of the parent		**14,273,936**	12,374,478	**312,842**	2,276,640
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent period:					
Fair value reserve on land and buildings, net of deferred tax	4	**51,053,524**	-	-	-
Depreciation transfer through asset use, net of deferred tax	17	**125,679**	125,679	-	-
Total other comprehensive income, net of deferred tax		**51,179,203**	125,679	-	-
Total comprehensive income for the year – Attributable to equity holders of the parent		**65,453,139**	12,500,157	**312,842**	2,276,640

The notes on pages 12 to 63 are an integral part of these financial statements.

Statement of Changes in Equity

GROUP	Attributable to owners of the parent					
	Share Capital	Revaluation Reserve	Reorganisation Reserve	Other Reserves	Retained Earnings	Total
	€	€	€	€	€	€
Balance at 1 April 2022	4,000,000	74,103,285	-	12,901,698	51,062,618	142,067,601
Profit for the year	-	-	-	-	12,374,478	12,374,478
Other comprehensive income						
Depreciation transfer through asset use, net deferred tax	-	(125,679)	-	-	125,679	-
Total comprehensive income	-	(125,679)	-	-	12,500,157	12,374,478
Dividends paid to shareholders	-	-	-	-	(2,272,500)	(2,272,500)
Balance at 31 March 2023	4,000,000	73,977,606	-	12,901,698	61,290,275	152,169,579
Balance at 1 April 2023	**4,000,000**	**73,977,606**	**-**	**12,901,698**	**61,290,275**	**152,169,579**
Profit for the year	-	-	-	-	14,273,936	14,273,936
Other comprehensive income						
Fair value reserve on land and buildings, net of deferred tax	-	51,053,524	-	-	-	51,053,524
Depreciation transfer through asset use, net deferred tax	-	(125,679)	-	-	125,679	-
Total comprehensive income	-	50,927,845	-	-	14,399,615	65,327,460
Reorganisation reserve (Note 16)	-	-	(4,318,532)	-	-	(4,318,532)
Dividends paid to shareholders	-	-	-	-	(1,800,000)	(1,800,000)
Balance at 31 March 2024	**4,000,000**	**124,905,451**	**(4,318,532)**	**12,901,698**	**73,889,890**	**211,378,507**

Statement of Changes in Equity - continued

COMPANY	Share Capital	Reorganisation Reserve	Retained Earnings	Total
	€	€	€	€
Balance at 1 April 2022	4,000,000	-	16,612,106	20,612,106
Profit/Total comprehensive income for the year	-	-	2,276,640	2,276,640
Dividends paid to shareholders	-	-	(2,272,500)	(2,272,500)
Balance at 31 March 2023	4,000,000	-	16,616,246	20,616,246
Balance at 1 April 2023	**4,000,000**	-	**16,616,246**	**20,616,246**
Profit/Total comprehensive income for the year	-	-	312,842	312,842
Reorganisation reserve (Note 16)	-	(4,318,532)	-	(4,318,532)
Dividends paid to shareholders	-	-	(1,800,000)	(1,800,000)
Balance at 31 March 2024	**4,000,000**	**(4,318,532)**	**15,129,088**	**14,810,556**

Statement of Cash Flows

	Notes	YEAR ENDED 31 MARCH GROUP 2024 €	GROUP 2023 €	COMPANY 2024 €	COMPANY 2023 €
Cash flows from operating activities					
Operating profit/(loss)		**20,073,266**	15,196,825	**874,798**	3,407,978
Adjustments for:					
Depreciation of property, plant and equipment	4	**8,738,444**	8,233,767	-	-
Amortisation of intangible assets	6	**106,289**	121,330	-	-
Amortisation of right-of-use assets	10	**2,198,357**	1,200,083	-	-
Write-off of investment in subsidiaries	8	-	-	-	1,405
Loss on disposal of property, plant and equipment		-	(1,699)	-	-
Movement in credit loss allowances	23	**(82,948)**	209,233	-	-
Rent rebates	23	-	(12,557)	-	-
Changes in working capital:					
- Inventories		**(7,301,567)**	(546,120)	-	-
- Trade and other receivables		**(4,299,820)**	(1,887,134)	**(4,274,148)**	(1,759,155)
- Trade and other payables		**9,767,600**	7,668,208	**(3,090,564)**	11,221,373
Cash generated from operations		**29,199,621**	30,181,936	**(6,489,914)**	12,871,601
Interest received	27	**708,257**	112,405	**1,198,665**	548,062
Interest paid	27	**(3,436,845)**	(4,725,386)	**(564,925)**	(455,149)
Tax paid		**(100,340)**	(548,398)	**(1,075,468)**	(1,223,815)
Net cash generated from operating activities		**26,370,693**	25,020,557	**(6,931,642)**	11,740,699
Cash flows from investing activities					
Payments for property, plant and equipment		**(8,771,417)**	(6,362,023)	-	-
Proceeds from disposal of property, plant and equipment		-	6,000	-	-
Payments for investment property and related property development expenditure		**(1,392,203)**	(3,691,596)	-	-
Payments for intangible assets	6	**(65,593)**	(143,095)	-	-
Payments for acquisition of financial assets at fair value through profit or loss (FVPL)	15	**(2,000,000)**	-	**(2,000,000)**	-
Repayments of loans provided to subsidiaries	12	-	-	**2,101,588**	1,810,603
Incorporation of investments in subsidiaries	9	-	(226,594)	**(4,800)**	-
Dividend received from associates	9	**394,296**	2,720,599	-	-
Net cash (used in)/generated from investing activities		**(11,834,917)**	(7,696,709)	**96,788**	1,810,603
Cash flows from financing activities					
Proceeds from bank borrowings		**7,553,576**	2,136,841	-	-
Repayments of bank borrowings		**(3,083,079)**	(3,568,713)	**(2,101,588)**	(1,810,603)
Principal elements of lease payments		**(2,210,306)**	(1,618,685)	-	-
Proceeds from financing from subsidiaries		-	-	**9,956,554**	-
Net cash generated from/(used in) financing activities		**2,260,191**	(3,050,557)	**7,854,966**	(1,810,603)
Net movements in cash and cash equivalents		**16,795,967**	14,273,291	**1,020,112**	11,740,699
Cash and cash equivalents at beginning of year		**53,739,650**	39,466,359	**47,181,616**	35,440,917
Cash and cash equivalents at end of year	14	**70,535,617**	53,739,650	**48,201,728**	47,181,616

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 Corporate information

The consolidated financial statements of SD Holdings Limited (the "Company" or the "Parent") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 29 July 2024. SD Holdings Limited is a limited liability company and is incorporated in Malta. The registered office is located at db Seabank Resort & Spa, Marfa Road, Mellieha Bay, Mellieha, Malta.

The Company's principal activity is that of holding investments. The Group operates in the local market and predominantly in hospitality, leisure and catering activities. The Group also holds investments in associates which provide healthcare and catering services to hospitals and retirement homes and associates. Information on the Group's structure is provided in Note 8. Information on other related party relationships of the Group is provided in Note 9.

1.2 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and with the requirements of the Maltese Companies Act (Cap. 386). The financial statements have been prepared under the historical cost convention, except for land and buildings which have been measured at fair value and certain financial instruments measured at fair value through profit or loss, following the accounting in line with the revaluation model.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the Company's accounting policies (see Note 3 - Significant accounting estimates and judgments).

As at 31 March 2024, the Company's current assets exceeded its current liabilities by €16,930,375 (2023: €16,886,458). In this respect, subsidiary companies have undertaken not to request repayment of amounts due until alternative financing available.

The directors have assessed that the Group is expected to have the necessary funds to finance its operations and commitments towards employees, creditors, banks and bondholders going forward. Accordingly, the board continues to adopt the going concern basis in preparing the financial statements and considers that there are no material uncertainties which may cast significant doubt about the ability of the Company and the Group to continue operating as a going concern.

Standards, interpretations and amendments to published standards effective during the current financial year

During the current financial year, the Group adopted the following new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 April 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Group's accounting policies, not impacting the Group's financial performance and position.

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023)

Standards, interpretations and amendments to published standards that are not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Group's accounting periods beginning after 1 April 2024. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU but plans to adopt upon their effective date, and management will assess in the following periods any effect from the application of the amendments.

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments)
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Standards, interpretations and amendments that are not yet endorsed by the European Union, are not yet effective and not early adopted

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not yet endorsed by the European Union. In the opinion of the Directors, the adoption of these standards will not have significant impact on the financial statements of the Company.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial instruments.

1.3 Consolidation

(a) Subsidiaries

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting. Provisions are recorded when, in the opinion of the directors, an indicator of impairment exists (e.g. investment in subsidiary's carrying amount is greater than its estimated recoverable amount). An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition (refer to accounting policy Note 1.7[a] - Intangible assets).

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed when necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in associates are accounted for by the cost method of accounting. Provisions are recorded when, in the opinion of the directors, an indicator of impairment exists (e.g. investment in associate's carrying amount is greater than its estimated recoverable amount). An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

1.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The euro is the Group and Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.5 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Land and buildings are subsequently measured at fair value, following the revaluation model of accounting, less subsequent depreciation for buildings. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is remeasured to the revalued amount of the asset. All other property, plant and equipment is subsequently measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost (Note 1.24).

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost, net of any related deferred income taxes, is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	%
Buildings	1 – 3
Computer equipment	20 - 33.33
Furniture, fixtures, and fittings	6.67 - 10
Motor vehicles	20
Plant, machinery and operational equipment	6.67 - 15

Freehold land is not depreciated as it is deemed to have an indefinite life. Leasehold land is amortised on a straight-line basis over the period of the lease.

Assets in the course of construction and advance payments are not depreciated. Depreciation will commence once the respective assets are commissioned for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.8).

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in profit or loss. When revalued assets are disposed of, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.6 Investment property under development

Investment property under development comprises leasehold property acquired in 2017.

The Group adopts the cost model under IAS 40, 'Investment property', whereby investment property is measured in the statement of financial position at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property under development consists of land which is not depreciated as it is deemed to have an indefinite life.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

A property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.8).

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, its cost and accumulated amortisation at the date of the reclassification becomes its cost and accumulated depreciation for subsequent accounting purposes. When the Group decides to dispose of an investment property without development, the Group continues to treat the property as an investment property. Similarly, if the Group begins to redevelop an existing investment property for continued future use as investment property, it remains an investment property during the redevelopment.

If an item of property, plant and equipment becomes an investment property because its use has changed, its cost and accumulated depreciation at the date of the reclassification becomes its cost and accumulated amortisation for subsequent accounting purposes.

When an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its carrying amount at the date of change in use.

1.7 Intangible assets

(a) Franchise rights

Franchise rights are shown at historical cost. Franchise rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of franchise rights over their estimated useful lives.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject for amortisation and are tested annually for impairment. Assets that are subject for amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment is reviewed for possible reversal of the impairment at the end of each reporting period.

1.9 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
(b) Those to be measured at amortised cost.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

As at 31 March 2024 and 2023, the Company and Group do not have any financial assets measured at fair value through other comprehensive income.

Recognition and derecognition

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which an asset is delivered to or by the Group. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or has not retained control of the asset.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group may classify its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables (see Note 2 for further details).

1.10 Inventories

(a) Merchandise inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined by the weighted average cost method. Cost is the invoiced value of goods and, in general, includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(b) Residential units for sale

Residential units for sale are valued at the lower of cost or net realizable value. Cost includes those costs incurred for development and improvement of the properties. Net realizable value is the selling price in the ordinary course of business less costs to complete and the estimated cost to make the sale. The residential units for sale pertain to properties that are constructed for sale in the ordinary course of business, rather than for rental or capital appreciation.

Cost incurred for the development and improvement of the properties includes the following:

- ground rent over the right-of-use over the land where the properties will be developed as disclosed in Note 5;
- amounts paid to contractors for construction and development;
- planning and design, and site preparation, as well as professional fees, property transfer taxes, construction overhead and others; and
- borrowing costs incurred during the construction period.

Inventory properties are classified as non-current when these are expected to be realised after more than one year from reporting date.

1.11 Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss allowances.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include cash in hand, deposits with banks with an original maturity of three months or less, and bank overdrafts. Deposits with banks with an original maturity date of more than three months qualify as cash equivalents and are classified within cash and cash equivalents when a) any penalty charge or the forgone higher interest that the Group would have received if the deposit were held to maturity for withdrawal prior to maturity is not significant, b) they are available on demand and c) they are held for managing short-term commitments. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

1.13 Share capital

Ordinary shares are classified as equity. Preference shares are classified as equity if they are non-redeemable, or redeemable only at the option of the Company.

Shares classified as equity are recorded at par. Proceeds in excess of par value, if any, are recognised under equity as 'Share premium' in the statement of financial position. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Dividends thereon are recognised as distributions within equity upon approval by the Board of Directors of the Company.

Preference shares are classified on initial recognition as a financial liability if they are mandatorily redeemable or redeemable at the option of the holders. Non-discretionary dividends on preference shares are also classified as a financial liability, as they represent an unavoidable obligation of the Company to deliver cash. Initial recognition is being performed at fair value. Issuance costs are treated as an adjustment to the carrying amount of the related liability. Such financial liability is being classified as subsequently measured at amortised cost and the resulting accretion of interest according to the effective interest method is being included within Finance Costs line item. Once payment is performed, Then, subsequently measured at the amount of cash that would be paid under the conditions specified in the contract if settlement occurred at the reporting date, recognising the resulting change in that amount from the previous reporting date as interest cost.

