Shoreline Mall p.l.c.

C 84005

Report and financial statements

30 June 2024

Contents

Shoreline Mall p.l.c

Directors, officers and other information

Directors:	Ryan Edward Otto Roderick Psaila Charles Scerri Robert Ancilleri Benjamin Muscat (resigned 8th June 2024) Kevin Deguara (resigned 30th May 2024) Jean Carl Farrugia (resigned 30th May 2024)
Secretary:	Luana Pace
Registered office:	Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara, SCM 1001, Malta
Country of incorporation:	Malta
Company registration number:	C 84005
Auditor:	Deloitte Audit Limited Deloitte Place Triq L-Intornjatur, Zone 3 Central Business District, CBD 3050 Birkirkara Malta
Bankers:	Bank of Valletta p.l.c. The Strand Triq Ix-Xatt, Gzira, GZR 1022 – Malta

The directors present their report and the audited financial statements for the period ended 30 June 2024.

Overview and principal activities

Shoreline Mall p.l.c. (the "Company") is a public limited liability Company incorporated in Malta on 15 December 2017 with registration number C 84005. The registered address of the Company is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, Malta. During the prior financial period the company changed its financial year end from 30 April 2023 to 30 June 2023. The comparative period therefore covers a 14-month period from 1 May 2022 to 30 June 2023. These financial statements cover the financial year ended 30 June 2024.

The company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential villas for resale. The company's main business consists of:

a. The generation of rental income from the commercial operations within the Shoreline Mall units and carpark; and
b. The sale of immovable property within the Shoreline site, mainly consisting of residential villas and residential carpark spaces;

The residential carpark spaces were sold in their entirety to a related party during the current year.

Review of the business trading performance

The Company registered a profit of *EUR 1,557,159* for the period ended 30 June 2024. The Shoreline Mall opened its doors to the general public in March 2024 when it began receiving rental income from its tenants. The Company continues to sign additional leases, with prospective tenants, to expand its brand and product mix.

As anticipated, the Company also transferred all its inventory relating residential car parkings to a group company during the financial year. The remaining residential villas are still under construction and are anticipated to be completed within the next financial year.

Financial position

The Company's total assets as at 30 June 2023 increased to *EUR85,156,702* when being compared to the previous year amount of *EUR73,803,358*. Current assets remained in line with the prior year *EUR15,844,959* (2023 – *EUR 15,213,588*) whilst non-current assets increased to *EUR69,311,743* (2023 – *EUR 58,589,770)* as a result of progress made to finish the construction of the Mall. This increase correlates with the increase in current liabilities of *EUR 26,669,362* (2023 – *EUR16,851,248)* which formed part of the Company's short term financing options that mainly comprises of amounts due to group companies. The Company's net assets increased to *EUR18,528,249 (*2023 – *EUR16,971,090).*

Financial risk management

The Company is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk, as disclosed in note 27 to the financial statements.

Outlook for 2025

Shoreline Mall p.l.c continues to attract new brands and product mixes which it anticipates will further increase footfall to the Mall and its tenants. Whilst this increase in footfall has the potential to increase its future revenues, other considerations such as initial free lease periods or reduced base rates will lapse and favourably impact the revenue of the Mall.

The residential component of the project is completely constructed and the finishing works are expected to be completed by financial year end 2025.

Dividends

No dividend is being recommended as the Company did not have any distributable reserves at the end of the reporting period.

Corporate Governance

The directors are committed and fully support the adoption of the relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance (the "Code"), which entails amongst others, principles such as the appointment of independent directors to the Board, the formation of an audit committee as well as the continued adoption of internal controls to manage, review and safeguard the company assets and operations.

Going concern

The company registered a profit for the year of *EUR1,557,159* (2023: loss of *EUR401,412*). Previous losses incurred by the Company and the short-term cash flow requirements had been financed by the immediate parent company and related parties during the construction phase of the project. With the commencement of operations, the Company is expected to generate sufficient profits and cashflows over the long term and thus the directors have adopted the going concern basis in preparing these financial statements.

Board of Directors
The directors who served during the period and up till the date of this report are as follows:

Benjamin Muscat (Chairman) - (resigned 8th June 2024)
Ryan Edward Otto (Executive Director)
Kevin Deguara (Non- executive Director) - (resigned 30th May 2024)
Jean Carl Farrugia (Non-executive Director) - (resigned 30th May 2024)
Roderick Psaila (Non-executive Director)
Charles Scerri (Non-executive Director)
Robert Ancilleri (Non-executive Director)

As from 8th June 2024, Mr.Ryan Edward Otto has been appointed Chairman of the Board of Directors.

In accordance with the Company's articles of association all the directors are to remain in office.

Auditors
A resolution to appoint an auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Company's Board of Directors on 28 October 2024 by Robert Ancilleri and Ryan Edward Otto as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2024.

Statement of directors' responsibilities

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practice which give a true and fair view of the state of affairs of the company at the end of each financial period and of the profit or loss of the company for the period then ended.

In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the financial statements, in XHTML format in accordance with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS"), as required by Capital Markets Rule 5.56A,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report in XHTML format, that is free from material misstatement, whether due to fraud or error,

and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Statement of responsibility pursuant to the Capital Market Rules issued by MFSA

In accordance with Capital Market Rule 5.68, we confirm that to the best of our knowledge:

a) the financial statements give a true and fair view of the financial position of the Company as at 30 June 2024 and of their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU; and

b) the Directors' Report includes a fair review of the performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Company's Board of Directors on 28 October 2024 by Robert Ancilleri (Director) and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2024.

Introduction
The Board of Directors (the "Board") of Shoreline Mall p.l.c. (the "Company") acknowledges that effective corporate governance is critical to the proper functioning not just of the sector in which the company operates but the Maltese society at large. Hence, it is committed to high standards of corporate governance and has a solid corporate governance framework that is built around the principles of control and accountability. The Board further believes that good corporate governance has a positive impact on the Company's performance.

The Company is subject to regulation by the Listing Authority. It is required to include a statement of compliance with the Code of Principles of Good Corporate Governance (the "Code") contained in Appendix 5.1 of the Capital Markets Rules issued by the Malta Financial Services Authority. In terms of Listing Rule 5.94 and the Code's Preamble, the Company is obliged to disclose compliance or non-compliance with the provisions of the said Code. The Company strives to maintain the highest standards of disclosure in reporting the effective measures adopted to ensure compliance with the Code, and to explain the instances of non-compliance.

General
The Board has carried out a review of the Company's compliance with the Code. It has taken measures for the Company to comply with the requirements of the Code to the extent that it is considered appropriate and complementary to the size, nature and operations of the Company. During 2024, the company has started operating the Shoreline Mall Complex.

The Company acknowledges that although the Code does not dictate or prescribe mandatory rules, the Board endorsed the principles recommended in the Code and ensured their adoption, save as indicated within the section entitled Non-Compliance with Code where the Board indicates and explains the instances where it has not complied with the Code.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles.

The Board believes that for the financial year under review, the Company has generally complied with the requirements for each of the Code's main principles. Further information in this respect is provided hereunder.

Principle One: The Company's Board of Directors

The Board reports that for the financial year under review, the Directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company. The Board is composed of members who are honest, competent and solvent and thus fit and proper to direct the business of the company. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Board has throughout the year under review adopted prudent and effective systems which ensure an open dialogue between the Board and senior management.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities.

During the year, the Board delegated specific responsibilities to the Audit Committee. Further detail in relation to this committee and its responsibilities can be found under principle 4 of this Statement.

Principle Two: The Company's Chairman and Chief Executive Officer ("CEO")

Following the resignation of Mr Benjamin Muscat as Director and Chairman of the Board, as from 8th June 2024, Mr. Ryan Edward Otto has been appointed Chairman of the Board of Directors.

The Chairman exercises independent judgment and is responsible to lead the Board and sets its agenda, whilst also ensuring that the Directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with shareholders and ensuring active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the CEO is carried out by Ryan Edward Otto who is accountable to the Board for all business operations of the company and ensures the effective overall management and control of the business and proper coordination of the activities undertaken.

Although the roles of the Chairman and the Chief Executive are now held by the same individual, the division of responsibilities for each role have been clearly established and agreed by the Board.

