

AX Real Estate Limited

Interim Report and Interim Condensed Financial Statements (unaudited)

30 April 2021

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AX Real Estate Limited

Interim directors' report

Period ended 30 April 2021

Principal activities

The Company owns a number of warehouses and an office block at the Hardrocks Business Park, and an office in Sliema for rental to related and third parties.

Performance review

Rental income from the lease of warehouses and an office block at the Hardrocks Business Park to a related party remained constant in line with the comparative period. There was an increase in rental income from the lease of warehouses to third parties due to renewal of leases at more attractive rates. Administrative expenses were EUR16,793 higher than the comparative period mainly due to an increase in professional expenses incurred by the Company.

Profit before taxation for the six months under review, amounted to EUR118,040 (period ended 30 April 2020: EUR114,241).

Going Concern

Having made an appropriate assessment of going concern as discussed in Note 3 to these condensed financial statements, the Directors, at the time of approving these condensed financial statements, have determined that there is reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, these condensed financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will meet its financial obligations as and when they fall due.

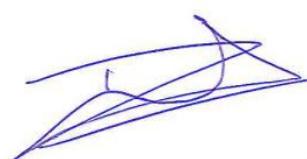
The Directors expect that the activities of the company will remain consistent for the foreseeable future.

The Directors do not recommend the payment of an interim dividend.

By order of the Board



Angelo Xuereb
Director



Denise Micallef Xuereb
Director

AX Real Estate Limited

Condensed statement of comprehensive income

Period ended 30 April 2021

	30 April 2021 EUR (unaudited and unreviewed)	30 April 2020 EUR (unaudited and unreviewed)
Revenue	145,879	125,287
Administrative expenses	(27,839)	(11,046)
Profit before tax	118,040	114,241
Income tax	(41,705)	(30,519)
Profit for the period	76,335	83,722
Total comprehensive income for the period	76,335	83,722

AX Real Estate Limited

Condensed statement of financial position

As at 30 April 2021

	Note	30 April 2021 EUR (unaudited and unreviewed)	31 October 2020 EUR (audited)
Assets			
Non-current assets			
Investment property	5	<u>6,608,895</u>	<u>6,349,418</u>
Current assets			
Trade and other receivables		<u>179,326</u>	<u>115,133</u>
Total assets		<u>6,788,221</u>	<u>6,464,551</u>
Equity and liabilities			
Capital and reserves			
Called-up issued share capital		1,200	1,200
Capital contribution		3,500,000	3,500,000
Retained earnings		<u>248,268</u>	<u>171,933</u>
Total equity		<u>3,749,468</u>	<u>3,673,133</u>
Current liabilities			
Trade and other payables		<u>3,038,753</u>	<u>2,791,418</u>
Total liabilities		<u>3,038,753</u>	<u>2,791,418</u>
Total equity and liabilities		<u>6,788,221</u>	<u>6,464,551</u>

AX Real Estate Limited

Condensed statement of changes in equity

Period ended 30 April 2021

	Called-up issued share capital EUR	Capital contribution EUR	Retained earnings EUR	Total EUR
At 1 November 2019	1,200	-	14,136	15,336
Profit for the period	-	-	83,722	83,722
At 30 April 2020	1,200	-	97,858	99,058
At 1 November 2020	1,200	3,500,000	171,933	3,673,133
Profit for the period	-	-	76,335	76,335
At 30 April 2021	1,200	3,500,000	248,268	3,749,468

AX Real Estate Limited

Condensed statement of cash flows

Period ended 30 April 2021

	30 April 2021 EUR (unaudited and unreviewed)	30 April 2020 EUR (unaudited and unreviewed)
Net cash flows from operating activities	260,337	1,955
Net cash flows used in investing activities	(260,337)	(1,955)
Net cash flows from financing activities	-	-
	<hr/>	<hr/>
Net movement in cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	-	-
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Cash and cash equivalents at the end of the period	-	-
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AX Real Estate Limited

Notes to the condensed financial statements

Period ended 30 April 2021

1. General information

AX Real Estate Limited ("The Company") is a limited liability company incorporated in Malta. The Company owns and leases immovable property.