1.14 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Transaction costs are incremental costs that are directly attributable to the issue of the financial liability and are those costs that would not have been incurred if the Group had not issued the financial instrument.

1.17 Offsetting financial instruments

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

1.18 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

The current tax assets presented in the statement of financial position pertains to tax withheld on dividend distribution in the prior year for which the Group is entitled to claim a refund. Such refunds are generally processed by The Office of the Commissioner for Revenue within one year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax on the fair valuation of property, plant and equipment is charged or credited directly to the revaluation reserve. Deferred tax on the difference between the actual depreciation on the asset and the equivalent depreciation based on the historical cost of the asset is realised through profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The amendments to IAS12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity' exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's or Group's financial statements as the Company and Group are not in scope of the Pillar Two model rules as its revenue is less than EUR750 million/year.

1.19 Provisions and contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

1.20 Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

In the ordinary course of business, the Group gives financial guarantees to banks, financial institutions and other bodies on behalf of subsidiaries and associates.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

Financial guarantee contracts are initially measured at fair value and subsequently measured at higher of:

(a) The amount of the credit loss allowance (calculated as described in Note 1.9); and
(b) The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

1.21 Revenue recognition

Revenues include all revenues from the ordinary business activities of the Group. Ordinary activities do not only refer to the core business but also to other recurring sales of goods or rendering of services. Revenues are recorded net of value added tax. The Group's business principally comprises sales of goods and services in the hospitality industry.

(a) Sale of goods and services

Revenues are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

IFRS 15 requires that at contract inception the goods or services promised in a contract with a customer are assessed and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset must be recognised if the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

A contract liability must be recognised when the customer paid consideration or a receivable from the customer is due before the Group fulfilled a contractual performance obligation and thus recognised revenue.

Multiple-element arrangements involving the delivery or provision of multiple products or services must be separated into distinct performance obligations, each with its own separate revenue contribution that is recognised as revenue on fulfilment of the obligation to the customer. The total transaction price of a bundled contract is allocated among the individual performance obligations based on their relative – possibly estimated - standalone selling prices, i.e., based on a ratio of the standalone selling price of each separate element to the aggregated standalone selling prices of the contractual performance obligations.

IFRS 15 provides more detailed guidance on how to account for contract modifications. Changes must be accounted for either as a retrospective change (creating either a catch up or deferral of previously recorded revenues), prospectively with a reallocation of revenues amongst identified performance obligations, or prospectively as separate contracts which will not require any reallocation.

(i) Sales from hospitality and ancillary services

Revenue from services is generally recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue arising from hospitality activities is recognised when the service is performed and/or when the goods (primarily food and beverage relating restaurant and bar sales) are supplied upon performance of the service. The transaction price for hospitality and ancillary services are based on the published prices of the hotels and/or as stipulated in the booking confirmation. The transaction price for sale of food and beverage is equal to the selling price of the goods. Revenue is usually in cash, credit card or on credit.

A Group undertaking also operates a number of rooms on a timeshare basis. In the case of timeshare, customers buy the right to a slot in a given time period, for which the customer must make an up-front payment. Subsequently, the customer must also make annual contributions to the scheme to cover the share of maintenance costs. The customers get the benefits (i.e. control over the promise) with every passing day of each year's stay at the vacation apartment/suite. The revenue stream therefore meets the conditions for revenue recognition over time (i.e. stage of completion), and revenue is accordingly recognised on a daily basis of accommodation.

The Group pays commissions to tour operators for the sale on every reservation made through their booking platforms. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (presented as 'Selling expenses' in the statement of comprehensive income) because the amortisation period of the asset that the Group otherwise would have used is less than one year.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

(ii) Sales of goods – retail

Sales of goods are recognised when the Group has delivered products to the customer and there no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery does not occur until the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products. Retail sales are usually in cash or by credit card.

(iii) Sales of residential units under development

The Group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of residential units under development, the Group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g., windows, doors, cabinetry, etc.) and finishing work. The Group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed residential unit (the combined output) which the customer has contracted to buy.

For the sale of residential units under development, the Group has determined that it generally does not meet the criteria to recognise revenue over time. In these cases, control is transferred and hence revenue is recognised at a point in time when the deed of sale has been executed. The Group has determined that, for the promise of sale agreements to sell residential units, its performance does not create an asset with alternative use to the Group and that it has no enforceable right to payment for performance completed to date.

Financing

The Group receives advance payments from customers for the sale of rooms on a timeshare basis of more than one year from the time it performs its obligation. There is a significant financing component for these contracts considering the length of time between the customers' payment and the Group's performance, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the rooms to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Other than this, the Group does not expect to have material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(b) Interest income

Interest income is recognised in profit or loss for all interest-bearing instruments as it accrues using the effective interest method.

(c) Dividend income is recognised when the right to receive payment is established.

(d) Other operating income is recognised on an accrual basis unless collectability is in doubt.

1.22 Customer contract assets and liabilities

The timing of revenue recognition may differ from customer invoicing. Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract. Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted.

Contract liabilities represent amounts paid by customers before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not transferred yet.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

1.23 Leases

(a) Leases - where Group undertakings are the lessee

IFRS 16 requires an entity to assess whether a contract is, or contains, a lease at the inception date. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the commencement date, being the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate asset the commencement date;
- amounts expected to be payable by the Group using residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lessees, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, term and security.

Lease payments are allocated between principal and finance cost. The finance cost is computed so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Finance costs are recognised in profit or loss over the lease period.

Management assesses whether lessor-granted concessions meet the definition of a lease modification. Lease concessions which do not provide substantive change to the total consideration for the lease, or the scope of the lease, would not be a lease modification and are accounted for as variable lease payments in the period in which they are granted.

Right-of-use assets are initially measured at 'cost' which, where applicable, comprise of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and any accumulated impairment losses, except as highlighted below. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation is recognised in profit or loss.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(b) Operating leases - where a Group undertaking is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position and are accounted for in accordance with accounting policy 1.4. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term and is presented within 'Other operating income'.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES - continued

1.24 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment and investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings. Such instruments matured during the current year.

1.25 Dividend distribution

Dividend distribution to the parent company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

1.26 Reclassification

Certain balances (Notes 19, 20, 21, 23, 24 and 26) in the comparative statement of financial position, statement of comprehensive income and supporting note disclosures have been reclassified to conform to the presentation used in the statement of financial position and statement of comprehensive income as at 31 March 2024. This reclassification did not affect the total assets, total liabilities and total equity in the statement of financial position as of 31 March 2023, 31 March 2022 and 01 April 2022 and the total comprehensive income in the statement of comprehensive income for the years ended 31 March 2023 and 31 March 2022.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management, covering risk exposures for all subsidiaries, focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The parent company's directors provide principles for overall Group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group undertakings did not make use of derivative financial instruments during the current and preceding financial years.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. A portion of the Group's purchases are denominated in US dollar. Balances denominated in foreign currencies are settled within very short periods in accordance with the negotiated credit terms.

The Group's revenues, purchases and other expenditure, financial assets and liabilities, including financing, are mainly denominated in euro except as outlined above. Management does not consider foreign exchange risk attributable to recognised liabilities arising from purchase transactions denominated in US dollar to be significant. Accordingly, a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the balance sheet date is not deemed necessary.

(ii) Fair value interest rate risk

The Group's significant instruments which are subject to fixed interest rates represent the bonds issued to the general public (Note 20). In this respect, the Group and the company are potentially exposed to fair value interest rate risk in view of the fixed interest nature of these instruments, which are however measured at amortised cost.

2. FINANCIAL RISK MANAGEMENT

(iii) Cash flow interest rate risk

For the company the cash flow interest rate risk principally arises from the loan from subsidiary (Note 20) and amounts owed by subsidiaries subject to variable rates. The Group and the company's interest rate risk principally arises from bank borrowings issued at variable rates (Note 20) which expose the Group to cash flow interest rate risk. Management monitors the impact of changes in market interest rates in respect of these instruments.

At the reporting date, if the interest rate had increased/decreased by 3% (assuming a parallel shift of 300 basis points in yields) with all other variables held constant, the pre-tax result for the subsequent year would change by the following amount:

GROUP	(+) 3% €	(-) 3% €
At 31 March 2024	(485,003)	485,003
COMPANY	(+3%) €	(-3%) €
At 31 March 2024	(169,001)	169,001

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding debtors and committed transactions. The Group's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	GROUP		**COMPANY**	
	2024 €	2023 €	**2024** €	2023 €
Financial assets measured at amortised cost				
Trade and other receivables (Note 12)	**10,586,243**	9,450,968	**14,306,040**	6,471,317
Cash and cash equivalents (Note 14)	**71,036,869**	54,419,433	**48,201,728**	47,181,616
	81,623,112	63,870,401	**62,507,768**	53,652,933

The maximum exposure to credit risk at the reporting date in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements.

The Group does not hold any collateral as security in this respect. The figures disclosed above in respect of trade and other receivables exclude advance payments to suppliers, indirect taxation and prepayments and accrued income.

Cash and cash equivalents

The Group's cash and cash equivalents are held with local financial institutions with high quality standing or rating or nothing and are due to be settled on demand. Management considers the probability of default to be close to zero as the financial institutions have a strong capacity to meet their contractual obligations in the near term. As a result, while cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss is insignificant.

Trade receivables

The Group assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of goods and services are effected to customers with an appropriate credit history. The Group monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Group's debtors, taking into account historical experience in collection of accounts receivable.

2. FINANCIAL RISK MANAGEMENT

In view of the nature of the Group's activities and the market in which it operates, a limited number of customers account for a certain percentage of the Group's trade receivables. Whilst no individual customer or Group of dependent customers is considered by management as a significant concentration of credit risk with respect to trade debts, these exposures are monitored and reported more frequently and rigorously.

These customers trade frequently with the respective Group undertaking and are deemed by management to have excellent credit standing, usually taking cognisance of the performance history without defaults.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group manages credit exposures actively in a practicable manner such that amounts receivable are within controlled parameters. The credit quality of the Group's receivables, which are not impaired or past due financial assets, reflects the nature of these assets which are principally debts in respect of transactions with counterparties for whom there is no history of default. Management does not expect any losses from non-performance by these parties.

The Group's trade and other receivables, which are not impaired financial assets, are principally debts in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers.

Impairment of trade receivables (including contract assets)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been Grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation and adjusts the historical loss rates based on expected changes in these factors. Credit loss allowances include specific provisions against credit impaired individual exposures with the amount of the provisions being equivalent to the balances attributable to credit impaired receivables.

2. FINANCIAL RISK MANAGEMENT

On that basis, the loss allowance for the Group as at 31 March 2024 and 2023 was determined as follows:

	Up to 30 days past Due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	+121 days past due	Total
31-Mar-24						
Expected loss rate	**1% - 4%**	**1% - 5%**	**1.5% - 7%**	**2.5%-12%**	**30% - 40%**	
Gross carrying amount (€)	**2,250,754**	**1,568,440**	**996,407**	**179,485**	**586,800**	**5,581,886**
Loss allowance (€)	**77,607**	**84,086**	**71,547**	**20,809**	**231,095**	**485,144**
31-Mar-23						
Expected loss rate	1% - 4%	1% - 5%	1.5% - 7%	2.5% - 12%	30% - 40%	
Gross carrying amount	1,884,449	1,339,422	772,469	97,811	1,402,398	5,496,549
Loss allowance (€)	46,388	40,173	40,955	6,423	484,015	617,954

The Group established an allowance for impairment that represented its estimate of expected credit losses in respect of trade receivables. The individually credit impaired trade receivables mainly relate to a number of independent customers which are in unexpectedly difficult economic situations and which are accordingly not meeting repayment obligations. Hence, provisions for impairment in respect of credit impaired balances with corporate trade customers relate to entities which are in adverse trading and operational circumstances. Reversals of provisions for impairment of credit impaired receivables arise in those situations where customers recover from unfavourable circumstances and accordingly start meeting repayment obligations. The Group does not hold any significant collateral as security in respect of the credit impaired assets. The movements in credit loss allowances of these receivables are disclosed separately in profit or loss.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than a year past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts written off are credited against the same line item.

Categorisation of receivables as past due is determined by the Group on the basis of the nature of the credit terms in place and credit arrangements actually utilised in managing exposures with customers. At 31 March 2024 and 2023, the Group's past due but not impaired receivables and the carrying amount of trade receivables that would otherwise be past due or credit impaired whose terms have been renegotiated, were not deemed material in the context of the Group's trade receivables figures.

Amounts owed by related parties and other receivables

The Group's and the company's receivables also include amounts owed by related parties forming part of the db Group, associates and other related parties (refer to Note 12). The Group's treasury monitors intra-Group credit exposures on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Group assesses the credit quality of these related parties taking into account financial position, performance and other factors. The Group takes cognisance of the related party relationship with these entities and management does not expect any losses from non-performance or default.

With respect to the Group's and the company's current amounts owed by related parties and other receivables, since such balances are repayable on demand, expected credit losses are based on the assumption that repayment of the balance is demanded at the reporting date. In this respect, the directors considered such balances to have low credit risk and a low risk of default. Accordingly, the expected credit loss allowance attributable to amounts owed by related parties and other receivables was deemed immaterial as at 31 March 2024 and 2023.