The Company forms part of the Shoreline group of companies (the "Group") but has its own management structure and accounting systems and internal controls, and is governed by its own Board, whose members, are appointed by the shareholders of the Company. This provides sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision making powers are spread wide enough to allow proper control and reporting systems to be in place and maintained in such a way that no one individual or small group of individuals has unfettered powers of decision.

Principle Three: Composition of the Board
During the year, the Board was composed of 7 members, with 1 executive and 6 non-executive Directors, with each member offering core skills and experience that are relevant for the successful operation of the Company. The Board is responsible for the overall long-term strategy and general policies of the company, of monitoring the Company's systems of control and financial reporting and communicating effectively with the market as and when necessary.

The Board of Directors consists of the following:
- Benjamin Muscat – Chairman/Independent Non-executive Director (resigned 8th June 2024)
- Robert Ancilleri – Independent Non-executive Director
- Charles Scerri – Independent Non-executive Director
- Ryan Edward Otto – Chairman/ Executive Director
- Jean Carl Farrugia – Non-executive Director (resigned 30th May 2024)
- Kevin Deguara – Non-executive Director (resigned 30th May 2024)
- Roderick Psaila – Non-executive Director

In accordance with the provisions of the Company's Articles of Association, the appointment of Directors to the Board is exclusively reserved to the Company's shareholders, except in so far as appointment is made by the Board to fill a casual vacancy, which appointment would be valid until the conclusion of the next Annual General Meeting of the Company following such an appointment. In terms of the Articles of Association, a Director shall hold office without retirement until death or until they retire or are removed by the Company in accordance with Article 140 of the Companies Act, Cap. 386.

Mr. Robert Ancilleri and Mr. Charles Scerri are considered by the Board to be independent non-executive members of the Board.

None of the independent non-executive Directors:
a) is or has been employed in any capacity with the company and/or the group;
b) has or had a significant business relationship with the company and/or the group;
c) has received significant additional remuneration from the company and/or the group;
d) has close family ties with any of the company's executive Directors or senior employees;
e) has served on the Board for more than twelve consecutive years; or
f) is or has been within the last three years an engagement partner or a member of the audit team of the present external auditor of the company and/or the group.

Principle Three: Composition of the Board (continued)

Each non-executive Director has declared in writing to the Board that he undertakes:

a) to maintain in all circumstances his independence of analysis, decision and action;
b) not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
c) to clearly express his/her opposition in the event that he finds that a decision of the Board may harm the company.

Principle Four: The Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. In fulfilling this mandate and discharging its duty of stewardship of the Company, the Board assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its Bonds in issue, and for monitoring that its operations are in conformity with its commitments towards the Bondholders, the Company's shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems, identifies and ensures that significant risks are managed satisfactorily and that it communicates effectively with the market.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the company's expense.

The Board has also established an Audit Committee. The terms of reference of this Committee are compliant with the Capital Markets Rules.

The Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its responsibilities: in dealing with issues of risk, control and governance; and review the financial reporting processes, financial policies and internal control structure. During the financial year under review, the Audit Committee met four times and all members were present for the meetings.

The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board.

Furthermore, the Audit Committee has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the company with a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Audit Committee (continued)

The Audit Committee is composed of 3 members:

- Charles Scerri – Chairman
- Benjamin Muscat – Member (resigned 8th June 2024)
- Robert Ancilleri – Member
- Roderick Psaila – Member (appointed 8th June 2024)

Two (2) of the members are independent non-executive Directors and are competent in accounting/or auditing in terms of Capital Markets Rule 5.117 on the basis that they are all qualified accountants.

In terms of Capital Markets Rule 5.127.7, the Audit Committee is responsible for developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Internal Control and Risk Management

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. The Directors are aware that internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against normal business risks.

During the financial year under review the company operated a system of internal controls which provided reasonable assurance of effective and efficient operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the significant risks facing the Company.

Other key features of the system of internal control adopted by the Company are as follows:

Risk identification, control and reporting

The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the company is involved. These risks are assessed on a continual basis with a view to control and mitigate where deemed necessary. Major risks (if identified) that are applicable to their areas of business are reported and then discussed at Board meetings.

Information and communication

Periodic strategic reviews which include consideration of long-term financial projections and the evaluation of business alternatives are regularly convened by the Board. An annual budget is prepared and performance against this plan is actively monitored and reported to the Board.

Reporting
The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management. On a quarterly basis, the Board receives a comprehensive analysis of financial and business performance.

Principle Five: Board Meetings
The Board meets as often and as frequently required to discharge its duties effectively. The Directors are notified of forthcoming meetings by the Company Secretary at least seven (7) days before with the issue of an agenda and supporting Board papers. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all Directors every opportunity to contribute to relevant issues on the agenda. The agenda for Board meetings seeks to achieve a balance between long-term strategic and short-term performance issues.

Directors attend meetings on a frequent and regular basis and dedicate the necessary time and attention to their duties as Directors of the Company. The Board met five (5) times during the financial year under review.

The following Directors attended Board meetings as follows:

Name	Designation	Number of Meetings
Benjamin Muscat (resigned)	Chairman/Non-executive Director	4 out of 5
Ryan Edward Otto	Chairman/ Executive Director	5 out of 5
Jean Carl Farrugia (resigned)	Non-executive Director	4 out of 5
Kevin Deguara (resigned)	Non-executive Director	5 out of 5
Roderick Psaila	Non-executive Director	5 out of 5
Robert Ancilleri	Non-executive Director	5 out of 5
Charles Scerri	Non-executive Director	5 out of 5

The Board has access to the advice and services of the company secretary who is responsible to the board for ensuring that board procedures are complied with, as well as for ensuring sound information flows between the Board and the Audit Committee.

Principle Six: Information and Professional Development
As part of succession planning and employee retention, the Board ensures that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

The executive Directors are responsible for the recruitment and selection of senior management, consult with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees remains a priority.

Principle Seven: Evaluation of the Board's Performance

The business is in its early stages of its lifecycle with the completion and start of operations of the mall taking place during the financial year under review. The Board still does not consider it necessary to undertake an evaluation of its own performance, as the Board's performance is also under the scrutiny of the shareholders of the Company.

Principle Eight: Remuneration and Nomination Committees

The Board of Directors considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committee. The Company will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Principles Nine and Ten: Relations with Shareholders and with the Market and with Institutional Shareholders

Pursuant to the company's statutory obligations in terms of the Companies Act (Cap. 386 of the Laws of Malta), the Annual Report and Financial Statements, the election of Directors and approval of Directors' fees, the appointment of the external auditors and the authorisation of the Directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

The Board is responsible for making relevant public announcements. It is also responsible to ensure that the Company is meeting its continuing obligations in terms of the Capital Markets Rules. During the financial year under review, the Company made nine public announcements to the market.

Principle Eleven: Conflicts of Interest

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest.

Any Directors of the company who hold a direct beneficial interest in the share capital of the Company are susceptible to conflicts arising between the potentially diverging interests of the shareholders and the company. During the financial year under review, no private interests or duties unrelated to the Company were disclosed by the Directors which were or could have been likely to place any of them in conflict with any interests in, or duties towards, the Company.

Principle Eleven: Conflicts of Interest (continued)
If a Director has a continuing material interest that conflicts with the interests of the Company, they are obliged to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict then the Director should consider resigning.

Moreover, the Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Furthermore, in accordance with the provisions of article 145 of the Companies Act (Cap 386 of the Laws of Malta), every Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company is under the duty to fully declare his interest in the relevant transaction to the Board at the first possible opportunity and he will not be entitled to vote on matters relating to the proposed transaction and only parties who do not have any conflict in considering the matter will participate in the consideration of the proposed transaction (unless the Board finds no objection to the presence of such Director with conflict of interest).

Principle Twelve: Corporate Social Responsibility
The Company seeks to adhere to sound Principles of Corporate Social Responsibility in its management practices and is committed to embark on commercial projects and initiatives that have a positive impact on the environment, tangibly support the social dynamics of the Maltese community and ensure a more robust corporate governance framework.

The Company strongly believes that the three ESG factors – Environment, Social and Governance combined with traditional commercial considerations enable the Company to provide more added value to society, direct stakeholders and investors alike.

The Company is in the process of adopting a policy to manage and monitor the ESG principles and incorporate same into its investment and day-to-day decision-making.

The Group, to which the company forms part of, remains particularly committed to the sports, health and community entertainment sector wherein it has assisted in:

- development of sports through the sponsoring of a football club in the regional district; and
- supporting community events through donations and sponsorships to non-profit organizations.