The interim condensed financial statements ("Interim Financial Statements") of AX Real Estate Limited for the period ended 30 April 2021 were authorised for issue in accordance with a resolution of the directors on 22 June 2021.

2. Basis of preparation

The financial information of the Company as at 30 April 2021 and for the six-month period then ended reflect the financial position and the performance of AX Real Estate Limited. The comparative amounts reflect the position of the Company as included in the audited financial statements ended 31 October 2020 and the unaudited results for the period ended 30 April 2020.

The Interim Financial Statements have been prepared under the historical cost convention, except for investment property which are stated at fair value. The same accounting policies, presentation and methods of computation have been followed in these Interim Financial Statements as were applied in the preparation of the Company's financial statements for the year ended 31 October 2020.

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 October 2020, which form the basis for these Interim Financial Statements. These Interim Financial Statements are intended to provide an update on the latest complete set of annual financial statements and accordingly they focus on new activities, events and circumstances.

3. Going concern

As at 30 April 2021, the company's current liabilities exceeded its current assets by €2,859,427 (31 October 2020: €2,676,285). The Company has the financial support from its ultimate parent undertaking to meet its obligations as and when they fall due.

On 11 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak to be a global pandemic. The directors believe that this pandemic does not have a significant impact on the company's operations or position. After taking into account the above, based on information available at the time of approving these financial statements, the directors have reasonable expectation that the company will meet all its obligations as and when they fall due over the foreseeable future and therefore, that the going concern basis adopted for the preparation of these financial statements is appropriate.

AX Real Estate Limited

Notes to the condensed financial statements

Period ended 30 April 2021

4. Application of new or revised international financial reporting standards

Standards, interpretations and amendments to published standards effective during the reporting period.

During the financial period under review, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 November 2020. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Company's accounting policies.

Standards, interpretations and amendment to published standards that are not yet effective.

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these condensed consolidated interim financial statements, that are mandatory for the Company's accounting periods beginning after 1 November 2020. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

5. Investment property at fair value

The fair value of the investment property as at 30 April 2021 is based on the valuations carried out by independent architect, on 23 January 2017 and 19 January 2018, which the directors still consider to be reflective of the fair value of the property as at 30 April 2021.

The current use of the property equates to the highest and best use. The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Company's investment property has been determined to fall within Level 3 of the fair valuation hierarchy. Details of the investment property and information about the fair value hierarchy as at the end of the period is as follows:

Type of Property	Level 3	Total
	EUR	EUR
Commercial property	6,608,895	6,608,895
Total	6,608,895	6,608,895

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the period.

AX Real Estate Limited

Notes to the condensed financial statements

Period ended 30 April 2021

5. Investment property at fair value - continued

Fair value hierarchy

All financial instruments for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Company's valuation processes, valuation techniques and types of inputs used in the fair value measurements during the period.

Description of valuation techniques used and key inputs to valuation of the investment property

For investment property categorized under Level 3 of the fair value hierarchy, the following approaches and inputs were used:

Type of Property	Valuation Technique	Inputs	Sensitivity
Commercial property	Market approach	The value of the property is based on the selling price of a similar commercial property.	The higher the price the higher the fair value.

6. Contingencies and capital commitments

Authorised and contracted commitments for capital expenditure with respect to the development and completion of a new warehouse as at 30 April 2021 amount to EUR631,468.

AX Real Estate Limited

Notes to the condensed financial statements

Period ended 30 April 2021

7. Related party transactions

The Company entered into transactions with related parties during the six-month periods ended 30 April 2021 and 2020 as follows:

	30 April 2021 EUR (unaudited and unreviewed)	30 April 2020 EUR (unaudited and unreviewed)
Rent receivable		
Other related parties	48,125	48,144