2. FINANCIAL RISK MANAGEMENT

(c) Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally the bonds issued to the general public (Note 20), other interest-bearing borrowings (Note 20), lease liabilities (Note 21) and trade and other payables (Note 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

Management monitors liquidity risk by reviewing expected cash flows, and ensures that no additional financing facilities are expected to be required over the coming year. This is also performed at a central treasury function which controls the overall liquidity requirements of the Group within certain parameters. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's committed bank borrowing facilities and other intra-Group financing that it can access to meet liquidity needs. In this respect management does not consider liquidity risk to the Group as significant taking into account the liquidity management process referred to above. Furthermore, after considering the financing options available (disclosed in Note 20) and the support from related parties and the shareholder, the directors are confident that the Group and the company are in a position to meet commitments as and when they fall due.

The following table analyses the Group's and the company's financial liabilities into relevant maturity Groupings based on the remaining repayment period at the end of the financial reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

GROUP	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	€	€	€	€	€
At 31 March 2024					
Borrowings (Note 20)	**8,184,887**	**8,701,683**	**77,618,821**	**-**	**94,505,391**
Bonds	**2,827,500**	**2,827,500**	**67,827,500**	**-**	**73,482,500**
Bank loans	**4,856,135**	**5,874,183**	**9,791,321**	**-**	**20,521,639**
Bank overdrafts	**501,252**	**-**	**-**	**-**	**501,252**
Trade and other payables (Note 19)	**28,864,509**	**203,456**	**-**	**-**	**29,067,965**
Trade payables	**9,412,045**	**-**	**-**	**-**	**9,412,045**
Payments with respect to capital expenditure	**4,217**	**203,456**	**-**	**-**	**207,673**
Amounts owed to shareholder	**148,690**	**-**	**-**	**-**	**148,690**
Amounts owed to associates	**15,665,052**	**-**	**-**	**-**	**15,665,052**
Amounts owed to other related parties	**3,452,596**	**-**	**-**	**-**	**3,452,596**
Other payables	**181,908**	**-**	**-**	**-**	**181,908**
Lease liabilities (Note 21)	**13,263,264**	**4,613,642**	**10,894,765**	**176,204,757**	**204,976,428**
Property leases	**2,727,514**	**3,051,133**	**6,136,925**	**18,412,251**	**30,327,823**
Amounts due to Government in relation to land held under temporary emphyteusis	**10,535,750**	**1,562,509**	**4,757,840**	**157,792,506**	**174,648,605**
	50,312,660	**13,518,781**	**88,513,586**	**176,204,757**	**328,549,784**
Cash and cash equivalents (Note 14)	**71,036,869**	**-**	**-**	**-**	**71,036,869**
Trade and other receivables (Note 12)	**10,199,106**	**-**	**387,137**	**-**	**10,586,243**
Trade receivables	**5,581,886**	**-**	**-**	**-**	**5,581,886**
Amounts owed by director	**12,429**	**-**	**-**	**-**	**12,429**
Amounts owed by associates	**2,220,986**	**-**	**-**	**-**	**2,220,986**
Amounts owed by other related parties	**154,385**	**-**	**-**	**-**	**154,385**
Other receivables	**2,229,420**	**-**	**387,137**	**-**	**2,616,557**
Financial assets at FVPL (Note 15)	**-**	**2,232,316**	**-**	**-**	**2,232,316**
	81,235,974	**2,232,316**	**387,137**	**-**	**83,855,428**

GROUP	Less than one year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 March 2023					
Borrowings (Note 20)	9,148,070	9,605,999	14,751,251	67,827,500	101,332,820
Bonds	2,827,500	2,827,500	8,482,500	67,827,500	81,965,000
Bank loans	5,640,787	6,778,499	6,268,751	-	18,688,037
Bank overdrafts	679,783	-	-	-	679,783
Trade and other payables (Note 19)	26,472,659	205,334	-	-	26,677,993
Trade payables	7,815,320	-	-	-	7,815,320
Payments with respect to capital expenditure	446,653	205,334	-	-	651,987
Amounts owed to shareholder	245,283	-	-	-	245,283
Amounts owed to associates	17,096,449	-	-	-	17,096,449
Amounts owed to other related parties	642,255	-	-	-	642,255
Other payables	226,699	-	-	-	226,699
Lease liabilities (Note 21)	10,555,740	3,230,248	9,494,271	176,008,694	199,288,953
Amounts due to Government in relation to land held under temporary emphyteusis	8,973,241	1,562,509	4,734,402	159,396,300	174,666,452
Property leases	1,582,499	1,667,739	4,759,869	16,612,394	24,622,501
	46,176,469	13,041,581	24,245,522	243,836,194	327,299,766
Cash and cash equivalents (Note 14)	54,419,433				54,419,433
Trade and other receivables (Note 12)	9,115,631	-	335,337	-	9,450,968
Trade receivables	5,496,549	-	-	-	5,496,549
Amounts owed by director	5,191	-	-	-	5,191
Amounts owed by associates	2,146,278	-	-	-	2,146,278
Amounts owed by other related parties	220,284	-	-	-	220,284
Other receivables	1,247,329	-	335,337	-	1,582,666
	63,535,064	-	335,337	-	63,870,401

2. FINANCIAL RISK MANAGEMENT

COMPANY	Less than one year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 March 2024					
Borrowings (Note 20)	**2,647,709**	**5,142,916**	-	-	**7,790,625**
Bank loans	**2,580,000**	**3,519,398**	-	-	**6,099,398**
Loan from subsidiary	**67,709**	**1,623,518**	-	-	**1,691,227**
Trade and other payables (Note 19)	**89,947,298**	-	-	-	**89,947,298**
Amounts owed to subsidiaries	**87,161,554**	-	-	-	**87,161,554**
Amounts owed to other related parties	**2,785,744**	-	-	-	**2,785,744**
	92,595,007	**5,142,916**	-	-	**97,737,923**
Cash and cash equivalents (Note 14)	**48,201,728**	-	-	-	**48,201,728**
Trade and other receivables (Note 12)	**14,306,040**	**2,550,274**	**657,526**	**12,115,347**	**29,629,187**
Amounts owed by director	**2,000**				**2,000**
Amounts owed by subsidiaries	**13,817,286**	**2,550,274**	**657,526**	**12,115,347**	**29,140,433**
Amounts owed by associates	**461,754**	-	-	-	**461,754**
Amounts owed by other related parties	**25,000**	-	-	-	**25,000**
Financial assets at FVPL (Note 15)	-	**2,232,316**	-	-	**2,232,316**
	62,507,768	**4,782,590**	**657,526**	**12,115,347**	**80,063,231**

COMPANY	Less than one year €	Between 1 and 2 years €	Between 2 and 5 years €	Over 5 years €	Total €
At 31 March 2023					
Borrowings (Note 20)	2,647,709	2,647,709	5,142,916	-	10,438,334
Bank loans	2,580,000	2,580,000	3,519,398	-	8,679,398
Loan from subsidiary	67,709	67,709	1,623,518	-	1,758,936
Trade and other payables (Note 19)	82,947,858	-	-	-	82,947,858
Amounts owed to shareholder	245,283	-	-	-	245,283
Amounts owed to subsidiaries	79,874,819	-	-	-	79,874,819
Amounts owed to other related parties	2,798,342	-	-	-	2,798,342
Other payables	29,414	-	-	-	29,414
	85,595,567	2,647,709	5,142,916	-	93,386,192
Cash and cash equivalents (Note 14)	47,181,616	-	-	-	47,181,616
Trade and other receivables (Note 12)	6,471,317	2,266,847	3,351,246	17,000,000	29,089,410
Amounts owed by subsidiaries	4,782,165	2,266,847	3,351,246	17,000,000	27,400,258
Amounts owed by associates	1,664,152	-	-	-	1,664,152
Amounts owed by other related parties	25,000	-	-	-	25,000
	53,652,933	2,266,847	3,351,246	17,000,000	76,271,026

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the parent company may issue new shares or adjust the amount of dividends paid to shareholders.

The Group also monitors the level of capital on the basis of the ratio of aggregated net debt to total capital. Net debt is calculated as total borrowings, as shown in the consolidated statement of financial position, less cash at bank and in hand. Total capital is calculated as total equity, as described below, plus net debt. The aggregated figures in respect of the Group are reflected in the following table:

	2024 €	2023 €
Total external borrowings (Note 20)	**88,354,646**	84,062,682
Less: cash at bank and in hand (Note 14)	**(71,036,869)**	(54,419,433)
Net debt	**17,317,777**	29,643,249
Equity - as shown in the consolidated statement of financial position	**211,378,507**	152,169,579
Total capital	**228,696,284**	181,812,828
Net debt/total capital	**7.57%**	16.30%

2. FINANCIALRISK MANAGEMENT

The level of capital of SD Holdings Limited as reflected in the consolidated statement of financial position is maintained by reference to its respective financial obligations and commitments arising from operational requirements. The Group

is willing to accept a net debt/total capital ratio of 130% at maximum. In view of the nature of the Group's activities and the extent of borrowings or debt, the capital level as at the end of the reporting period determined by reference to the consolidated financial statements is deemed adequate by the directors.

2.3 Fair values of financial instruments

Financial instruments not carried at fair value

At 31 March 2024 and 2023 the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short-term borrowings including balances with related parties, reflected in the financial statements, are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the Group's non-current payables and bank borrowings at floating interest rates and the fair value of the company's non-current receivables as at the reporting date is not significantly different from the carrying amounts. The carrying amounts of the other financial liabilities as at 31 March 2024, comprising lease liabilities, are reasonable estimates of their fair value as there have not been significant changes in the Group's internal borrowing rate since the date of transition to IFRS 16. The current market interest rates utilised for discounting purposes, which were almost equivalent to the respective instruments' contractual interest rates, are deemed observable and accordingly these fair value estimates have been categorise d as Level 2 within the fair value measurement hierarchy required by IFRS 7, 'Financial instruments: Disclosures'. Information on the fair value of the company's bonds issued to the general public is disclosed in Note 20 to the financial statements. The fair value estimate in this respect is deemed Level 1 as it constitutes a quoted price in an active market.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors, with the exception of matters disclosed in Note 4, 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 significant in terms of the requirements of IAS 1.

As referred to in Note 4 to the financial statements, the Group's land and buildings category of property, plant and equipment is fair valued periodically by the directors on 31 March on the basis of professional advice, which considers current market prices in an active market for all properties.

4 PROPERTY, PLANT AND EQUIPMENT

	Land & buildings	Assets in course of construction and advance payments	Computer equipment	Furniture, fixtures & fittings	Plant, machinery & operational equipment	Motor vehicles	Total
	€	€	€	€	€	€	€
Cost or Valuation							
As at 1 April 2022	158,677,679	2,039,241	1,548,040	58,955,756	18,118,992	687,954	240,027,662
Additions	456,685	4,887,135	119,154	1,953,770	1,222,433	89,903	8,729,080
Commissioned assets	709,894	(3,472,724)	174,858	1,753,884	834,088	-	-
Disposals	-	-	-	-	-	(27,788)	(27,788)
As at 31 March 2023	159,844,258	3,453,652	1,842,052	62,663,410	20,175,513	750,069	248,728,954
Additions	530,781	64,586	275,856	5,332,626	2,411,308	156,260	8,771,417
Revaluation	58,562,904	-	-	-	-	-	58,562,904
Transfer*	(5,604,974)	-	-	-	-	-	(5,604,974)
Reclassified from investment property	-	4,741,508	-	-	-	-	4,741,508
Commissioned assets	100,246	(2,141,410)	6,817	1,777,895	256,452	-	-
As at 31 March 2024	**213,433,215**	**6,118,336**	**2,124,725**	**69,773,931**	**22,843,273**	**906,329**	**315,199,809**
Accumulated depreciation							
As at 1 April 2022	(3,399,123)	-	(1,222,140)	(39,205,970)	(11,677,911)	(669,818)	(56,174,962)
Disposals	-	-	-	-	-	23,487	23,487
Depreciation charge for the year	(879,864)	-	(192,508)	(5,687,620)	(1,447,929)	(25,846)	(8,233,767)
As at 31 March 2023	(4,278,987)	-	(1,414,648)	(44,893,590)	(13,125,840)	(672,177)	(64,385,242)
Depreciation charge for the year	(1,654,338)	-	(238,293)	(4,979,157)	(1,815,294)	(51,362)	(8,738,444)
Transfer*	5,604,974	-	-	-	-	-	5,604,974
As at 31 March 2024	**(328,351)**	-	**(1,652,941)**	**(49,872,747)**	**(14,941,134)**	**(723,539)**	**(67,518,712)**
Net book amount							
As at 31 March 2023	155,565,271	3,453,652	427,404	17,769,820	7,049,673	77,892	184,343,712
As at 31 March 2024	**213,104,864**	**6,118,336**	**471,784**	**19,901,184**	**7,902,139**	**182,790**	**247,681,097**

** This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.*

Commissioned assets pertain to assets under construction and advance payments which are reclassified to other classes of property, plant and equipment upon their completion. In 2024, assets in course of construction of €1,878,141 (2023: €2,463,778) were reclassified to land and buildings and furniture, fixtures & fittings, while advance payments of €263,269 (2023: €1,008,946) were reclassified to computer equipment and plant, machinery & operational equipment.