The Company is also mindful of the environment and the impact that the project will have on the surrounding areas and is taking initiatives to embellish the said areas and supporting other initiatives that have the same objective, that of protecting the environment.

Board independence, diversity and a strong control culture are key elements that the Company works constantly on to ensure a sound governance structure.

Non-Compliance with the Code

As at the date hereof, the Board considers the Company to be in compliance with the Code except for the following:

Principle Two: The Company's Chairman and Chief Executive Officer ("CEO")

The Board has appointed Mr Ryan Edward Otto as Chairman of the Board whilst also occupying the role of Chief Executive Officer of the Company. The Board believes that in view that Mr Otto is involved in the day-to-day operations of the Company, serving as Chairman of the Board would be beneficial in providing the Board and the Company with strategic views for the growth of the Company. The Board further believes that the continuous involvement and contribution of the non-executive directors, further strengthens the relations between the executive and non-executive directors, notwithstanding that the roles of Chairman of the Board and Chief Executive Officer are performed by the same individual. The independent non-executive directors shall carry out regular reviews to assess the soundness of such decision, in particular to ensure that strong principles of good corporate governance are upheld at all times.

The Board intends to keep under review the benefits of separating the role of Chairman of the Board and Chief Executive Officer, or otherwise.

Principle Seven: Evaluation of the Board's Performance

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1. The Board believes that the stage the Company has reached, given that all efforts have been directed at starting operations of the Shoreline Mall Complex, the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose.

The Board shall continue reviewing this matter in future.

Principle Eight: Committees

The Board considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committee in line with Code Provision 8A. The Board relies on the constant scrutiny of the Board itself, the Company's shareholders, the market and the rules by which the Company is regulated as a listed entity. In addition, the Board took into consideration the fact that the remuneration of the Board is not performance related.

The Board intends to keep under review the utility and possible benefits of having a Remuneration Committee in due course.

Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the company's Memorandum and Articles of Association. The Company considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

Signed on behalf of the Company's Board of Directors on 28 October 2024 by Robert Ancilleri and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2024

Shoreline Mall p.l.c

Statement of profit or loss and other comprehensive income

Year ended 30 June 2024

	Notes	**2024 (52 weeks)**	2023 (61 weeks)
		EUR	EUR
Rental income	5	**927,656**	-
Property operating expenses		**(148,237)**	-
Net rental income		**779,419**	-
Revenue from inventory property	5	**9,400,000**	-
Cost of sales – inventory property		**(6,099,318)**	-
Profit on inventory property		**3,300,682**	-
Other income		**24,000**	6,000
Administrative expenses	6	**(2,330,572)**	(407,412)
Operating profit/(loss) for the year/period		**1,773,530**	(401,412)
Finance cost	7	**(578,768)**	-
Profit/(loss) before tax		**1,194,762**	(401,412)
Income tax credit	9	**362,397**	-
Profit/(loss) loss for the year/period	8	**1,557,159**	(401,412)

Statement of financial position

30 June 2024

	Notes	30.06.2024 EUR	30.06.2023 EUR
ASSETS AND LIABILITIES			
Non-current assets			
Investment property under construction	12	-	58,589,770
Investment property	12	**68,515,847**	-
Property, plant and equipment	13	**409,283**	-
Intangible assets		**24,216**	-
Deferred tax asset	9	**362,397**	-
		69,311,743	58,589,770
Current assets			
Inventory under construction	15	**6,020,237**	11,319,889
Trade and other receivables	14	**8,579,728**	1,379,732
Amounts due from group companies	16	**1,033,898**	15,264
Cash and cash equivalents	23	**211,096**	2,498,703
		15,844,959	15,213,588
Total assets		**85,156,702**	73,803,358
LIABILITIES			
Current liabilities			
Trade and other payables	17	**4,123,888**	10,755,222
Amounts due to group companies	18	**22,397,461**	6,095,591
Lease liabilities	19	**148,013**	435
		26,669,362	16,851,248
Non-current liabilities			
Other payables	17	**376,100**	321,150
Lease liabilities	19	**-**	148,013
Debt securities in issue	20	**39,582,991**	39,511,857
		39,959,091	39,981,020
Total liabilities		**66,628,453**	56,832,268
Net assets		**18,528,249**	16,971,090
EQUITY			
Share capital	21	**18,075,998**	18,075,998
Accumulated profit/(losses)		**452,251**	(1,104,908)
Total equity		**18,528,249**	16,971,090

Signed on behalf of the Company's Board of Directors on 28 October 2024 by Robert Ancilleri (Director) and Ryan Edward Otto (Director) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Financial Statements 2024.

Statement of changes in equity

Year ended 30 June 2024

	Share capital EUR	Accumulated losses EUR	Total EUR
Balance at 30 April 2022	**18,075,998**	**(703,496)**	**17,372,502**
Loss and total comprehensive loss for the period	-	(401,412)	(401,412)
Balance at 30 June 2023	**18,075,998**	**(1,104,908)**	**16,971,090**
Profit and total comprehensive income for the year	**-**	**1,557,159**	**1,557,159**
Balance at 30 June 2024	**18,075,998**	**452,251**	**18,528,249**

Shoreline Mall p.l.c

Statement of cash flows

Year ended 30 June 2024

	2024 EUR	2023 (61 weeks) EUR
Cash flow from operating activities		
Profit/(loss) before tax	**1,194,762**	(401,412)
Depreciation & amortisation	**605,959**	-
Interest cost	**578,768**	-
	2,379,489	(401,412)
Working capital movements:		
Movement in inventory	**(2,300,679)**	(309,264)
Movement in trade and other receivables and related party balances for construction costs in connection with inventory	**(329,230)**	(1,257,630)
Movement in trade and other payables	**1,827,330**	741,125
Cash flow used in operating activities	**1,576,910**	(1,227,181)
Interest paid on lease liabilities	**(4,406)**	(6,328)
Net cash flows used in operating activities	**1,572,504**	(1,233,509)
Cash flows from investing activities		
Addition to investment property/investment property under construction	**(4,640,312)**	(1,017,150)
Additions to property, plant and equipment	**(442,501)**	-
Additions to intangible assets	**(25,835)**	-
Net cash flows used in investing activities	**(5,108,648)**	(1,017,150)
Cash flows from financing activities		
Interest on debt securities	**(1,730,000)**	(1,730,000)
Payment of principal amount of lease Liability	**(435)**	-
Financing from related parties	**2,978,972**	4,708,500
Net cash from financing activities	**1,248,537**	2,978,500
Net movement in cash and cash equivalents	**(2,287,607)**	727,841
Cash and cash equivalents at the beginning of the year	**2,498,703**	1,770,862
Cash and cash equivalents at the end of the year (note 23)	**211,096**	2,498,703

1. Company information and basis of preparation

Shoreline Mall p.l.c. is a public limited liability company incorporated in Malta with registration number C 84005. The registered address of the company is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, Malta.

The company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential terraced houses for resale, which both form part of the development undertaken in Smart City Malta (the Shoreline site) by the group of companies controlled by Shoreline Holdings Limited.

The financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards as adopted by the EU. The material accounting policies adopted are set out below. During the prior financial period the company changed its financial year end from 30 April 2023 to 30 June 2023. The comparative period therefore covers a 14 month period from 1 May 2022 to 30 June 2023. These financial statements cover the financial year ending 30 June 2024.

2. Material accounting policies

Revenue Recognition

Revenue includes rental income and from sale of inventory property.

Rental income from operating leases is recognised on a straight-line basis over the lease term, except for contingent rental income which is recognised when it arises; it is included in revenue in the statement of profit or loss due to its operating nature. When the Company provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

The sale of completed property constitutes a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers.

Investment property and investment property under construction

Investment property includes right-of-use assets in terms of IFRS 16 Leases together with development that is being constructed by the Company on those right-of-use assets. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

2. Material accounting policies (continued)

Inventories - Properties held for development and resale

Inventory includes right-of-use assets in terms of IFRS 16 *Leases* together with development that is being constructed by the Company on those right-of-use assets. The accounting policy for right-of-use assets is included below in the Section entitled ‘Leases’.

Inventories, including leasehold land right-of-use assets classified as inventory for which it is reasonably certain that the purchase option is going to be exercised, are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition, these comprise the purchase cost of acquiring the land together with other costs incurred during its subsequent development. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method.

The estimated useful lives of investment property are as follows:

Buildings	50 years
Air conditioning	6 years
Electronic equipment	4 years
Electrical equipment	15 years
Vertical transportation	10 years

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. No depreciation is charged on leasehold land right-of-use assets classified as investment property for which it is reasonably certain that the purchase option is going to be exercised.

Financial instruments

The company’s financial instruments consist of the following:

(i) Trade and other receivables

Trade and other receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss as applicable.

2. Material accounting policies (continued)

Financial instruments (continued)

(i) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

(ii) Amounts due to group companies and other payables

Other payables are classified with current and non-current liabilities and are stated at their nominal value, unless the effect of discounting is material, in which case other payables are measured at amortised cost using the effective interest method.

(iii) Amounts due from group companies

These financial assets are subsequently measured at amortised cost as they meet the following conditions:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

Where applicable, interest income is recognised using the effective interest method.

Estimated credit losses (ECLs)

The Company recognises a loss allowance for ECLs on the following – financial assets measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition. For financial assets other than trade receivables and contract assets, the Company uses the general approach and recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ('12m ECL'). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Company recognises an impairment gain or loss in profit or loss. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

2. Material accounting policies (continued)

Estimated credit losses (ECLs) (continued)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort and, where applicable, the financial position of the counterparties.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors or borrowers operate as well as consideration of various external sources of actual and forecast economic information that relate to the debtors' or borrowers' core operations.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, for these financial assets, the loss allowance is measured at an amount equal to 12m ECL.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 120 days past due, unless the company has reasonable and supportable information, that is available without undue cost or effort, that demonstrates otherwise.

Evidence that a financial asset is credit-impaired includes observable data about the following events:
a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event;
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs are directly attributable to the acquisition and construction of investment property and inventory, qualifying assets of the Company, which are assets necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until the completion of the property. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

The interest expense on the lease liability and finance cost on debt securities in issue are included in the cost of the relevant qualifying assets classified as either (i) investment property or (ii) inventories.

2. Material accounting policies (continued)

Leases

The Company as a lessee:

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Where a right-of-use asset and a corresponding lease liability is recognised, the lease liability is initially measured at the commencement date at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially measured at the commencement date at cost, being the amount of the initial measurement of the corresponding lease liability, initial direct costs, lease payments made at or before the commencement day less any lease incentives received. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The Company applies the accounting policy entitled ‘Depreciation’ and the accounting policy entitled ‘Impairment of other assets’ to determine and to measure the extent of any impairment losses on the right-of-use assets.

As described in note 15, in the statement of financial position, right-of-use assets that do not meet the definition of investment property are included within inventories (being the same line item as that within which the corresponding underlying assets would be presented if they were owned). In the statement of financial position, right-of-use assets that meet the definition of investment property are presented with investment property. In the statement of financial position, lease liabilities are included separately from other liabilities.

In the statement of profit or loss and other comprehensive income, interest expense on the lease liability is presented separately from the depreciation charge for the right-of-use asset. In the statement of cash flows, cash payments for the principal portion of the lease liability are presented within financing activities and cash payments for the interest portion of the lease liability are presented within operating activities.

The interest expense on the lease liability is accounted for in accordance with the Company’s accounting policy entitled ‘Borrowing costs’.

The Company as a lessor:

Refer to accounting policies on rental income in this note.

2. Material accounting policies (continued)

Taxation

Current and deferred tax is recognised in profit or loss.

Current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other years. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated 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 that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to set off its current tax assets and liabilities and 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 which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, other than as disclosed in note 12.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective

International Financial Reporting Standards applicable during the current year

During the current year, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 July 2023.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

International Financial Reporting Standards applicable during the current year (continued)

Amendments to IAS 1 - Presentation of Financial Statements, IFRS Practice statement 2: Disclosure of Accounting Policies (effective for financial years on or after 1 January 2023). The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Material accounting policy information is now required to be disclosed instead of significant accounting policies. The amendments explain how an entity can identify material accounting policy information and give examples of when accounting policy information is likely to be material. Accounting policy information may be material due to its nature and is material if users of an entity's financial statements would need it to understand other material information in financial statements. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples and demonstrate the application of the 'four-step materiality process to accounting policy information in order to support the amendments to IAS 1.

With effect from these financial statements for the year ended 31 June 2024, the Company consequently limited its disclosure of accounting policies to that information that is material.

Except for the amendments to IAS 1 and IFRS Practice Statement 2, the adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies impacting the Company's financial performance and position, including disclosures. These standards include the following:

- Amendments to IAS 12 - Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 Insurance Contracts and its amendment
- Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules
- Amendments to IAS 8 - Definition of Accounting Estimates

International Financial Reporting Standards in Issue but not yet Effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements, that are mandatory for the Company's accounting period beginning on or after 1 July 2024. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by EU and the Company's Directors are of the opinion that there are no requirements that will have possible significant impact on the Company's financial statements in the period of initial application, except for the below:

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current. The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

4. Initial Application of an International Financial Reporting Standard and International Financial Reporting Standards in Issue but not yet Effective (continued)

International Financial Reporting Standards in Issue but not yet Effective (continued)

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

IFRS 18 – Presentation and Disclosure in Financial Statements, effective for annual periods beginning on or after 1 January 2027. In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires additional disclosure where an entity presents management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

The directors of the company are in the process of assessing the potential impact of the above on the financial statements in future periods.

5. Revenue

Revenue consists of the following:

	2024 EUR	2023 EUR
Inventory property sales	**9,400,000**	-
Rental income	**927,656**	-
	10,327,656	-

Rental income is derived from operating lease rental income from its retail tenants at the Shoreline Mall complex. Rental income includes variable rental income of *EUR665,158.* Operating lease income is calculated at the base rate per floor area, percentage of turnover or a combination of both.

Inventory property sales comprise the sale of residential car spaces as disclosed further in note 15 and 25.

6. Administration expenses

	2024 EUR	2023 EUR
Professional fees	**155,611**	131,661
Transactional fees	**45,411**	45,533
Employee benefits	**194,758**	202,482
Depreciation and amortisation	**629,670**	-
Marketing	**153,805**	4,285
Late fees	**1,124,850**	-
Other expenses	**26,467**	23,451
	2,330,572	407,412

7. Finance costs

	2024 EUR	2023 EUR
Interest expense on bond	**578,768**	-

8. Profit/(loss) before tax

The analysis of the amounts that are payable to the auditors and that are required to be disclosed is as follows:

	2024 EUR	2023 EUR
Total remuneration payable to the company's auditor for the audit of the company's financial statements	**33,500**	13,250
Other assurance services	**3,900**	3,800
Tax compliance	**610**	610
	38,010	17,660

9. Taxation

	2024 EUR	2023 EUR
Current tax expense	**-**	-
Deferred tax credit	**(362,397)**	-
	(362,397)	-

Tax applying the statutory domestic income tax rate and the income tax expense for the year are reconciled as follows:

	2024 EUR	2023 EUR
Profit/(loss) before tax	**1,194,762**	(401,412)
Tax at the applicable rate of 35%	**35%**	35%
	418,167	(140,494)
Tax effect of:		
Inventory property profit exempt	**(1,155,239)**	-
Disallowable expenses	**37,082**	140,494
Depreciation on ineligible assets	**372,622**	-
Others	**(35,029)**	-
Income tax for the year	**(362,397)**	-

9. Taxation (continued)

Deferred taxation

	Opening balance EUR	Recognised in profit or loss EUR	Closing balance EUR
2024			
Arising on:			
Property, plant and equipment	**-**	**(512,055)**	**(512,055)**
Unused capital allowances	**-**	**351,518**	**351,518**
Unused tax losses	**-**	**524,238**	**524,238**
Right-of-use assets	**-**	**(53,109)**	**(53,109)**
Lease liabilities	**-**	**51,805**	**51,805**
	-	**362,397**	**362,397**
2023			
Arising on:			
Property, plant and equipment	-	-	-
Unused capital allowances	-	-	-
Unused tax losses	-	-	-
Right-of-use assets	-	-	-
Lease liabilities	-	-	-
	-	-	-

10. Staff costs and employee information

	2024 EUR	2023 EUR
Staff costs		
Wages and salaries	**67,253**	76,814
Recharged by fellow subsidiary	**207,693**	318,167
	274,946	394,981

The above costs include *EUR98,087 (2023 – EUR220,498)* that are capitalised within the line item investment property under construction and inventory under construction in note 12 and note 15 respectively.