The gross carrying amount property, plant and equipment not yet in use by the Group as at 31 March 2024 and 2023, amounted to €6,118,336 and €3,453,652, respectively.

As at 31 March 2024, the gross carrying amount of fully depreciated property, plant and equipment still in use by the Group amounted to €16,212,721.

In 2024, the Group reclassified the portion of the right-of-use asset on the property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company (Note 5) which is earmarked to be developed as an owner-occupied property. Change in use to owner-occupied was supported by the commencement of the project on 12 July 2023, and as such management reclassified the investment property to the separate components of the project.

The Company leases out a portion of its hotel reception to tour operators for placement of service desks. Total rental income recognised for the leased portion amounted to €202,753 in 2024 (2023: €347,206) (See Note 26).

All bank borrowings in the name of Group undertakings are secured on the Group's land and buildings (refer to Note 20).

Fair valuation of property

A valuation of the property was performed during the year under review and an income approach was adopted by management for the valuation of the property. The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices);and
- Level 3 - Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

The Group's revalued land and buildings, consist principally of the db Seabank Resort & SPA and the db San Antonio Hotel & SPA, being operational property that is owned and managed by the respective Group undertakings. The recurring property fair value measurements at the end of each financial period presented use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the current and preceding financial year.

A reconciliation from the opening balance to the closing balance of property for recurring fair value measurements categorised within Level 3 of the fair value hierarchy, for the current and preceding financial year, is reflected in the table above.

In 2024, the amount recognised in other comprehensive income and revaluation reserve in equity amounted to €51,053,524 (Note 17) as a result of the fact that the Group revised its forecast following the strong recovery and results after the impact of Covid 19. The deferred tax liability arising from the revaluation amounted to €7,509,380 (Note 11).

The revaluation uplift in the value of Land and Building was deemed to be attributable to the land element (owned or leased) after having considered the location of the lands held and the potential for future development and the resulting potential for future income generation.

Valuation processes

The valuation of the property is performed regularly. The Group's and company's policy is to revalue land and buildings at least every three years. These reports are based on both:

- information provided by the Group which is derived from the respective Group undertaking's financial systems and is subject to the entity's overall control environment; and

- assumptions and valuation models used by the valuer; with assumptions being typically market related and based on professional judgement and market observation.

The Group's Board of directors review the valuation report and then consider it as part of its overall responsibilities.

At the end of a reporting period, when an external valuation is not performed, the directors assess whether any significant changes or developments have been experienced since the last external valuation. This analysis is usually supported by an assessment of the Group's projected income streams.

Valuation techniques

The valuation of the Level 3 property as at 31 March 2024 has been performed using the discounted cash flow approach. In view of a limited number of similar or comparable properties and property transactions, comprising sales or rentals, in the local market, the valuation has been performed using unobservable inputs. The significant inputs to the approach used are generally those described below:

Discounted cash flow ("DCF") approach: considers the free cash flows arising from the projected income streams expected to be derived from the operation of the property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this technique include:

Growth rate — based on management's estimated average growth of the respective company's EBITDA levels, mainly determined by projected growth in income streams.

Discount rate — reflecting the current market assessment of the uncertainty in the amount and timing of projected cash flows. The discount rate reflects the estimated weighted average cost of capital that would be available for financing such an operation. The discount rate is based on an assumed debt to equity ratio; estimation of cost of equity is based on risk free interest rates adjusted for country risk and equity risk premium adjusted for entity-specific risk factor; estimation of cost of debt is based on risk free interest rates adjusted for country risk and assumed credit spread.

Information about fair value measurements, relating to fair valuation made during the year, using significant unobservable inputs (Level 3):

Description by class based on highest and best use	**Valuation technique**	**Significant unobservable input**	**Range of unobservable inputs**
Current use as commercial hotel operations.	DCF approach	Growth rate	2% - 2.5% after 2023
		Discount rate	8.9% (post-tax)

With respect to the DCF approach, an increase in the projected level growth rate would result in an increased fair value of the property, whereas a higher discount rate would give rise to a lower fair value.

An analysis of the impact of a reasonable change in the significant unobservable on the fair value of the property is included below:

	Growth rate	Discount rate
	€	€
(+) 0.5%	14,642,963	(15,574,103)
(-) 0.5%	(12,852,801)	18,320,638

At 31 March 2024 and 2023, the directors consider the current use of the properties to be equivalent to the highest and best use.

If the land and buildings were measured on the historical cost basis, the amounts would be as follows:

	2024	2023
	€	€
Cost	**74,755,106**	74,086,347
Accumulated depreciation	**(7,368,685)**	(6,621,134)
Net book amount	**67,386,421**	67,465,213

As at 31 March 2024 and 2023, following an assessment by the directors on the basis of the amounts presently in force, the fair value of the property, plant and equipment measured at cost is deemed to fairly approximate its carrying amount.

5 INVESTMENT PROPERTY UNDER DEVELOPMENT

	GROUP	
	2024	2023
	€	€
Year ended 31 March		
Opening cost and carrying amount	**82,628,497**	80,659,832
Additions resulting from subsequent expenditure	**2,075,667**	1,968,665
Reclassification to inventory	**(61,763,969)**	-
Reclassification to Property, Plant and Equipment	**(4,741,508)**	-
Closing cost and carrying amount	**18,198,687**	82,628,497

The Group's investment property represents property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company. DB San Gorg Property Limited entered into a 99-year concession agreement with the Government of Malta and the Government Property Department on 1 February 2017 for the acquisition of the title of temporary empytheusis of three portions of land having a total surface area of circa 24,000 sqm. The said land is located in St Julian's. This property, subject to the securing of all necessary development permits, is earmarked as a mixed-use development encompassing a five-star hotel, residential tower, shopping mall, large underground car park and other amenities to complement the project. During the preceding financial year, the company has submitted an application for a revised downscaled development plan for the St George's Bay Multi Purpose Development project with the Planning Authority, which was eventually approved. However, such approval was subject to an appeal process, which appeal was in fact lodged by third parties.

On 31 May 2023, the Court of Appeal (Inferior Jurisdiction) upheld the decision of the Environmental and Planning Review Tribunal dated 14 December 2021, whereby the Tribunal approved the contents of planning application number: PA3807/17, by means of two decisions given out on 31 of May 2023. To this effect, as at 12 July 2023, the Group has received the executable full development permit. The Board of Directors has instructed management to set forward the commencement of the project. On 12 April 2024, the request for re-trial for revocation of permit turned down by courts of justice.

The contract of acquisition of the emphyteutical grant and related acquisition costs are payable over an extended period of time (refer to Note 21) and was therefore discounted to its present value of €60.1 million at the date of purchase. The concession agreement described above makes reference to the variability in the ground rent payable on the basis of the net floor area and gross floor area of respective parts of the development. As a result of the latest development plans and the related significant reductions in the development areas, the said subsidiary is in discussions with the relevant government authorities to revise the ground rent payments in respect of the aforementioned clause. Accordingly, considering that these discussions are at an early stage, and the eventual conclusions on the ground rents payable going forward are unknown, the directors are of the opinion that the best estimate available at the end of the financial period is to base the measurement of the related financial liability on the amounts specified in the concession agreement that is presently in force and referred to above. Inevitably, should the final outcomes be significantly different from the present amounts the arising values of the respective assets and liabilities would be different from their carrying amounts.

Furthermore, the directors considered it appropriate to recognise the respective assets and liabilities arising from the concession agreement referred to above, on the basis that they believe that the St George's Bay Multi Purpose Development project will materialise in a way that it is not significantly different from the submitted development plans and the formal commitment that the company has from its parent undertaking that it will provide the necessary financial support with respect to the project and to enable the subsidiary to meet its obligations as and when they fall due.

During the current financial year, the said subsidiary continued incurring subsequent expenditure on the acquired land. The additions for 2024, disclosed in the table above, also include capitalised borrowing costs of €1,655,364 (2023: €1,717,163) representing the imputed interest component on the amounts due to the Government (refer to Note 20).

The interest rates used to determine the amount of borrowing costs eligible for capitalisation was 3.45%.

Upon commencement of the project on 12 July 2023, management reclassified the investment property to the separate components of the project. The cost of the right-of-use over the land and other capitalised costs is allocated to the separate components of the project based on the applicable lease rate as stipulated in the agreement and the net floor space allocated to each component. As at 31 March 2024, the right-of-use over the land and other capitalised costs has been split as follows:

		2024	2023
		€	€
Investment property		**18,198,687**	82,628,497
Inventories	Note 7	**61,763,969**	-
Property, plant and equipment	Note 4	**4,741,508**	-

The Group did not engage an independent valuer in 2024 and 2023. As at 31 March 2024 and 2023, following an assessment by the directors on the basis of the amounts presently in force, the fair value of the property is deemed to fairly approximate its carrying amount.

6 INTANGIBLE ASSETS

	GROUP	
	2024	2023
	€	€
Franchise license rights		
Year ended 31 March		
Opening net book amount	**929,363**	907,598
Additions	**65,593**	143,095
Amortisation charge	**(106,289)**	(121,330)
Closing net book amount	**888,667**	929,363
At 31 March		
Cost	**4,220,831**	4,155,238
Accumulated amortisation	**(3,332,164)**	(3,225,875)
Net book amount	**888,667**	929,363

The intangible assets represent the value of franchise license rights and related brand costs, covering a period of fifteen to twenty years, to use the Hard Rock Café and the Starbucks brand names and certain other trade names, service marks, logos and commercial symbols related to the operation of restaurant/bar establishments and sale of merchandise in accordance with the respective franchise agreement.

As at 31 March 2024 and 2023, the cost of fully depreciated intangible assets still in use by the Group amounted to €426,647 and €335,182, respectively.

7 INVENTORIES

Inventories represents the portion of the right-of-use asset on the property title in the name of DB San Gorg Property Limited, a wholly owned subsidiary of the parent company (Note 5) which is earmarked to be realised through development and subsequent sale and development costs incurred on the site to date split as follows:

		GROUP	
		2024	2023
		€	€
Right-of-use assets	Note 5	**61,763,969**	-
Development costs		**7,137,253**	-
		68,901,222	-

In 2024, borrowing costs capitalised as part of development costs amounted to €740,528 (2023: nil). The interest rates used to determine the amount of borrowing costs eligible for capitalisation was 4.55% in 2024 (2023: nil).

8 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2024	2023
	€	€
Year ended 31 March		
Opening net book amount	**36,511,336**	36,512,741
Additions	**4,800**	-
Write-off	-	(1,405)
Closing net book amount	**36,516,136**	36,511,336
At 31 March		
Cost	**36,516,136**	36,511,336

The write off relates to the investment in db Catering and Events Limited and Silverstars Boat Chartering Limited which ceased operations in FY 2023.

The principal subsidiaries at 31 March, whose results and financial position affected the figures of the Group, are shown below:

	Registered office	**Class of shares held**	**Percentage of shares held**	
			2024	2023
DB San Gorg Property Limited	DB Seabank Hotel, Marfa Road, Ghadira Mellieha, Malta	Ordinary shares	100%	100%
Evergreen Travel Limited	Akara Building 24 De Castro Street, Wickhams Cay, Road Town, Tortola British Virgin Islands	Ordinary shares	100%	100%
Hotel San Antonio Limited	San Antonio Hotel and Spa Triq it-Turisti St. Paul's Bay, Malta	Ordinary shares	100%	100%
		Preference A shares	100%	100%
		Preference B shares	100%	100%
J.D. Catering Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%

	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
SA Marketing Company Limited	Grand Hotel Mercure San Antonio Tourists Street, St. Paul's Bay, Malta	Ordinary shares	100%	100%
SD Finance plc	Seabank Hotel, Marfa Road, Mellieha, Malta	Ordinary shares	100%	100%
S.R.G.N. Company Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
Sea Port Franchising Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
Seabank Hotel and Catering Limited	Seabank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary shares	100%	100%
		Preference shares	100%	100%
Debar Limited	DB Seabank Resort and Spa Marfa Road, Ghadira Mellieha, Malta	Ordinary shares	100%	100%
DB Group Franchising Limited	DB Seabank Resort and Spa Marfa Road, Ghadira Mellieha, Malta	Ordinary shares	100%	100%
DB Lifestylé Group Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
DB Lifestyle Operation Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
DB Lifestyle Real Estate Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
SDH Capital Limited	29 Farm Street London, England W1J 5RL	Ordinary shares	100%	100%
DB San Gorg Holdings (Incorporated on 22 June 2023)	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	Ordinary Shares	100%	-

	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
DB Projects Ltd (Incorporated on 22 June 2023)	DB Seabank Resort & Spa, Marfa Road, Mellieha Bay, Malta	Ordinary Shares	100%	-
DB Pink Gourmet Limited (Incorporated on 5 February 2024)	DB Seabank Resort & Spa, Marfa Road, Mellieha, Malta	Ordinary shares	100%	-
DB Ice Cream Limited (Incorporated on 10 January 2024)	DB Seabank Resort & Spa, Marfa Road, Mellieha, Malta	Ordinary shares	100%	-

The shareholdings in DB San Gorg Property Limited, SD Finance plc, Debar Limited, DB Group Franchising Limited, Seabank Hotel and Catering Limited, DB Lifestyle Group, SDH Capital, DB San Gorg Holdings, DB Projects, DB Pink Gourmet and DB Ice Cream are held directly by SD Holdings Limited. The shareholding in Hotel San Antonio Limited is held equally between SD Holdings Limited and Seabank Hotel and Catering Limited. The shareholdings in J.D. Catering Limited, S.R.G.N. Company Limited and Sea Port Franchising Limited are held through Seabank Hotel and Catering Ltd, whilst the shareholdings in Evergreen Travel Ltd and SA Marketing Company Ltd are held through Hotel San Antonio Limited. Similarly, the shareholding in DB Lifestyle Operations Limited and DB Lifestyle Real Estate Limited are held through DB Lifestyle Group Limited.