The average number of employees during the year was made up as follows:

	2024 EUR	2023 EUR
Operations	**1**	1

11. Key management personnel compensation

	2024 EUR	2023 EUR
Short-term benefits:		
Directors emoluments	**24,000**	28,000

Other services rendered by directors, as paid and recorded in a group related company, as shown below based on an allocation deemed commensurate to the services received by the Company, are as follows:

	2024 EUR	2023 EUR
Directors emoluments	**7,500**	7,000
Recharged by fellow subsidiary	**59,078**	78,666
	66,578	85,666

12. Investment property/investment property under construction

	Right-of-Use Assets (Land) EUR	**Buildings under construction EUR**	**Buildings EUR**	**Total EUR**
Cost				
At 30 April 2022	**7,083,148**	**27,275,868**	**-**	**34,359,016**
Additions during the year	-	22,378,928	-	22,378,928
Capitalised interest on lease liabilities	-	6,031	-	6,031
Capitalised finance costs on debt securities in issue	-	1,845,795	-	1,845,795
At 30 June 2023	**7,083,148**	**51,506,622**	**-**	**58,589,770**
Additions during the year	**-**	**9,292,516**	**-**	**9,292,516**
Capitalised interest on lease liabilities	**-**	**3,928**	**-**	**3,928**
Capitalised finance costs on debt securities in issue	**-**	**1,200,757**	**-**	**1,200,757**
Transfer from under construction to completed	**-**	**(62,003,823)**	**62,003,823**	**-**
At 30 June 2024	**7,083,148**	**-**	**62,003,823**	**69,086,971**

12. Investment property/investment property under construction (continued)

Accumulated depreciation				
At 30 June 2023	-	-	-	-
Charge for the year	-	-	**571,124**	**571,124**
At 30 June 2024	-	-	**571,124**	**571,124**
Net book value:				
At 30 June 2023	7,083,148	51,506,622	-	58,589.770
At 30 June 2024	**7,083,148**	**-**	**61,432,699**	**68,515,847**

This consists of land costs, planning and studies, architectural, excavation, project management and construction costs relating to the construction of a mall on a portion of land which was sub-leased from Shoreline Residence Limited, a fellow subsidiary, as disclosed in note 19 to the financial statements. Shoreline Contracting Limited, another fellow subsidiary, has been managing all the construction arrangements relating to the construction of the Shoreline Mall project. The Shoreline Shopping Mall was completed and opened its doors to the public in March 2024.

The portion of the right-of-use asset of the leasehold land allocated to the investment property has been arrived at based on a sale and assignment deed that took place between Shoreline Residence Limited and a third party. Following which, a sale and assignment deed was made between Shoreline Residence Limited and the company. This latter assignment was based on a valuation from a professionally qualified valuer on the basis of market value that reflects transactions close to assignment date for similar properties as adjusted to the reflect inputs specific to the property.

The carrying amount of the company's land within investment property includes *EUR7,083,148* (2023 – *EUR7,083,148*) in respect of right-of-use assets, representing the Company's temporary emphyteusis of the leasehold land over which the buildings that are also included within investment property are being constructed. The company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. The company is reasonably certain of exercising this option at the earliest opportunity, being the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the company expects to have completed construction by not later than 16 January 2025, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 *Leases.* Upon exercise of such purchase option, the company will reclassify the carrying amount of right-of-use assets at that date to investment property that is directly owned by the company.

Borrowing costs amounting to *EUR3,928* (2023 – *EUR6,031*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EUR1,200,757* (2023 – *EUR1,845,795*) and comprising interest on the debt securities in issue were also capitalised into the cost of the buildings up to the completion of the property.

12. Investment property/investment property under construction (continued)

During the current year, management has assessed the fair value of the investment property after taking into consideration the discounted cash flows for projected rental income less operating expenses necessary to manage the mall. Based on this assessment, management determined the fair value of the investment property as at 30 June 2024 amount to *EUR69.6 million* (*2023 – EUR58.9 million*). This fair value measurement is based on an internal valuation, and is classified as a Level 3 measurement within the fair value hierarchy. In estimating the fair value of the investment property, the highest and best use is its current use.

Moreover, the directors reviewed the carrying amount of the investment property as at 30 June 2024 to evaluate whether events or changes in the condition may indicate that the carrying amount of the investment property may not be recoverable as at balance sheet date. The recoverable amount of the investment property is determined using a discounted cash flow analysis to determine value-in-use, which is based on the following key inputs and assumptions:

- rental income growth rate for the commercial Mall of 10% from years 1-3 and growth rate of 5% from year 4 onwards;
- rental income growth rate for the commercial parking of 2%;
- growth rates used to extrapolate cash flows beyond the forecast period of 2%;
- use of 7.4% discount rate to discount the projected cash flows to net present value.

Based on the above assessment, the directors assessed that the carrying amount of investment property is recoverable and there is no impairment in value.

13. Property, plant and equipment

	Electronic Equipment EUR	Furniture and Fittings EUR	Total EUR
Cost			
At 30 June 2023	-	-	-
Additions for the year	391,992	50,509	442,501
At 30 June 2024	**391,992**	**50,509**	**442,501**
Accumulated depreciation			
At 30 June 2023	-	-	-
Charge for the year	32,110	1,108	33,218
At 30 June 2024	**32,110**	**1,108**	**33,218**
Net book value:			
At 30 April 2023	-	-	-
At 30 June 2024	**359,882**	**49,401**	**409,283**

14. Trade and other receivables

	2024 EUR	2023 EUR
Trade and other receivables	**426,556**	1,087,091
Vat receivables	**7,889,401**	271,183
Accrued Income	**255,213**	-
Prepayments and deposits paid	**8,558**	21,458
	8,579,728	1,379,732

Trade receivables are unsecured, interest free and are expected to be realised within the normal operating cycle.

15. Inventory under construction

Cost	**Right-of-use assets (Land) EUR**	**Buildings EUR**	**Total EUR**
Balance at 30 April 2022	**6,071,270**	**3,050,815**	**9,122,085**
Additions during the year	-	1,943,041	1,943,041
Capitalised interest on lease liabilities	-	836	836
Capitalised finance costs on debt securities in issue	-	253,927	253,927
Balance at 30 June 2023	**6,071,270**	**5,248,619**	**11,319,889**
Additions during the year	**-**	**781,292**	**781,292**
Disposals during the year (recognised in cost of sales)	**(1,011,878)**	**(5,087,440)**	**(6,099,318)**
Capitalised interest on lease liabilities	**-**	**478**	**478**
Capitalised finance costs on debt securities in issue	**-**	**17,896**	**17,896**
Balance at 30 June 2024	**5,059,392**	**960,845**	**6,020,237**

This amount includes cost of development of residential units and residential parking spaces for sale in the ordinary course of business on a portion of land which was sub-leased from Shoreline Residence Limited, as disclosed in note 19 to the financial statements.

Inventories are expected to be recovered after more than twelve months. This is considered to be the normal operating cycle of the company.

The residential parking spaces have been committed to Shoreline Residence Limited. In November 2023 a deed was signed between the Company and Shoreline Residence limited for the sale of these residential parking spaces for a total value of *EUR9,400,000* as mentioned in note 25.

15. Inventory under construction (continued)

The carrying amount of the company's land within inventory includes *EUR5,059,392* (2023 – *EUR6,071,270*) in respect of right-of-use assets, representing the company's temporary emphyteusis of the leasehold land over which the buildings that are also included within inventory are being constructed. The company, as lessee, has the option to effectively purchase the land by converting the emphyteusis from temporary to perpetual and simultaneously redeeming the perpetual emphyteusis. The company is reasonably certain of exercising this option at the earliest opportunity, being the completion of construction or 16 January 2025 (being the period of 5 years and nine months from the date of the Agreement between Shoreline Residence Limited and SmartCity (Malta) Limited), whichever occurs the latest. Since the company expects to have completed construction by not later than 16 January 2025, the lease term was determined to end on this date for the purposes of the requirements of IFRS 16 Leases. Upon exercise of such purchase option, the company will reclassify the carrying amount of right-of-use assets at that date to inventory that is directly owned by the company.