DB Lifestyle Group was set up with its primary objective being that of offering hospitality and catering services within the United Kingdom. The impacts of the related additional investments in the newly incorporated entities were not material in the context of Group's and the Company's financial position.

9 INVESTMENTS IN ASSOCIATES

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Year ended 31 March				
Opening carrying amount	**19,046,570**	15,889,539	**5,460**	5,460
Additions	-	226,594	-	-
Share of results	**5,486,700**	5,651,036	-	-
Dividend received	**(394,296)**	(2,720,599)	-	-
Closing carrying amount	**24,138,974**	19,046,570	**5,460**	5,460
At 31 March				
Cost	**3,139,476**	3,139,476	**5,460**	5,460
Share of results	**25,099,393**	19,612,693	-	-
Dividends received	**(4,099,895)**	(3,705,599)	-	-
Closing carrying amount	**24,138,974**	19,046,570	**5,460**	5,460

The Group's share of results of the associates, disclosed above and in profit or loss, is after tax and non-controlling interest in the associates. The principal associates at 31 March, whose results and financial position affected the figures of the Group, are shown below:

	Registered office	Class of shares held	Percentage of shares held	
			2024	2023
DP Road Construction Limited	Sea Bank Hotel, Marfa Road, Ghadira Bay, Mellieha, Malta	Ordinary A and C shares	**45%**	45%
Malta Healthcare Caterers Limited	JPR Buildings Level 1, Taz-Zwejt Road, San Gwann, Malta	Ordinary shares	**50%**	50%
Porto Azzurro Limited	Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Ordinary shares	**33.30%**	33.30%
Porto Azzurro Resort Club Limited	Porto Azurro Residence Ridott Street, Xemxija Hill, St.Paul's Bay, Malta	Ordinary shares	**33.30%**	33.30%
Kore Inflight Services Limited (formerly Sky Gourmet Malta Inflight Services Limited)	Old Terminal Building, St. Thomas Road, Luqa, Malta	Ordinary shares	**40%**	30%
Kore Air Services Limited (formerly Sky Gourmet Malta Limited)	Old Terminal Building, St. Thomas Road, Luqa, Malta	Ordinary shares	**40%**	30%
DB Gauci Shopping Mall Limited	Big Bon, Head office, Santa Tereza Square, off Naxxar Road Birkirkara, Malta	Ordinary shares	**45%**	45%
JSSR Turnkey Projects Limited	The Food Factory BLB014A, Bulebel Industrial Estate, Zejtun, Malta	Ordinary Shares	**25%**	25%

The shareholdings in DP Road Construction Limited, DB Gauci Shopping Mall Limited and JSSR Turnkey Projects Limited are held directly by SD Holdings Limited, whilst all the other investments are held through Seabank Hotel and Catering Limited.

The principal and significant associates of the Group are Malta Healthcare Caterers Limited and Kore Air Services Limited (formerly Sky Gourmet Malta Limited). The main activity of the Malta Healthcare Caterers Group is the provision of healthcare catering services to hospitals and retirement homes, together with the provision of nursing, medical and clinical services; whilst Kore Air Services Limited's principal activity is the provision of catering and commissary services to airlines operating from Malta. These investments provide strategic partnerships for the Group within business sectors which are targeted by the Group for diversification or consolidation purposes. The principal places of business for both associates are based in Malta.

Associates are measured using the equity method in accordance with the Group's accounting policy and there are no contingent liabilities relating to the Group's interest in the associates.

Set out below are the summarised financial information of the Group's principal associates, as presented in the respective financial statements.

Summarised balance sheets

	Malta Healthcare Caterers Limited As at 31 March		**Kore Air Services Limited As at 31 March**	
	2024	2023	**2024**	2023
	€	€	€	€
Non-current assets	**27,522,092**	29,509,047	**207,985**	54,685
Current assets	**70,653,933**	60,992,160	**2,810,608**	2,645,843
Non-current liabilities	**(21,191,257)**	(24,082,401)	**-**	-
Current liabilities	**(35,873,085)**	(35,264,989)	**(1,519,121)**	(1,682,755)
Net assets	**41,111,683**	31,153,817	**1,499,472**	1,017,773
Proportion of the Group's ownership	**50%**	50%	**40%**	40%
	20,555,842	15,576,909	**599,788**	407,109
Fair value adjustments upon acquisition	**(218,507)**	(218,507)	**(181,012)**	(181,012)
Carrying amount of the Group's investment	**20,337,335**	15,358,402	**418,776**	**226,097**

The carrying amount of these investments is lower than the Group's share of the net assets reflected above as a result of fair value adjustments made at the time of acquisition and the fact that the share of results for the year of acquisition was not a full financial year.

Summarised statements of comprehensive income

	Malta Healthcare Caterers Limited Year ended 31 March		**Kore Air Services Limited Year ended 31 March**	
	2024	2023	**2024**	2023
	€	€	€	€
Revenue	**131,541,936**	103,943,861	**8,603,982**	5,974,712
Profit for the year/total comprehensive income	**9,957,867**	10,159,344	**1,091,886**	691,820
Share of results	**4,978,933**	5,079,672	**436,754**	276,728
Dividend received from associate	**-**	2,272,500	**244,075**	333,836

As at 31 March 2024 and 2023, the carrying value of associates that are not individually material amounted to €3,382,864 and €3,462,071. The aggregate comprehensive income of associates that are not individually material is as follows:

	2024	2023
	€	€
Share in net income	**71,012**	295,948
Share in other comprehensive income	**-**	-
Share in total comprehensive income	**71,012**	295,948

10 RIGHT-OF-USE ASSETS

The Group leases a number of immovable properties and motor vehicles, which leases are deemed to be within scope of IFRS 16 'Leases'.

The statement of financial position reflects the following assets relating to leases:

	Properties	Motor vehicles	Total
	€	€	€
As at 31 March 2022	9,824,553	76,179	9,900,732
Additions	6,615,517	61,611	6,677,128
Impact of derecognition of leased assets	(11,771)	-	(11,771)
Amortisation charge	(1,168,581)	(31,502)	(1,200,083)
As at 31 March 2023	15,259,718	106,288	15,366,006
Additions	6,534,713	-	6,534,713
Amortisation charge	(2,162,433)	(35,924)	(2,198,357)
As at 31 March 2024	**19,631,998**	**70,364**	**19,702,362**

The additions for both years pertain to premises rented for operations of newly opened restaurant/bar establishments.

The income statement reflects the following amounts relating to leases:

	2024	2023
	€	€
Amortisation charge of right-of-use assets	**2,198,357**	1,200,083
Interest expense (included in finance costs) (Note 21)	**611,288**	675,096
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses) (Notes 21 and 23)	**1,385,254**	825,608
Expense relating to low value assets not included in lease liabilities (included in administrative expenses) (Note 23)	**-**	24,657
Rent rebates (Note 23)	**-**	(12,557)

11 DEFERRED TAXATION

Deferred income taxes are calculated on temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2023: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property which is computed on the basis applicable to disposals of immovable property, i.e. tax effect of 10% (2023: 10%).

Deferred taxation is principally composed of deferred tax assets and liabilities which are expected to be recovered and settled after more than 12 months. Deferred tax assets have been recognised in the financial statements on the basis that the directors of the respective companies are of the opinion that it is probable that future taxable profits will be available to utilise such assets.

The balance at 31 March represents:

	GROUP	
	2024	2023
	€	€
Year ended 31 March		
At beginning of year	**(17,453,326)**	(14,038,437)
Credited/(charged) to profit or loss (Note 28):		
Unabsorbed capital allowances	**(235,888)**	(1,395,137)
Unutilised investment tax credits	**(891,976)**	-
Unutilised trading losses	**(431,411)**	(2,716,284)
Temporary differences on property, plant and equipment and provisions for credit loss allowances	**516,985**	521,838
Temporary differences on right-of-use assets	**(232,470)**	97,755
Realisation through asset use	**-**	76,939
	(1,274,760)	(3,414,889)
Credited/(charged) to other comprehensive income:		
Unrealized gain on property appraisal (Note 4)	**(7,509,380)**	-
At end of year	**(26,237,466)**	(17,453,326)
Unutilised tax credits arising from:		
Unabsorbed capital allowances	**-**	267,002
Unutilised investment tax credits	**284,551**	1,176,527
Unutilised trading losses	**-**	431,412
Taxable temporary differences arising from depreciation of property, plant and equipment	**188,807**	(5,082,196)
Taxable temporary differences arising from revaluation of property, plant and equipment	**(27,196,137)**	(14,724,887)
Deductible temporary differences arising from right-of-use assets	**288,313**	262,532
Deductible temporary differences on provisions for credit loss allowances	**197,000**	216,284
	(26,237,466)	(17,453,326)
Disclosed as follows:		
Deferred tax assets	**873,002**	1,952,058
Deferred tax liabilities	**(27,110,468)**	(19,405,384)
	(26,237,466)	(17,453,326)

Deferred tax liability on unrealised gain on property appraisal was recognised based on a tax rate of 12% which represents the tax liability which will become due in the event of sale of the property at revalued amounts (Note 4).

The company has an unrecognised deferred tax asset amounting to nil (2023: nil) arising on unutilised tax losses.

12 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Amounts owed by subsidiaries	**-**	-	**15,323,147**	22,618,093
Other receivables	**387,137**	335,337	**-**	-
Prepayments	**1,989,117**	-	**-**	-
Advance payments to suppliers	**2,254,780**	-	**-**	-
	4,631,034	335,337	**15,323,147**	22,618,093
Current				
Trade receivables	**5,581,886**	5,496,549	**-**	-
Less: credit loss allowances	**(485,144)**	(617,954)	**-**	-
	5,096,742	4,878,595	**-**	-
Advance payments to suppliers	**427,598**	2,940,856	**-**	-
Amounts owed by director	**12,429**	5,191	**2,000**	-
Amounts owed by subsidiaries	**-**	-	**13,817,286**	4,782,165
Amounts owed by associates	**2,220,986**	2,146,278	**461,754**	1,664,152
Amounts owed by other related parties	**154,385**	220,284	**25,000**	25,000
Other receivables	**2,229,420**	1,247,329	**-**	-
Indirect taxation	**212,761**	321,740	**28,917**	1,900
Prepayments and accrued income	**1,629,668**	1,785,955	**-**	43,544
	11,983,989	13,546,228	**14,334,957**	6,516,761

Trade receivables pertain to receivables from customers arising from revenue arrangements. Net increase pertains to uncollected billings to travel agents for bookings and corporate customers for food package orders received for corporate events.

Other receivables pertain to receivables from employees, insurance claims and others.

Prepayments and accrued income pertain to prepaid services amortized over a certain period.

Amounts owed by director pertain to advances made by the Group to a director. Current amounts owed by subsidiaries include current portion of the loans to amounting to €2,425,521 (2023: €2,116,867) as described below. Other amounts owed by subsidiaries and associates pertain to expenses paid by the Company in behalf of its subsidiaries and associates. Apart from the current portion of the loans, the amounts owed by director, subsidiaries, associates and other related parties are unsecured, interest free and repayable on demand.

Non-current amounts owed by subsidiaries include an amount of €12,115,347 (2023: €17,000,000) relating to the consideration receivable from the sale of intellectual property to DB Group Franchising Limited. These amounts are unsecured, interest free. Other non-current amounts owed by subsidiaries of €3,207,800 (2023: €5,618,093) are unsecured, subject to interest of 2.5% plus 3-month Euribor in line with the COVID-19 Guarantee Scheme supported by the Malta Development Bank (MDB) until June 2022 and November 2022 for the two loans respectively. Accordingly, the effective average interest rate as at 31 March 2024 is of 4.9% (2023: 4.9%). The loans are repayable as follows:

	COMPANY	
	2024	2023
	€	€
Between 1 and 2 years	**2,550,274**	2,266,847
Between 2 and 5 years	**657,526**	3,351,246
	3,207,800	5,618,093

In 2024, the Company received principal repayments of €2,101,588 (2023: €1,810,603) from its subsidiaries relating to the said loan which are presented as advances to subsidiaries under cash flows from investing activities in the statement of cash flows.

Non-current prepayments pertains to prepaid insurance obtained by the Group in relation to the construction activities on the St George's Bay Multi Purpose Development project. Non-current advance payments to suppliers represents the deposits made to contractors for the development of the residential units under the project.

Non-current other receivables represent deposits effected by a Group undertaking to lessor under operating lease arrangements. This is refundable at the end of the lease terms in accordance with the respective lease arrangements.

As at 31 March 2024, advance payments to suppliers are supported by collateral in the form of bank guarantees for an amount of €472,920 (2023: €1,000,000) as security for the related services that are due to a subsidiary.

13 INVENTORIES

	GROUP	
	2024	2023
	€	€
Food and beverage	**985,550**	835,261
Merchandise	**588,042**	492,099
Consumables and other	**608,598**	690,518
	2,182,190	2,017,878

Inventories are valued at cost as at 31 March 2024 and 2023. The cost of these inventories is deemed to fairly approximate their net realisable value.

There is no allowance for inventory write-down as at 31 March 2024 and 2023.

14 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, the year-end cash and cash equivalents comprise the following:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Cash at bank and in hand	**69,455,401**	52,818,773	**48,201,728**	47,181,616
Funds held in escrow	**1,581,468**	1,600,660	**-**	-
Cash and cash equivalents per balance sheet	**71,036,869**	54,419,433	**48,201,728**	47,181,616
Bank overdrafts (Note 20)	**(501,252)**	(679,783)	**-**	-
Closing carrying amount	**70,535,617**	53,739,650	**48,201,728**	47,181,616

On 7 December 2022, DB Lifestyle Real Estate Limited ("the Tenant"), a wholly-owned subsidiary, entered into a lease agreement for the lease of premises to be used in its operations. The lease agreement requires the parties to enter into an escrow agreement and for the Tenant to pay to the escrow agent the sum of £1.5 million (€1.8 million) as security for the payment of sums towards the Tenant's fit-out works at the property. The Tenant may request in writing from time to time (on demand) to transfer certain amounts in respect of charges, costs, deposits, expenses, and/or fees paid or payable in connection with or in preparation for the Tenant's fit-out works. Considering that the Company has access to the funds upon demand for the specific use mentioned above, the company has concluded classification that such amounts are part of cash and cash equivalents.

Bank overdraft represents amount drawn on facility arrangement with banks under which the banks extend credit up to a maximum amount (overdraft limit) against which the Group can make withdrawals to cover working capital needs. This is repayable on demand.

Included in the balance of cash at bank and in hand as at 31 March 2024 is a fixed-term deposit with a local bank with an original maturity of six months from the acquisition date amounting to €2,000,000 (2023: nil). Such fixed-term deposit can be called upon demand subject to a lower interest rate than the prevailing interest rate should the deposit be held to maturity which is equivalent to the interest rate offered on demand deposits. In its assessment, Management has taken into account that a) the forgone incremental higher interest that the Group would have received if the deposit were held to maturity for withdrawal prior to maturity is not significant , b) in case of earlier demand this does not expose the company to changes in cash different to a demand deposit and c) Group's objective to holding this objective is to facilitate short term cash needs. As such, management has concluded that this deposit qualifies to be treated as cash equivalent.

15 FINANCIAL ASSETS AT FVPL

Details of this account are shown below:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Principal amount	**2,000,000**	-	**2,000,000**	-
Fair value	**2,232,316**	-	**2,232,316**	-

Financial assets at fair value through profit or loss represents investments in funds.

The change in fair value of these investments in 2024 of €232,316 (2023: nil) are presented as 'Fair value changes of investments at fair value through profit or loss' in the statement of comprehensive income.

The fair value of the financial assets as at 31 March 2024 was determined based on the latest published net asset value per share as of balance sheet date. These investments are categorized as Level 3 in the fair value hierarchy.

The significant unobservable inputs used in the fair value measurement include the valuation of underlying investment (company performance) and certain market conditions (economic conditions and industry performance). Given the unobservable nature of these inputs, changes in any of these can have a significant impact on the fair value measurement.

16 SHARE CAPITAL

	GROUP AND COMPANY	
	2024	2023
	€	€
Authorised		
4,998,000 (2023: 5,000,000) Ordinary shares of €1 each	**4,998,000**	5,000,000
2,000 (2023: nil) Cumulative redeemable preference shares of €1 each	**2,000**	-
	5,000,000	5,000,000
Issued and fully paid		
4,000,000 Ordinary shares of €1 each	**4,000,000**	4,000,000
Classified as financial liability		
2,000 Cumulative redeemable preference shares of €1 each	**2,000**	2,000

On 3 May 2023, the founding member of the Company, jointly signed agreement with his spouse and the Company to execute a shareholding reorganization with the below steps:

- Step 1: Jointly own and control the Company through 50%-50% ownership and equal rights (including also in terms of voting) of the Company's issued and outstanding common shares (thus both become controlling shareholders)
- Step 2: fresh issue of 2,000 cumulative mandatorily redeemable (on the occasion of passing away of each individual) preference shares of €1 each subscribed 50%-50% to each one of them;
- Step 3: Donation of the bare ownership of 70% of the ordinary shares (equating to 2,800,000 ordinary shares) to their descendants.

Based on the terms of the agreements, the controlling shareholders will retain in their favour the joint and successive lifelong usufruct of shares donated until the death of the founding member. In this respect up until the death of the founding member of the company, the current shareholders will have all the rights of the common shares transferred (including decision making capacity for the returns of the Company, right to vote and benefit of 100% of the dividends on common shares).

The cumulative mandatorily redeemable preference share contain rights for non-discrentionary preferred dividends, as long as there are ditributable earnings/reserves each year. In more details, the Company has the obligation to pay out a minimum dividend of 250 euros per share, such obligation becoming due at the erlier of the passing away of the founding member of the Company or the date when such individual reaches out a certain age (65) (assuming both controlling shareholders are alive at that time). Otherwise, and until redemption, the minimum dividend is 500 euros per share. Such minimum dividend (250 or 500 euros per share as above) can change any time based on future agreements. If at any financial year there are not enough distributable eanrings/reserves, the obligation for payment transfers to the succeeding years (until satisfaction).

The ordinary shares carry rights to dividends and to participation in the profits of the Goup provided that no dividend shall be paid on the ordinary shares unless dividends that are due on the cumulative redeemable preference shares have been paid in full according to the amended terms of the Memorandum of Association of the Company.

The founding members retained all usufructuary rights over the ordinary share capital of the Company, however the redeemable preference shares do not give any voting rights to the holders.

The mandatorily preferred shares become redeemable on the occasion of passing away of each of the controlling shareholders (based on the shares held by each of them). Non discretionary dividends obligation terminates on the occasion of passing away of both controlling shareholders.

Based on the terms of the agreement, management assessed that since both the obligation to redeem the preferred shares at a fixed amount (nominal value) and the minimun guaranteed dividend are mandatory/non-discretionary, they are classified as a financial liability. In its assessment, management took into account the provisions of IAS 32 "Financial Instruments: presentation" for compound financial instruments and as such, in conjuction also with the provisions of IFRS 9 "Financial Instruments" on initial recognition, has recognized the excess of the proceeds (€2,000) over the initial fair value of the liability (€4,320,532) as an equity component (€4,318,532). Management has classified this liability as subsequently measures at amortised cost, and in this respect an amount of €352,544 is included within Finance Cost line item (Note 27), representing the interest expense of the financial liability. As of March 31, 2024 the whole amount of the liability has been classified as non-current taking into account the mortality rates (see below) and the proximity of the occurence of the triggering event (reaching the age of 65) in the next twelve month period.

The fair value of the financial liability was calculated at the inception of the instrument using a discounted cashflow model in line with the provisions of IFRS 13 "Fair Value Measurement". The fair value of the liability was estimated taking into account those characteristics that market participants would take into consideration when pricing the liability at the measurement date which include the below significant unobservable inputs categorised within Level 3 of the fair value hierarchy:

- Discount rate expected by market participants for instruments with similar risk;
- Probability of death at each age group between age 65 and death using a mortality table (based on UN mortality rates tables for Malta) showing the rate of deaths occurring at each age group;

Information about fair value measurements, relating to fair valuation made during the year, using significant unobservable inputs (Level 3):

Valuation technique	Significant unobservable input	Range of unobservable inputs
DCF approach	Discount rate	8.9% (post-tax)
	Mortality rate	Mortality rates tables

With respect to the DCF approach, an increase in the projected levels of discount rate and mortality rate would result in a lower fair value.

An analysis of the impact of a reasonable change in the significant unobservable on the fair value of the property is included below:

	Discount rate		Mortality rate
	€		€
(+) 0.5%	(186,800)	(+) 20%	(108,679)
(-) 0.5%	417,777	(-) 20%	117,223

17 REVALUATION RESERVE

	GROUP	
	2024	2023
	€	€
Year ended 31 March		
At beginning of year	**73,977,606**	74,103,285
Transfer upon realisation through asset use, net of deferred tax	**(125,679)**	(125,679)
Fair value reserve on land and buildings, net of deferred tax	**51,053,524**	-
At end of year	**124,905,451**	73,977,606

The revaluation reserve represents the revaluation surplus arising on the valuation of the Group's land and buildings and is non-distributable.

18 OTHER RESERVES

The capital redemption reserve represents a sum equal to the nominal amount of reference share redeemed by a subsidiary in accordance with Article 115 of the Maltese Companies Act (Cap. 386). The capital redemption reserve may be applied in paying up unissued shares to be issued to members as fully paid bonus shares. These redemptions took place in prior years. The preference shares redeemed were attributable to non-controlling interest.

	GROUP	
	2024	2023
	€	€
Capital redemption reserve	**11,628,279**	11,628,279
Incentives and benefits reserve	**1,240,807**	1,240,807
Other reserves	**32,612**	32,612
	12,901,698	12,901,698

The incentives and benefits reserve represents transfers effected by a subsidiary for the net amount of profits subject to income tax at a reduced rate of tax, in accordance with Articles 24B and 36 of the Business Promotion Act. No transfers to the incentives and benefits reserve have been made during the current and the preceding financial years, as no income was subject to tax at reduced rates. Such profits are set aside for the exclusive purpose of financing the upgrading projects within the qualifying company as approved by Malta Enterprise Corporation in accordance with Article 6 of the Business Promotion Act. The incentives and benefits reserve is not distributable and will be retained for a period of eight years after which it can be distributed by means of a bonus issue.

19 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Non-current				
Payables with respect to capital expenditure	**203,456**	203,447	-	-
Contract liabilities - deferred income arising on long term rights of use sales	**11,190,052**	12,048,214	-	-
	11,393,508	12,251,661	-	-
Current				
Trade payables	**9,412,045**	7,815,320	-	-
Payables and accruals with respect to capital expenditure	**4,217**	687,681	-	-
Advance deposits received on promise of sale	**9,088,232**	-	-	-
Contract liabilities				
- Advance deposits from tour operators and other third parties	**2,621,193**	2,600,891	-	-
- Deferred income arising on long term rights of use sales	**1,371,910**	1,121,932	-	-
Amounts owed to shareholder	**148,690**	245,283	-	245,283
Amounts owed to subsidiaries	-	-	**87,161,555**	79,874,819
Amounts owed to associates	**15,665,052**	17,096,449	-	-
Amounts owed to other related parties	**3,452,596**	642,255	**2,785,744**	2,798,342
Other payables	**181,908**	226,699	-	29,414
Indirect taxation and social security	**1,421,259**	1,558,850	-	-
Other accruals	**4,477,000**	4,390,836	**56,000**	40,760
	47,844,102	36,386,196	**90,003,299**	82,988,618

Payables with respect to capital expenditure include an amount of €203,456 (2023: €629,344) in relation to a piece of land acquired during the preceding financial year for which payments will be made over 33 months.

The maturity of this liability is as follows:

	GROUP	
	2024	2023
	€	€
Due within 1 year	-	446,653
Due between 1 and 2 years	**203,457**	205,334
	203,457	651,987
Less: imputed interest component	-	(22,643)
	203,457	629,344

Advance deposits received on promise of sale pertains to deposits received from buyers of properties being constructed by the property development entities of the Group. Under the terms of the promise of sale agreements, should the buyer fail to pay the balance of the consideration when it falls due, the Group may terminate the promise of sale and will automatically forfeit the buyer's right to acquire the property, including the deposits paid by way of pre-liquidated damages.

If the Group breaches its promise to sell the property for no reason or for a reason not valid in terms of the promise of sale or at law, the buyer is entitled to demand refunds of the deposits made with an interest rate of 5% per annum accruing from when the payment was made.

The company's amounts owed to subsidiaries represent financing obtained by the parent company from other Group undertakings to finance various Group projects including the acquisition of Hotel San Antonio Limited in prior years and subsequent developments at the same hotel in current year. Such advances are unsecured and repayable on demand. However, the respective subsidiaries have undertaken not to request repayment of amounts due until alternative financing is available. Included in such advances are €1,488,101(2023: €1,488,101) owed by a subsidiary to the parent company

which are subject to interest at 4.8% (2023: 4.8%). All the other amounts are interest free.

Contract liabilities - recognised in revenue during 2024

Deferred income arising on long term rights of use sales included in contract liabilities are amounts recognised for a subsidiary's unrendered performance obligation in relation to timeshare agreements.

Revenue recognised in profit or loss during the financial year ended 31 March 2024 that was included in the balances of contract liabilities as at the end of the preceding financial year amounted to €1,121,932 (2023: €916,842).

Reclassification

As at 31 March 2024, the comparative balances of the Lease liabilities to Government have been reclassified as part of Lease liabilities to conform with IFRS 16 disclosures. This reclassification did not affect the total assets, total liabilities and total equity in the statement of financial position as of 31 March 2023.