Borrowing costs amounting to *EUR478* (2023 – *EUR836*) and comprising interest on the lease liabilities were capitalised during the period into the cost of the buildings, based on the borrowing rate of 4%. Further borrowing costs amounting to *EUR 17,896* (2023 – *EUR253,927*) and comprising interest on the debt securities in issue were also capitalised during the period into the cost of the buildings.

16. Amounts due from group companies

	2024	2023
	EUR	EUR
Amounts due from related parties	**1,033,898**	15,264

The amounts due from related parties are interest-free, payable on demand, denominated in EUR and have no fixed date for repayment.

17. Trade and other payables

	2024	2023
	EUR	EUR
Trade payables	**1,139,447**	610,925
Accrued interest	**1,586,767**	1,583,069
Other accruals	**1,198,920**	161,228
Retention creditors	**198,754**	-
Deposits received	**376,100**	8,721,150
	4,499,988	11,076,372
Less: long term deposits received	**(376,100)**	(321,150)
	4,123,888	10,755,222

In the prior year an amount of *EUR8,400,000* that was received from a related party, as further described in note 24 and 25, was included under deposits received.

17. Trade and other payables (continued)

Long term deposits represent security deposits received from tenants of the Shoreline Mall which are refundable upon termination of the lease agreement after the "di fermo" period which exceeds 12 months from the end of the reporting period.

18. Amounts due to group companies

	2024	2023
	EUR	EUR
Amounts due to group companies	**22,397,461**	6,095,591

Shoreline Contracting Limited entered into agreements directly with contractors for the development and construction of the Shoreline Mall project. These costs have been financed through group companies as further described in note 24 and 25.

The amounts due to group companies are unsecured, interest-free, denominated in EUR and the company has no unconditional right to defer settlement for at least 12 months from the end of the reporting period. The expectation for settlement is 12 months from the date of the statement of financial position.

19. Lease liabilities

Further disclosures are provided in note 12 Investment Property and note 15 Inventory under construction.

The company entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis expiring on 22 April 2106, with the option of effectively purchasing the land upon completion of construction or 16 January 2025, whichever occurs the latest. As disclosed in notes 12 and 15, the company is reasonably certain of exercising this purchase option on 16 January 2025. As required by IFRS 16 *Leases*, the amount that will be required to exercise this purchase option has been included as a lease payment, and therefore also included within the measurement of the lease liability and corresponding right-of-use asset.

The land that is the subject of the Agreement shall be used solely and exclusively for the construction of the Shoreline Complex. The Company is prohibited from transferring under any title the undeveloped land and / or airspace without first obtaining the consent of SmartCity (Malta) Limited, which consent shall not be withheld if the proposed transferee is an international investor of good repute. The Company shall be entitled to freely transfer by any title the developed Complex, subject to certain terms and conditions.

The lessee's weighted average incremental borrowing rate used to measure the company's lease liabilities is 4% per annum. All lease obligations are denominated in EUR.

19. Lease liabilities (continued)

	2024 EUR	2023 EUR
Present value of lease obligations	**148,013**	148,448
Less: amounts included in current liabilities	**(148,013)**	(435)
Amounts included in non-current liabilities	**-**	148,013

The total cash outflows for leases amounted to *EUR6,328 (*2023 – *EUR6,328*) during the period under review.

In accordance with the Company's accounting policy on depreciation, there is no depreciation charge for the year on right-of-use assets, both for the current and previous year.

The maturity analysis for lease liabilities is disclosed in note 27.

20. Debt securities in issue

	2024 EUR	2023 EUR
Non-current		
Series A Bonds – 4% and Series B Bonds 4.5%	**39,582,991**	39,511,857
Face value of the bonds		
Series A Bonds – 4%	**14,000,000**	14,000,000
Series B Bonds – 4.5%	**26,000,000**	26,000,000
	40,000,000	40,000,000
Issue costs	**686,251**	686,251
Accumulated amortisation	**(269,242)**	(198,108)
Net book amount	**417,009**	488,143
Amortised cost	**39,582,991**	39,511,857

The company was approved by the Listing Authority in Malta, on 18 June 2020, for the issuance of *EUR14,000,000* 4% Secured Bonds 2026 (series A Bonds) and *EUR26,000,000* 4.5% Secured Bonds 2032 (series B Bonds). Both series bonds were issued at a nominal value of *EUR100* at par. The bond subscriptions closed in July 2020 with the bonds being fully subscribed with interest payable annually on 1 August, starting from 1 August 2021. The proceeds were utilised for the development of the project.

20. Debt securities in issue (continued)

A Special Hypothec on the entire carrying amount of the property as classified under investment property under construction and inventory under construction in note 12 and 15 respectively was registered in favour of the Security Trustee for the benefit of the Bondholders in accordance with its obligations under Section 4.6.1 of the Securities Note. The Special Hypothec secures the principal amount of the bond still outstanding and accrued interest.

An amount of *EUR1,225,200* 4% Secured Bonds 2026 (Series A Bonds) and *EUR554,800* 4.5% Secured Bonds 2032 (Series B Bonds) was subscribed by a group company at the original subscription date. As of 30 June 2024, the amount of bonds still held by the fellow subsidiary amounted to *EUR Nil* (2023 – *EUR420,600*) 4% Secured Bonds 2026.

21. Share capital

	2024 and 2023		
	Authorised	**Issued**	**Called up and paid**
	EUR	**EUR**	**EUR**
16,575,997 Ordinary A shares of EUR1 each	**16,575,997**	**16,575,997**	**16,575,997**
4,424,002 Ordinary A shares of EUR1 each	**4,424,002**	**4,424,002**	**1,500,000**
1 ordinary B share of EUR 1	**1**	**1**	**1**
	21,000,000	**21,000,000**	**18,075,998**

The holders of the ‘A’ and ‘B’ shares rank ‘pari passu’ in all respects.

22. Fair values of financial assets and financial liabilities

At 30 June 2024 and 30 June 2023 the carrying amounts of financial assets and financial liabilities classified within current assets and current liabilities respectively approximated their fair values due to the short term maturities of these assets and liabilities. The fair value of the debt securities in issue amounted to *EUR24,440,000 (2023 – EUR23,920,000*) for the 4.5% Secured bonds and *EUR13,440,000* (2023 – *EUR13,580,000*) for the 4% Secured bonds and were measured using level 2 of the fair value hierarchy, by referring to the latest traded price in the local market. The financial liabilities in this paragraph exclude lease liabilities.

23. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amount in the statement of financial position:

	2024	2023
	EUR	EUR
Cash at bank	**211,096**	2,498,703
	211,096	2,498,703

As at 30 June 2024, the amounts held with a security trustee as included with cash at bank amounted to *EUR Nil* (2023 – *EUR1,258,198).*

Cash at bank earns interest at floating rates based on bank deposit rates.

24. Significant non-cash transactions

In a prior period, through an assignment agreement entered by the Company with Shoreline Contracting Limited, an amount of *EUR8,400,000*, which was previously payable to Shoreline Contracting Limited, was reassigned to Shoreline Residence Limited. The payable balance to Shoreline Residence Limited (note 17) represented an initial contribution which was settled by the Company through the transfer of residential car parking spaces to Shoreline Residence Limited in the current period as described in note 25.

25. Related party disclosures

The parent and ultimate parent companies of Shoreline Mall p.l.c. are Shoreline Holdings Limited and Jade Property Investments Ltd respectively, which are both incorporated in Malta. The registered office of Shoreline Holdings Limited is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, whilst the registered address of Jade Property Investments Limited is Suite 5 Paolo Court, 13 Giuseppe Cali Street, Ta' Xbiex, Malta.

Shoreline Holdings Limited, the immediate parent prepares consolidated financial statements. Copies of the consolidated financial statements may be obtained from the Malta Business Registry.

The directors consider the ultimate controlling party to be Ryan Edward Otto who, indirectly, owns 61.82% (2022 – 61.82%) of the issued share capital of the immediate parent company.

As disclosed in note 19, the company had previously entered into an agreement with Shoreline Residence Limited, in terms of which it leased a plot of undeveloped land under a temporary emphyteusis.

During the current and prior periods, fellow subsidiaries and related parties have recharged to Shoreline Mall p.l.c, the costs incurred in connection with the development of the Shoreline Mall project (notes 12 and 15). The total cost of acquiring such assets during the current period amounted to *EUR15,666,052* (2023 – *EUR23,116,090*).