20 BORROWINGS

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Non-current				
Bank loans	**15,665,504**	12,114,571	**3,207,850**	5,618,093
Loan from subsidiary	**-**	-	**1,488,101**	1,488,101
650,000 4.35% Bonds 2017 – 2027	**64,780,118**	64,678,018	**-**	-
	80,445,622	76,792,589	**4,695,951**	7,106,194
Current				
Bank overdrafts	**501,252**	679,783	**-**	-
Bank loans	**4,856,134**	4,036,937	**2,425,521**	2,116,867
650,000 4.35% Bonds 2017 – 2027 and accrued interest	**2,551,638**	2,553,373	**-**	-
	7,909,024	7,270,093	**2,425,521**	2,116,867
Total borrowings	**88,354,646**	84,062,682	**7,121,472**	9,223,061

Bonds

By virtue of an offering memorandum dated 27 March 2017, SD Finance plc (the Issuer) issued €65,000,000 bonds with a face value of €100 each. The bonds have a coupon interest of 4.35% which is payable annually in arrears, on 25 April of each year. The bonds are redeemable at par and are due for redemption on 25 April 2027. The bonds are guaranteed by SD Holdings Limited, which has bound itself jointly and severally liable with the issuer, for the repayment of the bonds and interest thereon, pursuant to and subject to the terms and conditions in the offering memorandum. The bonds were admitted on the Official List of the Malta Stock Exchange on 4 May 2017. The quoted market price as at 31 March 2024 and 2023 for the bonds was €99 and €97 respectively. The fair value of these financial liabilities as at 31 March 2024 amounts to €64,350,000 (2023: €63,050,000). At the end of the current reporting period, bonds with a face value of €18,000 (2023: €521,625) were held by a company director.

In accordance with the provisions of the prospectus, the proceeds from the bond issue have been advanced by the Issuer to SD Holdings Limited (the Issuer's parent undertaking and guarantor of the bonds) and to Hotel San Antonio Limited and Seabank Hotel and Catering Limited (both fellow subsidiaries of the Issuer). The principal purposes for these advances were the re-financing of existing banking facilities of the respective borrower, for the general corporate funding purposes of the db Group and for other purposes as defined in the respective prospectus.

The bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective yield method as follows:

	2024	2023
	€	€
Original face value of bonds issued	**65,000,000**	65,000,000
Bond issue costs	**(924,036)**	(924,036)
Accumulated amortisation	**606,196**	508,623
Closing net book amount of bond issue costs	**(317,840)**	(415,413)
Amortised cost and closing carrying amount of the bonds	**64,682,160**	64,584,587
Accrued interest payable on the bonds	**2,649,596**	2,646,804

As at 31 March 2024, the comparative balances of the current portion of the bonds and the related accrued interest payable have been reclassified as part of Borrowings under the current classification to conform with IFRS 9 amortised cost basis. This reclassification did not affect the total assets, total liabilities and total equity in the statement of financial position as of 31 March 2023 and 01 April 2022.

Bank borrowings

During 2021, SD Holdings Limited successfully applied for loans through the COVID-19 Guarantee Scheme supported by the Malta Development Bank (MDB). These loans were then advanced to various components within db Group at the same terms and conditions as issued by the bank. In this respect, SD Holdings Limited advanced €10,000,000 to its subsidiaries (refer to Note 12 for information relating to balances as at 31 March 2024 and 2023). The loan is subject to interest of 3% plus 3-month Euribor on the €2,000,000 loan and 4% plus 3-month Euribor on the €8,000,000 loan. However, in line with the MDB COVID Guarantee Scheme, the loan benefits from a subsidy of 2.4% for the first two years until June 2022 and November 2022 for the two loans respectively. The effective average interest rate as at 31 March 2024 is 5.07% (2023: 4.9%).

The Group's and the Company's banking facilities limit as at 31 March 2024 amounted to €137,687,631 (2023: €126,358,167) and €67,133,371 (2023: €10,000,000) respectively. The Group's bank facilities are mainly secured by:

(a) special hypothecs over the Group's property with net carrying value €213,104,864 (2023: €155,565,271) up to an amount of €83,100,000 (2023: €75,600,000);

(b) general hypothecs over the Group's present and future assets up to an amount of €139,755,219 (2023: €89,100,000);

(c) guarantee by companies within the Group

(d) pledge over cash balance of the Group for an amount of €18,000,000 or subject to the bank's discretion and revised pricing can be replaced by a charge on a property;

(e) pledge over share of entities which will operate overseas undertakings which are funded through the loans

(f) pledges over specific insurance policies of Group undertakings;

(g) letters of undertaking

The loan agreements with banks contain certain financial covenants with which the Group should comply during the term of the bank borrowings, including the following:

- Utilised net debt against EBITDA multiple until 2026 not in excess of ten times, until 2027 not in excess of eight times, and until 2029 not in excess of six times
- Loan-to-Value not exceeding 70%
- Debt to Equity Ratio not exceeding 1.3:1
- Group Debt Service Coverage Ratio (DSCR) of a minimum of 1.4 times with EBITDA calculation excluding any one-time revenues. If DSCR falls below 1.7 times, Group must demonstrate ability to restore DSCR within 6-months

As at 31 March 2024 and 2023, the Group is compliant with the required financial ratios and other loan covenants.

The interest rate exposure of the bank borrowings is at floating rates and the weighted average effective interest rates as at the end of the financial reporting period are as follows:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Bank overdrafts	4.90%	4.90%	-	-
Bank loans	5.07%	4.60%	**5.07%**	4.90%

Maturity of non-current bank borrowings is shown below:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Between 1 and 2 years	**5,874,183**	6,164,914	**2,550,274**	2,266,847
Between 2 and 5 years	**9,791,321**	5,949,657	**657,576**	3,351,246
	15,665,504	12,114,571	**3,207,850**	5,618,093

Loan from subsidiary

The Company's non-current loans from subsidiary amounting to €1,488,101 consist of advances from SD Finance plc out of the proceeds of the bonds issued by the subsidiary. The proceeds of the bond issue have been advanced to SD Holdings Limited and other companies forming part of the db Group. SD Holdings Limited utilised these advances primarily to re-finance its existing banking facilities. These loans are subject to interest at a fixed interest rate of 4.55%, with an additional renewal fee, which shall be charged on the loans at a floating rate at the discretion of the Directors of the Issuer. As at the end of the current reporting period, the element of the floating rate interest was 0.23% (2023: 0.22%). Renewal fees recognised as part of finance cost amounted to €3,117 (2023: €3,103) (see Note 27). The loans are unsecured and repayable by not later than 10 April 2027.

21 LEASE LIABILITIES

	Lease liabilities to Government	Properties	Motor vehicles	Total
	€	€	€	€
As at 1 April 2022	52,739,274	10,347,537	76,915	63,163,726
Additions	-	6,615,517	61,611	6,677,128
Lease modifications	-	7,336	-	7,336
Impact of derecognition of leased assets	-	(19,107)	-	(19,107)
Interest charges	1,759,647	669,122	5,974	2,434,743
Lease concessions	-	(12,557)	-	(12,557)
Payments effected - total cash outflows	-	(1,581,512)	(37,173)	(1,618,685)
As at 31 March 2023	54,498,921	16,026,336	107,327	70,632,584
Non-current	45,525,680	15,270,504	72,604	60,868,788
Current	8,973,241	755,832	34,723	9,763,796
Total lease liabilities as at 31 March 2023	54,498,921	16,026,336	107,327	70,632,584
As at 1 April 2023	54,498,921	16,026,336	107,327	70,632,584
Additions	-	6,741,424	16,989	6,758,413
Interest charges	1,655,365	606,083	5,205	2,266,653
Lease concessions	-	(70,566)	-	(70,566)
Payments effected - total cash outflows	-	(2,322,527)	(40,913)	(2,363,440)
As at 31 March 2024	**56,154,286**	**20,980,750**	**88,608**	**77,223,644**
Non-current	45,618,536	19,203,694	34,668	64,856,898
Current	10,535,750	1,777,056	53,940	12,366,746
Total lease liabilities as at 31 March 2024	**56,154,286**	**20,980,750**	**88,608**	**77,223,644**

Lease liabilities to Government pertains to the Group's liability towards the Government of Malta in relation to the payment of ground rents and any penalty that may become due by db San Gorg Property Limited for the land held under temporary emphyteusis (Notes 4, 5 and 7). The lease liability is secured by a special privilege on the site at St Julian's accorded to the dominus by law in favour of the Government of Malta.

The maturity of this liability is as follows:

	GROUP	
	2024	2023
	€	€
Due within 1 year	**10,535,750**	8,973,241
Due between 1 and 2 years	**1,562,509**	1,562,509
Due between 2 and 5 years	**4,757,840**	4,734,402
Due after more than 5 years	**157,792,506**	159,396,301
	174,648,605	174,666,453
Less: imputed interest component	**(118,494,319)**	(120,167,532)
	56,154,286	54,498,921

As at 31 March 2024, the comparative balances of the lease liabilities to Government have been reclassified as part of lease liabilities to conform with IFRS 16 disclosures. This reclassification did not affect the total assets, total liabilities and total equity in the statement of financial position as of 31 March 2023 and 01 April 2022.

Interest charges on land held under temporary emphyteusis pertain to capitalised borrowing cost.

These lease liabilities are measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease arrangement. The discount rate applied to the lease liabilities was 5% which is in line with prior year.

The contractual undiscounted cash flows attributable to lease liabilities as at 31 March are analysed in Note 2.1 (c).

During financial years 31 March 2024 and 2023, rent concessions have been granted to Group undertakings. The Group has accounted for such concessions as variable lease payments in the period in which they are granted.

The Group has lease contracts for its restaurants that contain variable payments calculated by reference to sales performance. The variable lease payments are presented as part of 'Cost of sales' in the statement of comprehensive income (Note 23).

22 REVENUE

The Group's entire revenue is derived locally mainly from hospitality, leisure and ancillary activities.

	GROUP		COMPANY	
	2024	2023	**2024**	2023
By Category	**€**	€	**€**	€
Hospitality and ancillary services	**47,702,280**	40,750,514	**-**	-
Food and beverage	**35,551,412**	25,377,250	**-**	-
Merchandise and other retailing activities	**4,574,311**	4,045,151	**-**	-
Other revenue	**896,931**	626,259	**-**	-
	88,724,934	70,799,174	**-**	-

Hospitality and ancillary services predominantly include revenue generated from the provision of all-inclusive accommodation services including accommodation services, spa and wellness services, transportation services and parking services.

Revenue from food and beverage is generated from the various outlets operated by the group across Malta including a number of new outlets opening during the year under review.

Set out below is the amount of revenue recognised from:

	2024	2023
Amounts included in contract liabilities at the beginning of the year	**13,170,146**	12,974,184
Performance obligations satisfied in previous years	**7,352,446**	5,465,362

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	2024	2023
Within one year	**1,972,947**	1,887,085
More than one year	**10,313,580**	11,837,681

Unfulfilled performance obligations, which are accommodation services that the Group is obliged to provide to customers during the remaining fixed term contract, as at 31 March 2024 and 2023, relate to the amounts disclosed under 'contract liabilities' in Note 19 to the financial statements. The Group's revenue that is recognised over time is also disclosed in Note 19.

23 EXPENSES BY NATURE

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Cost of sales	**60,366,531**	50,866,400	-	-
Selling expenses	**284,654**	158,089	-	-
Administrative expense	**9,890,728**	5,282,705	**1,894,433**	88,176
	70,541,913	56,307,194	**1,894,433**	88,176

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Employee benefit expense (Note 24)	**23,933,394**	19,261,956	-	-
Amortisation of intangible assets (Note 6)	**106,289**	121,330	-	-
Amortisation of right-of-use assets (Note 10)	**2,198,357**	1,200,083	-	-
Depreciation of property, plant and equipment (Note 4)	**8,738,444**	8,233,767	-	-
Utilities and similar charges	**1,728,264**	1,806,402	-	-
Operating supplies and related expenses	**20,290,194**	15,876,164	-	-
Repairs and maintenance costs	**2,456,479**	1,198,510	-	-
Professional fees	**2,387,610**	415,906	-	-
Energy costs	**720,707**	548,982	-	-
Marketing, advertising costs and commissions	**1,907,675**	2,289,017	-	-
Franchise royalties	**907,322**	690,165	-	-
Variable lease rentals (Note 10)	**1,385,254**	825,608	-	-
Rent rebates	-	(12,557)	-	-
Movement in credit loss allowances (Note 12)	**(82,948)**	209,233	-	-
Other expenses	**3,864,872**	3,642,628	**1,894,433**	88,176
Total cost of sales, selling and administrative expenses	**70,541,913**	56,307,194	**1,894,433**	88,176

The increase in the Group's employees benefit expense is mainly attributed to the employees' salaries of the newly opened restaurant/bar establishments of the Group.

Operating supplies and related expenses increased as compared to 2023 as an effect of the increase in revenue from hospitality and ancillary services and food and beverage (Note 22) driven by more tourists coming to Malta and the operations of the Group's newly opened restaurants/bars. Based on the National Statistics Office, total inbound tourists for March 2024 alone were estimated at 240,851, an increase of 38.1% when compared to the corresponding month of 2023. The largest share of guest nights (89.5%) was spent in rented accommodation establishments.

Increase in depreciation of property, plant and equipment and amortisation of right-of-use assets is due to additions during the year for the Group's newly opened restaurants and Starbucks branches. Repairs and maintenance costs also increased in line with increased operations.

Increase in professional fees relates to the various development projects of the Group.

Included in the other expenses of the Group and the Company are restructuring costs of €1,689,292 which pertains to stamp duties incurred on the donation of shares by the founding members to their descendants (Note 16). Such costs were paid by the Company on behalf of the descendants which costs were not deemed to be recoverable and have accordingly been expensed.

Auditor's fees

Fees charged by the auditor for services rendered during the current and the preceding financial years relate to the following:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Annual statutory audit	273,000	224,000	55,000	40,000
Tax advisory and compliance services	16,300	28,125	900	1,060
Other non-audit services	-	-	-	350
	289,300	252,125	55,900	41,410

Other non-assurance services amounting to €35,000 (2023: €156,210 and €41,900) have been charged to the Group and the Company, respectively by connected undertakings of the audit firm.

Reclassification

In 2024, the comparative balances of the employee benefit expense recharged to the Group's associates have been reclassified to other operating income to conform with IFRS 15 disclosures. This reclassification did not affect the total comprehensive income in the statement of comprehensive income for the year ended 31 March 2023.

24 EMPLOYEE BENEFIT EXPENSE

	GROUP	
	2024	2023
	€	€
Wages and salaries including directors' remuneration (Note 29)	**22,529,366**	18,230,859
Social security costs	**1,404,028**	1,031,097
	23,933,394	19,261,956

Wages and salaries for 2024 are presented net of a payroll grant receivable from the Government amounting to nil (2023: €954,500) in view of the COVID-19 pandemic. Grants related to income are presented as a deduction in reporting the related expense.

Average number of persons employed by the Group during the year:

	2024	2023
Direct	**1,336**	822
Administration	**128**	109
	1,464	931

Reclassification

In 2024, the comparative balances of the employee benefit expense recharged to the Group's associates have been reclassified to other operating income to conform with IFRS 15 disclosures. This reclassification did not affect the total comprehensive income in the statement of comprehensive income for the year ended 31 March 2023.

25 DIVIDEND INCOME

	COMPANY	
	2024	2023
	€	€
Dividend income	**2,769,231**	3,496,154

26 OTHER OPERATING INCOME

	GROUP		COMPANY	
	2024	2023	2024	2023
	€	€	€	€
Operating lease income	**202,753**	347,206	-	-
Recharges to associates	**1,392,525**	163,748	-	-
Other income	**294,967**	211,722	-	-
Loss of investment in associates	-	(17,831)	-	-
	1,890,245	704,845	-	-

Operating lease rental income receivable as at 31 March is, as follows:

	2024	2023
Within one year	**212,912**	202,753
Between 1 and 2 years	**208,471**	212,912
Between 2 and 3 years	**209,026**	208,471
Between 3 and 4 years	**202,107**	209,026
Between 4 and 5 years	**148,962**	202,107

Recharges to associates pertains to recharges of payroll costs to associates.

In 2024, the comparative balances of the employee benefit expense recharged to the Group's associates have been reclassified to other operating income to conform with IFRS 15 disclosures. This reclassification did not affect the total comprehensive income in the statement of comprehensive income for the year ended 31 March 2023.

27 FINANCE INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Finance income				
Interest on amounts owed by subsidiary	-	-	**490,418**	473,191
Finance income arising from short-term deposits	**708,257**	112,405	**708,247**	74,871
	708,257	112,405	**1,198,665**	548,062

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Finance costs				
Bond interest expense				
Nominal interest on bonds	**2,827,500**	2,827,500	-	-
Amortization of bond issue costs	**97,574**	93,665	-	-
Interest on bank borrowings and other loans	**1,579,586**	797,655	**490,412**	384,396
Interest on loan from subsidiary	-	-	**67,709**	67,709
Finance cost on lease liabilities	**2,266,653**	2,434,743	-	-
Imputed interest component on deferred income arising on long-term rights of use sales	**599,242**	590,325	-	-
Finance cost on cumulative preference shares	**352,544**	-	**352,544**	-
Other finance charges	**968,855**	663,754	**6,805**	3,044
	8,691,954	7,407,642	**917,469**	455,149
Capitalised borrowing costs (Notes 5 and 7)	**(2,635,912)**	(2,007,160)	-	-
Finance cost recognised in profit/(loss)	**6,056,042**	5,400,482	**917,469**	455,149

Increase in finance income arising from short-term deposits is due to higher interest rates offered by local credit institutions on short term placements as well as higher amounts being placed in short-term deposits during the year.

Bond interest expense, interest on bank borrowings and other loans, and interest on loan from subsidiary pertain to the amount of interest related to bonds payable, bank borrowings, and loan from subsidiary, respectively, as discussed in Note 20.

Finance cost on lease liabilities arises from the accounting treatment of leases. The interest expense is calculates using the effective interest rate method.

Imputed interest component on deferred income arising on long-term rights of use sales pertains to the significant financing component of timeshare agreements.

Finance cost on cumulative preference shares pertain to the interest accretion of the cumulative preference shares which are classified as financial liability (Note 16).

Other finance charges pertain to bank service charges and fees.

Increase in finance costs was driven by substantial additional drawdowns during the year to finance the ITS site development and other operational requirements.

Finance costs paid on relating to capitalised borrowing costs which are classified as part of the Group's investing activities in the statement of cash flows amounted to €240,019 in 2024 (2023: €247,513).

28 TAX EXPENSE

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Current taxation:				
Current tax expense/(credit)	**4,902,769**	(229,583)	**1,075,468**	1,224,251
Deferred taxation (Note 11)	**1,267,792**	3,414,889	-	-
Tax expense	**6,170,561**	3,185,306	**1,075,468**	1,224,251

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Profit before tax	**20,444,497**	15,559,784	**1,388,310**	3,500,891
Tax on profit at 35%	**7,155,574**	5,445,924	**485,908**	1,225,312
Tax effect of:				
Share of results of associates	**(1,920,345)**	(1,977,863)	-	-
Expenses not deductible for tax purposes	**1,226,706**	359,185	**731,209**	-
Income not subject to tax or charged at reduced rates	**(291,374)**	(132,536)	**(141,649)**	(1,658)
Unrecognised deferred tax in prior year	-	(425,876)	-	-
Unrecognised deferred tax in current year	-	5,007	-	-
(Over)/under provision in prior year	-	(88,535)	-	597
Utilisation of investment tax credits	-	-	-	-
Tax charge in the accounts	**6,170,561**	3,185,306	**1,075,468**	1,224,251
Effective tax rate	**23%**	20%	**77%**	35%

As at 31 March 2024 and 2023, the Group's current tax asset amounted to €1,508,423 and €1,508,837, respectively. This pertains to refund claims relating to the tax withheld on dividend distribution in 2023.

29 DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	€	€
Salaries and other emoluments (Short-term employee benefits)	**1,042,827**	759,346	-	-

None of the non-executive Directors has service contracts with the Company and do not earn any fixed honorarium from the Company. The executive Directors do not earn any fixed honorarium from the Company but have an indefinite full-time contract of service with the companies forming part of the db Group which are not recharged to the Company.

30 DIVIDENDS PAID

	GROUP		COMPANY	
	2024	2023	**2024**	2023
	€	€	**€**	€
Gross dividend	**2,769,231**	3,496,154	**2,769,231**	3,496,154
Tax at source	**(969,231)**	(1,223,654)	**(969,231)**	(1,223,654)
Net dividend	**1,800,000**	2,272,500	**1,800,000**	2,272,500
Dividends per share	**0.45**	0.57	**0.45**	0.57

31 COMMITMENTS

Capital commitments

Commitments for capital expenditure not provided for in these financial statements are as follows:

	GROUP	
	2024	2023
	€	€
Authorised but not contracted for	**211,694,539**	174,200,000

Capital commitments not contracted for refer to planned future capital expenditures for which the Group has not yet entered into a binding contract or legal agreement. These commitments are intentions or plans to invest in long-term assets or projects that are expected to occur in the future, but there is no formal commitment that legally obligates the Group to proceed with the expenditure.

32 CONTINGENCIES

At 31 March 2024, the Group's and the company's major contingent liabilities were:

(a) Guarantees given by the parent company in respect of bank facilities of Group undertakings for an amount of €83,100,000 (2023: €75,150,000). At 31 March 2024, the parent company also gave guarantees for an amount of €6,100,000 (2023: €7,500,000) jointly with other Group undertakings in respect of bank facilities of a subsidiary.

(b) Guarantees given by a Group undertaking in respect of bank facilities of associates for an amount of €17,316,650 (2023: €20,141,650).

(c) Undertakings given by the parent company to provide the necessary financial support to subsidiaries and associates so as to enable these entities to meet their liabilities and any other obligations as they fall due and to continue as a going concern.

(d) Guarantees of €703,000 (2023: €703,000) issued by the Group's bankers, on behalf of Group undertakings in favour of the Planning Authority, in the ordinary course of business.

(e) Guarantees of €108,500 (2023: €108,500) issued by the Group's bankers, on behalf of Group undertakings in favour of the Environment and Resources Authority, in the ordinary course of business.

(f) Guarantees of up to a maximum of €310,836 (2023: €310,606) issued by Group undertakings to various third parties in the ordinary course of business.

(g) The company acknowledges that there is an ongoing tax assessment by the tax authorities for income tax returns filed by the company for a number of years. The company is committed to cooperating fully with the tax authorities throughout the assessment process. Management together with tax advisors are liaising with the tax authorities and providing all the requested information. It is important to note that even if the outcome of the tax assessment is uncertain at the time of approval of these financial statements, the management strongly believes that the assessment will not result in any changes to the filed tax returns and hence in the related tax position. However, due to the inherent complexities involved in tax matters and the unpredictable nature of the assessment process, there can be no assurance as to the final resolution or timing of this matter Management believes that the financial statements fairly present the company's financial position and results of operations, considering the current assessment. However, there can be no guarantee that the final outcomes of the investigation will not differ from the assumptions made by management.

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the other party in making financial and operating policy decisions.

The entities constituting the db Group are ultimately owned by Mr Silvio Debono who is considered to be the Group's ultimate controlling party. Accordingly, all entities owned or controlled by Silvio Debono, the associates of the Group and the Group's key management personnel are the principal related parties of the db Group.

In the ordinary course of their operations, Group entities provide services to associates and other related parties mentioned above for trading services and in turn Group entities also purchase services from such related parties. The Group's related party transactions also include financing transactions, principally advances with associates and other related parties.

Year-end balances with related parties are disclosed in Notes 12, 19 and 20 to these financial statements. Such balances are unsecured, interest free and repayable on demand unless otherwise stated in the respective notes.

Related Party	Relationship	Amount of Transaction (€)	Outstanding Balance(€)	Nature, Terms and Conditions
2024				
SeaBank Hotel and Catering	Subsidiary	3,078,838	3,078,838	Current trade and other receivables
		2,971,234	2,971,234	Non-current trade and other receivables
		(43,225,951)	(43,225,951)	Current trade and other payables
San Antonio Hotel	Subsidiary	3,582,159	3,582,159	Current trade and other receivables
		(35,336,427)	(35,336,42)	Current trade and other payables
SD Finance	Subsidiary	(1,488,101)	(1,488,101)	Non current borrowings
SRGN	Subsidiary	(6,730,616)	(6,730,616)	Current trade and other payables
Debar	Subsidiary	(600,000)	(600,000)	Current trade and other payables
SeaPort Franchising	Subsidiary	1,516,391	1,516,391	Trade and other receivables
		(6,783,86)	(6,783,861)	Current trade and other payables
DB Lifestyle Real Estate	Subsidiary	4,239,441	4,239,441	Trade and other receivables
DB Projects Ltd	Subsidiary	3,500,000	3,500,000	Trade and other receivables
DB SG Residences	Subsidiary	225,972	225,972	Trade and other receivables
DB Group Franchising	Subsidiary	12,115,347	12,115,347	Non-current trade and other receivables
2023				
SeaBank Hotel and Catering	Subsidiary	(33,044,881)	(33,044,881)	Current trade and other payables
San Antonio Hotel	Subsidiary	(24,082,576)	(24,082,576)	Current trade and other payables
SD Finance	Subsidiary	(1,489,741)	(1,489,741)	Non-current borrowings
SRGN	Subsidiary	(7,572,416)	(7,572,416)	Current trade and other payables
Debar	Subsidiary	(600,000)	(600,000)	Current trade and other payables
SeaPort Franchising	Subsidiary	(4,740,832)	(4,740,832)	Current trade and other payables
DB Lifestyle Real Estate	Subsidiary	2,699,899	2,699,899	Trade and other receivables
DB Group Franchising	Subsidiary	14,272,331	14,272,331	Non-current trade and other receivables

Key management personnel comprises the directors of the parent company and the directors of the other Group undertakings. Key management personnel compensation, consisting of the parent company's directors' remuneration has been disclosed in Note 29. In addition to the amounts disclosed in Note 29, other key management personnel compensation amounted to €98,256 (2023: €84,535).

The subsidiaries also provide certain accounting and management services to the Company that is not being recharged to the Company.

34 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 May 2024, the Group has entered into a promise of sale agreement with the controlling shareholders to acquire Porto Azzuro Limited and Porto Azzuro Resort Limited in consideration for a purchase price of €8,000,000, for the acquisition of their 66,77% share. Subject to all conditions in the said promise of sale agreement are met, following the execution of the contract of sale the group's interest in Porto Azzuro Limited and Porto Azzuro Resort Limited will increase from 33.33% to 100%.

35 STATUTORY INFORMATION

SD Holdings Limited is a limited liability company and is incorporated in Malta.