Related party deposits received for the transfer of parking spaces and set off of intergroup balances are described in note 24 whilst the sale of the parking spaces is further described in note 15.

25. Related party disclosures (continued)

Included under rental income are amounts received from Shorematrix Limited of *EUR49,460 (2023- nil)* and from Shoreline Management limited of *EUR19,257 (2023- nil)* for the usage of the Gravity and Instamuse store and Mira Mira Kiosk and office space within the Shoreline Mall complex, respectively.

Further, the Company incurred and charged costs of *EUR1,085,805 (2023– Nil)* relating to fit-out works for the Gravity store to Shorematrix Ltd.

The Company paid Shoreline Management limited an amount of *EUR58,546 (2023 – nil)* for Management services relating to the operations of the Shoreline Mall.

Key management personnel compensation is disclosed in note 11.

The terms and conditions of the amounts due from/to related parties at year end are disclosed in note 16 and 18. The terms and conditions in respect of the related party balances do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received.

26. Commitments

Operating lease commitments - Company as a lessor

The Company has entered into operating leases on its property portfolio. The commercial property leases typically have lease terms of between 8 and 20 years and include clauses to enable periodic upward revision of the rental charge. Some leases contain options to break before the end of the lease term. Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2024 are, as follows:

	2024	2023
	EUR	EUR
Within 1 year	**748,202**	-
After 1 year, but not more than 2 years	**985,476**	-
After 2 years, but not more than 3 years	**1,178,986**	-
After 3 years, but not more than 4 years	**594,364**	-
After 4 years, but not more than 5 years	**197,057**	-
More than 5 years	**141,042**	-
	3,845,127	-

The expenses incurred in operating the investment property that generate rental income amounted to *EUR148,237*.

Capital commitments

	2024	2023
	EUR	EUR
Investment property	**203,843**	3,718,528
Inventory under construction	**-**	2,573,443
Property, plant and equipment and intangible assets	**27,218**	-
Contracted but not provided for	**231,061**	6,291,971
Investment property	**69,009**	507,204
Inventory under construction	**3,094,727**	1,500,000
Property, plant and equipment and intangible assets	**310,000**	-
Authorised but not contracted for	**3,473,736**	2,007,204

26. Capital commitments (continued)

This represents the total estimated capital expenditure, construction, development and other directly attributable costs to complete the inventory under construction and other minor projects within the Shoreline Mall.

27. Financial risk management

The exposures to risk and the way risks arise, together with the company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the company's exposure to financial risks or the manner in which the company manages and measures these risks are disclosed below.

Where possible, the company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Credit risk

Credit risk refers to the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk is managed at a group level.

Financial assets which potentially subject the Company to credit risk consist principally of cash at bank, trade receivables and amounts due from group companies.

The Company held cash at bank of *EUR211,096* at 30 June 2023 (2023 – *EUR2,498,706*). The cash at bank is held with Bank of Valletta plc., an investment grade-rated banking institution having a credit rating of BBB- as per Standard and Poor's (S&P's) (2023: BBB-). Impairment on cash at bank has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash at bank has low credit risk based on the external ratings of S&P's. The company's directors have assessed the potential ECL is insignificant.

Financial assets measured at amortised cost are presented net of an allowance for expected credit losses. The Company's management estimated that as at 30 June 2024, trade receivables of *EUR426,556 (2023 – 1,087,091)* and amounts due from group companies of *EUR1,033,898 (2023 – EUR15,264)* are considered to have a low risk of default and do not have any past due amounts. The provision for loss allowance (12m ECL) is therefore deemed to be not material.

The company limits its exposure to credit risk by assessing the tenants according to company criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals and services to tenants in advance. Outstanding tenants' receivables are regularly monitored and impairment analysis is performed at each reporting date on an individual basis for major tenants.

27. Financial risk management (continued)

Credit risk rating grades

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk without taking account of the value of any collateral obtained as below:

	2024	2023
	EUR	EUR
Cash at bank	**211,096**	2,498,703
Trade and other receivables	**426,556**	1,087,091
Amounts due from group companies	**1,033,898**	15,264
	1,671,550	3,601,058

Liquidity risk

The company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally of other payables, amounts due to group companies, lease liabilities and debt securities in issue as disclosed in notes 17, 18, 19, and 20, respectively.

As at the end of the reporting period the Company's current liabilities exceeded current assets by *EUR10,824,403*. A fellow group company has provided an undertaking that it will not request settlement of the amounts due to it by the Company until the Company's financial resources permit and together with the ultimate shareholders have given their commitment to provide continued financial support to enable the Company to meet its obligations as and when they fall due. The Company is therefore confident that it will be in a position to continue to meet its commitments as and when they fall due.

The Company monitors and manages its risk to a shortage of funds by monitoring the availability of raising funds to meet commitments associated with the development of the Shoreline site. The company enjoys the support of its immediate parent and the ultimate shareholders and the Company's related party balances are expected to continue to form part of the company's effective financing structures. The Company is therefore confident that it will be in a position to continue to meet its commitments as and when they fall due.

Liquidity is largely managed at group level whereby funds are transferred within the group as the need arises. The Shoreline Group is in the process of reviewing its financing arrangements to ensure that it is in a position to meet its short-term operational and cash flow commitments. As disclosed in notes 20, in a prior year the Company raised funds through an issue of bonds on the Maltese Stock Exchange.

27. Financial risk management (continued)

Liquidity risk

The following maturity analysis shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the company can be required to pay. The analysis includes both interest and principal cash flows.

	On demand or within 1 year EUR	2-3 years EUR	4-5 years EUR	6-7 years EUR	8 years + EUR	Total EUR
2024						
Non-derivative financial liabilities						
Non-interest bearing	**24,946,582**	**61,850**	**162,250**	**140,000**	**-**	**25,310,682**
Fixed rate instruments	**1,730,000**	**17,460,000**	**2,340,000**	**2,340,000**	**28,340,000**	**52,210,000**
Lease liabilities	**151,228**	**-**	**-**	**-**	**-**	**151,228**
	26,827,810	**17,521,850**	**2,502,250**	**2,480,000**	**28,340,000**	**77,671,910**
2023						
Non-derivative financial liabilities						
Non-interest bearing	6,867,744	-	181,150	140,000	-	7,188,894
Fixed rate instruments	1,730,000	3,460,000	16,900,000	2,340,000	29,510,000	53,940,000
Lease liabilities	6,328	151,228	-	-	-	157,556
	8,604,072	3,611,228	17,081,150	2,480,000	29,510,000	61,286,450

Changes in liabilities arising from financing activities

	1 July 2023 EUR	Other movement EUR	Cashflows EUR	30 June 2024 EUR
Lease liabilities	**148,448**	**-**	**(435)**	**148,013**
Current non interest bearing related party financing	**6,095,591**	**13,322,898**	**2,978,972**	**22,397,461**
Debt securities in issue	**39,511,857**	**1,801,134**	**(1,730,000)**	**39,582,991**
	45,755,896	**15,124,032**	**1,248,537**	**62,128,385**

	1 May 2022 EUR	Other movement EUR	Cashflows EUR	30 June 2023 EUR
Lease liabilities	147,909	539	-	148,448
Current non interest bearing related party financing	-	1,387,091	4,708,500	6,095,591
Debt securities in issue	39,429,903	1,811,954	(1,730,000)	39,511,857
	39,577,812	(287,229)	2,978,500	45,755,896

27. Financial risk management (continued)

Interest rate risk

The company has issued debt securities to finance its operations as disclosed in note 20. The interest rates thereon and the terms of such borrowings are disclosed accordingly. Cash at bank earns interest at floating interest rates as disclosed in note 23.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by adjusting its selling prices or by restructuring its financing structure. The Company is exposed to fair value interest rate risk on borrowings carrying a fixed interest rate, however since these instruments are measured at amortised cost, changes in their fair value will have no impact on the financial statements. The Company's exposure on cash flow interest rate risk with floating interest rate is immaterial.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

Where applicable, interest is capitalised in accordance with the Company's accounting policy on borrowing costs.

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of debt, which includes debt securities in the amount of *EUR39,582,991*, as disclosed in note 20, net of cash and cash equivalents in the amount of *EUR211,096*, as disclosed in note 23 and items presented within equity in the statement of financial position.

The company's directors manage the company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the company balances its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

28. Segment information

The Shoreline Mall is located in Malta and accordingly revenues from the above activities will be attributed to Malta. As outlined in note 1, the company's principal activity is to manage the Shoreline Mall shopping complex and to develop residential villas for resale. The company's main business consist of:

c. The generation of rental income from the commercial operations within the Shoreline Mall units and carpark; and
d. The sale of immovable property within the Shoreline site, mainly consisting of residential villas and residential carpark spaces.

During the current financial year the residential carpark spaces were sold in its entirety.

The remaining properties are classified with inventories and investment properties respectively in note 15 and note 12. Since the project is managed centrally the above activities are considered to be one operating segment as at the year end.

29. Events after the end of the reporting year

There are no subsequent events requiring disclosure under IAS 10.

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Exemption number: EXO2155

Independent auditor's report

to the members of
Shoreline Mall p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shoreline Mall p.l.c. (the Company), set out on pages 15 to 43, which comprise the Statement of Financial Position of the Company as at 30 June 2024, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company for the period then ended, and notes to the financial statements, including a material accounting policy information .

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Shoreline Mall p.l.c as at 30 June 2024, and of the Company's financial performance and cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap.386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and have not provided any of the non-audit services prohibited by article 18A(1) of the Maltese Accountancy Profession Act (Cap. 281).

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This key audit matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Deloitte.

Independent auditor’s report (continued)
to the members of
Shoreline Mall p.l.c.

Investment property under construction – fair value disclosures
The Company holds investment property amounting to *EUR68,515,847* as at 30 June 2024 which is measured at cost less any subsequent accumulated depreciation and any accumulated impairment losses. The investment property comprises a portion of land pertaining to the Shoreline project and capital expenditure as directly attributable to the asset. Although the investment property is held at cost, fair value disclosures are required under IAS 40 – *Investment Property*. The fair value disclosure of the investment property is quantitatively and qualitatively material to the financial statements.

The directors’ assessment process of establishing fair value is based on expected discounted future cash flows using income approach where certain key assumptions were applied as further described in note 12.

Our audit response in respect of the directors’ disclosure of the fair value of the Company’s investment property included the following:

- Evaluating the design and implementation of key controls over the Company's valuation process;

- Involving internal valuation specialists to review the key assumptions used by management in determining the fair value of the investment property, which included performing sensitivity analyses of key inputs in management’s valuation and by applying alternative scenarios in order to evaluate whether management’s valuation falls within an acceptable range as at 30 June 2024; and

- Obtaining and reviewing available supporting evidence to evaluate the data applied in the determination of fair value.

The Company’s disclosures about fair value are included in note 12, which explains the basis on which the fair value disclosures for the investment property was determined by the directors.

Information Other than the Financial Statements and the Auditor’s Report Thereon
The directors are responsible for the other information. The other information comprises the Directors, officers and other information page, the Directors’ Report, the Statement of Directors’ responsibilities and the Corporate Governance Statement of Compliance, which we obtained prior to the date of this auditor’s report.

However, the other information does not include the financial statements and our auditor’s report thereon.

Except for our opinions on the Directors’ Report in accordance with the Maltese Companies Act (Cap. 386) and on the Corporate Governance Statement of Compliance in accordance with the Capital Market Rules issued by the Maltese Financial Services Authority, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report and set out above, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report (continued)

to the members of
Shoreline Mall p.l.c.

Information Other than the Financial Statements and the Auditor's Report Thereon (continued)
With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386), and the statement required by Rule 5.62 of the Capital Market Rules on the Company's ability to continue as a going concern.

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap. 386) in relation to the Directors' Report on pages 2 to 4, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements; and

- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors and the Audit Committee for the Financial Statements
As explained more fully in the Statement of Directors' responsibilities on page 5, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Maltese Companies Act (Cap.386), and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors have delegated the responsibility for overseeing the Company's financial reporting process to the Audit Committee.

Auditor's Responsibilities for the Audit of the Financial Statements
This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Maltese Companies Act (Cap.386), the scope of our audit does not include assurance on the future viability of the Company or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company. The financial position of the Company may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

Deloitte.

Independent auditor's report (continued)
to the members of
Shoreline Mall p.l.c.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
As such, our audit report on the Company's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and to identify any facts or circumstances that may be materially relevant thereto.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's ability to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte.

Independent auditor's report (continued)
to the members of
Shoreline Mall p.l.c.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the individual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance of the Annual Financial Report with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS")

Pursuant to Capital Markets Rule 5.55.6 issued by the Malta Financial Services Authority, we have undertaken a reasonable assurance engagement in accordance with the requirements of the *Accountancy Profession (European Single Electronic Format) Assurance Directive* issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281), hereinafter referred to as the "ESEF Directive 6", on the annual financial report of the Company for the period ended 30 June 2023, prepared in a single electronic reporting format.

Solely for the purposes of our reasonable assurance report on the compliance of the annual financial report with the requirements of the ESEF RTS, the "Annual Financial Report" comprises the Directors' Report, the Statement of Directors' responsibilities, the Corporate Governance Statement of Compliance, the annual financial statements, the prescribed disclosures of material contracts, General Company Information, and the Independent auditor's report, as set out in Capital Markets Rules 5.55.

Where the Annual Financial Report does not include consolidated financial statements, compliance with the ESEF RTS solely requires the preparation of an Annual Financial Report in XHTML format.

Responsibilities of the Directors for the Annual Financial Report
The directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the financial statements, in XHTML format as required by Capital Markets Rule 5.56A,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report in XHTML format, that is free from material misstatement, whether due to fraud or error,

and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Auditor's responsibilities for the Reasonable Assurance Engagement
Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the financial statements is prepared, in all material respects, in XHTML format, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

Independent auditor's report (continued)

to the members of
Shoreline Mall p.l.c.

Report on Other Legal and Regulatory Requirements (continued)
Auditor's responsibilities for the Reasonable Assurance Engagement (continued)

The procedures we performed, including the assessment of the risks that the Annual Financial Report is not prepared, in all material respects, in XHTML format, whether due to fraud or error, were based on our professional judgement and included:

- Obtaining an understanding of the Company's internal controls relevant to the financial reporting process, including the preparation of the Annual Financial Report in XHTML format, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Examining whether the Annual Financial Report has been prepared, in all material respects, in XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Reasonable Assurance Opinion
In our opinion, the Annual Financial Report for the period ended 30 June 2023 has been prepared, in all material respects, in XHTML format.

This reasonable assurance opinion only covers the transfer of the information in the Annual Financial Report into XHTML format as required by the ESEF RTS, and therefore does not cover the information contained in the Annual Financial Report.

Report on Corporate Governance Statement of Compliance
Pursuant to Rule 5.94 of the Capital Markets Rules issued by the Malta Financial Services Authority, the directors are required to include in the Company's annual financial report a Corporate Governance Statement of Compliance explaining the extent to which they have adopted the Code of Principles of Good Corporate Governance set out in Appendix 5.1 to Chapter 5 of the Capital Market Rules, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement of Compliance is to contain at least the information set out in Rule 5.97 of the Capital Market Rules.

Our responsibility is laid down by Rule 5.98 of the Capital Market Rules, which requires us to include a report to shareholders on the Corporate Governance Statement of Compliance in the Company's Annual Financial Report.

We read the Corporate Governance Statement of Compliance and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated. We also review whether the Corporate Governance Statement of Compliance contains at least the information set out in Rule 5.97 of the Capital Market Rules.

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

In our opinion, the Corporate Governance Statement of Compliance set out on pages 6 to 14 has been properly prepared in accordance with the requirements of Rules 5.94 and 5.97 of the Capital Market Rules.

Independent auditor's report (continued)
to the members of
Shoreline Mall p.l.c.

Matters on which we are required to report by exception under the Companies Act
Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

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

Auditor tenure
We were first appointed by the members of the Company to act as statutory auditor of the Company, following the Company's debt listing in July 2020 by the members of the Company on 27 August 2020 for the financial year ended 30 April 2021, and were subsequently reappointed as statutory auditors by the member of the Company. The period of total uninterrupted engagement as statutory auditor since the Company became a public interest entity covers 4 financial years.

Consistency of the audit report with the additional report to the Audit Committee
Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

The audit was drawn up on 28 October 2024 and signed by:

Antoine Carabott as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta.