

## **Klikk Finance p.l.c**

### **Annual Report and Consolidated Financial Statements for the year ended 31 December 2018**

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# Klikk Finance p.l.c

## Directors' Report for the year ended 31 December 2018

The Directors present their report together with the audited financial statements of Klikk Finance p.l.c (the Company) for the year ended 31 December 2018. The Group comprises the Company, its subsidiary Klikk Limited and second-tier subsidiary Klikk Code Limited.

### Principal activities

Klikk Finance p.l.c was incorporated as a private limited liability company on 12 May 2011 as HMRD Limited and on 13 January 2016 was renamed BOE Finance Limited. Subsequently on 30 June 2017, the Company was converted to a public limited liability company and renamed Klikk Finance p.l.c. Whilst the principal activity of the Company relates to carrying on the business of a finance and holding company, the principal activity of the Group is to operate two computer retail outlets servicing both retail and corporate clients, with the outlets situated on the Birkirkara By-Pass and Tal-Barrani Road, Zejtun. Furthermore, the Group develops Bespoke and B2B software solutions to corporate customers.

### Review of business

Klikk Finance p.l.c registered a loss after tax of €66,650 during FY2018, compared to a loss of €358,455 in FY2017. This significant improvement in financial results was due to a business approach which focused on increasing its business activity whilst containing costs.

During the year under review, the Company continued consolidating the strategy which was implemented during 2017, being that of restocking adequately its retail outlets through the bond proceeds as well as promoting and repositioning Klikk within the market. As a result, the Group achieved a 33% increase in revenue over the previous year (2018: €5,378,105; 2017: €4,044,923), reaching its highest ever recorded value. The Group's increase in revenue arose from all business areas: retail sales, online sales as well as corporate clients. Furthermore, as the retail outlets were adequately stocked, inventory increased from €714,697 as at 31 December 2017 to €1,031,723 as at 31 December 2018.

The Group incurred higher staff costs as it continued building on the recruitment programme implemented during 2017 (with the staff complement increasing from 41 during FY2017 to 44 during FY2018). Although the Group sacrificed its gross profit margins (2018: 18.3%; 2017: 19.6 %) in order to increase its revenue, it registered cost savings of €262, 736 from its administrative expenses and marketing costs.

The Group continues to monitor developments in sales, customer preferences and the market in general, introducing new product offerings with the aim of returning the Company to sustainable profitability. The Directors expect that the present level of operational activity will be sustained in the foreseeable future.

### Outlook for 2019

Following the increase in business activity and a restructuring exercise which addressed cost savings and increased the staff complement, the Group is now in a better position to take advantage of the opportunities that arise from a growing economy. The growth registered in the local economy and the low levels of unemployment are expected to continue throughout the year with demand for technology expected to continue increasing.

Despite the loss registered in 2018, the Group's confidence is strengthened by the marked improvement compared to the previous year. The Directors are confident that through measures which will continue to be introduced in 2019, the Group will increasingly see a positive performance from Klikk Limited.

# Klikk Finance p.l.c

## Directors' Report for the year ended 31 December 2018

### Dividends and Reserves

The results for the year are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 15.

The Board of Directors does not propose the payment of a dividend. Retained losses carried forward at the reporting date amounted to €554,841 (2017: €393,055) for the Group and retained profits of €34,248 (2017: €38,773 retained loss) for the Company.

### Directors

The Directors of the Company since the beginning of the year up to the date of this report were:

Mr. Gordon Zammit - Chairman

Mr. Joseph Tabone - Passed away on 23 August 2018 - Director and CEO

Mr. Martin Vella - Appointed on 30 August 2018 - Director and CEO

Mr. William Van Buren - Non-executive Director

Dr. Michael Borg Costanzi - Non-executive Director

### Statement of Directors' Responsibilities for the financial statements

The Companies Act Cap. 386 of the Laws of Malta requires the Directors of Klikk Finance p.l.c to prepare annual financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the profit or loss for the year in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union.

In preparing such financial statements, the Directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business;
- select suitable accounting policies and apply them consistently from one accounting year to another;
- make judgments and estimates that are reasonable and prudent; and
- account for income and charges relating to the accounting year on the accruals basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and the Company and enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Companies Act, Cap. 386 of the Laws of Malta. The directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2018, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the annual report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that the Group and the Company face.

# Klikk Finance p.l.c

## Directors' Report for the year ended 31 December 2018

### Auditors

A resolution to re-appoint HLB CA Falzon as auditors of the Company will be proposed at the forthcoming annual general meeting. HLB CA Falzon have expressed their willingness to continue in office.

### By order of the Board:



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Mr. Gordon Zammit - Chairman



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Mr. Martin Vella - Director and CEO

### Registered Office

Hal Mann, The Factory,  
Mosta Road,  
Lija LJA 9016

26 March 2019

# Klikk Finance p.l.c

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

### Introduction

The Prospects MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to Prospects MTF to observe relevant corporate governance standards, in this case the Code of Principles of Good Corporate Governance ("the Code").

The Board of Directors (the "Board" or the "Directors") of Klikk Finance p.l.c (the "Company") acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended in the Code is in the best interests of the Company, its shareholders and other stakeholders.

The Company's decision making structure is designed to meet the Company requirements and to ascertain that decision making is subject to the checks and balances where this is appropriate.

### General

Good corporate governance is the responsibility of the Board as a whole, and has been and remains a priority for the Company. In deciding on the most appropriate manner in which to implement the Code, the Board took cognisance of the Company's size, nature and operations, and formulated the view that the adoption of certain mechanisms and structures which may be suitable for companies with extensive operations may not be appropriate for the Company. The limitations of size and scope of operations inevitably impact on the structures required to implement the Code, without however diluting the effectiveness thereof.

The Board considers that, to the extent otherwise disclosed herein, the Company has generally been in compliance with the Code throughout the year under review.

This Statement shall now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code for the year under review. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manner in which the Board considers that these have been adhered to, and where it has not.

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.

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

### Compliance with the Code

The Directors believe 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 Directors report 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 with honesty, competence and integrity. The Board is composed of members who are fit and proper to direct the business of the Company with honesty, competence and integrity. 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 period 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.

#### *Principle Two: The Company's Chairman and Chief Executive*

In compliance with the provisions of this Principle, the functions of the Chairman and the Chief Executive Officer (the "CEO") of the Company are segregated.

The Chairman exercises independent judgment and is responsible to lead the Board and set 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 CEO is then accountable to the Board for all business operations of the Company.

#### *Principle Three: Composition of the Board*

The Board is composed of 4 members, with 2 executive and 2 non-executive Directors. The non-executive Directors are independent from the Group. It 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 Chief Executive Officer attends Board meetings thus giving the Directors immediate access to the information on the Company's financial position and systems. This also ensures that the CEO who is the person responsible for the implementation of the strategies devised by the Board, has the ability to interact with the Board on an on-going basis.

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

The Board of Directors consists of the following:

Mr. Gordon Zammit - Chairman

Mr. Joseph Tabone - Passed away on 23 August 2018 - Director and CEO

Mr. Martin Vella - Appointed on 30 August 2018 - Director and CEO

Mr. William Van Buren - Non-executive Director

Dr. Michael Borg Costanzi - 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 for a period of three years from the date of his appointment. Mr. William Van Buren and Dr. Michael Borg Costanzi are considered by the Board to be independent non-executive members of the Board.

None of the independent non-executive Directors:

- a) are or have been employed in any capacity with the Company and/or the Group;
- b) have 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 or former external auditor of the Company and/or the Group.

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. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, 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 bondholders, 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 and that it communicates effectively with the market.

The Directors may entrust to and confer upon the Chief Executive Officer any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

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

### *Principle Five: Board Meetings*

The Directors meet regularly to dispatch the business of the Board. The Directors are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting Board papers, which are circulated in advance of the meeting. 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 on the Board seeks to achieve a balance between long-term strategic and short-term performance issues.

The Board meets as often as frequently required in line with the nature and demands of the business of the Company. 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 times during the financial year under review. The following Directors attended Board meetings as follows:

Mr. Gordon Zammit - Chairman - five meetings  
Mr. Joseph Tabone - Passed away on 23 August 2018 - Director and CEO - three meetings  
Mr. Martin Vella - Appointed on 30 August 2018 - Director and CEO - one meeting  
Mr. William Van Buren - Non-executive Director - five meetings  
Dr. Michael Borg Costanzi - Non-executive Director - five meetings

### *Principle Six: Information and Professional Development*

As part of succession planning and employee retention, the Board and CEO ensure that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management and keep a high morale amongst employees.

### *Principle Seven: Evaluation of the Board's Performance*

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

### *Principle Eight: Remuneration and Nomination Committees*

#### *Principle Eight A: Remuneration Committee*

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a remuneration committee, and the Board itself carries out the functions of the remuneration committee specified in, and in accordance with, Principle Eight A of the Code, given that the remuneration of the Directors is not performance-related.

The maximum annual aggregate emoluments that may be paid to the Directors is, pursuant to the Company's Memorandum and Articles of Association, approved by the shareholders in general meeting.



## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

The remuneration policy for directors has been consistent since inception; no Director (including the chairman) is entitled to profit sharing, share options or pension benefits. There is no linkage between the remuneration and the performance of Directors. A fixed honorarium is payable at each financial year to the non-executive Directors.

For the financial year under review the aggregate remuneration of the Directors of the Group was as follows:

Fixed remuneration	€34,936
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### *Principle Eight B: Nomination Committee*

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a nomination committee. Reference is also made to the information provided under the subheading 'Principle Three' above, which provides for a formal and transparent procedure for the appointment of new Directors to the Board.

### *Principle Nine: Relations with Shareholders and with the Market*

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 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.

With respect to the Company's bondholders and the market in general, during the financial year under review, there was no need to issue any Company announcements to the market.

### *Principle Ten: Institutional Shareholders*

The Directors are of the view that this Principle is not applicable to the Company.

### *Principle Eleven: Conflicts of Interest*

All of the Directors of the Company, except for Mr. William Van Buren and Dr. Michael Borg Costanzi are executive officers of the Company. The other executive Director, Mr. Martin Vella, has a direct beneficial interest in the share capital of the Company, and as such is 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.

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 enhance the quality of life of all stakeholders and of the employees of the Company and the Group.

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

The Board is mindful of the environment and its responsibility within the community in which it operates.

In carrying on its business the Group is fully aware and at the forefront to preserving the environment and continuously review its policies aimed at respecting the environment and encouraging social responsibility and accountability.

### **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 five times.

Although the Audit Committee is set up at the level of the Company its main tasks are also related to the activities of the Group.

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 and 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 is composed of 3 members:

- Mr. William Van Buren - Chairman
- Mr. Martin Vella - Member
- Dr. Michael Borg Costanzi - Member

Mr. William Van Buren is a non-executive Director and a qualified accountant, who the Board considers as independent and competent in accounting.

### **Internal Control**

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 in respect of its own internal control as well as the control of its subsidiaries and affiliates are as follows:

# Klikk Finance p.l.c

## Corporate Governance - Statement of Compliance for the year ended 31 December 2018

### *Risk identification*

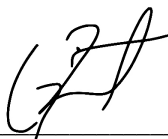
The Board, with the assistance of the management team, is responsible for the identification and evaluation of key risks applicable to the areas of business in which the Company and its subsidiaries are involved. These risks are assessed on a continual basis.

### *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.

In conclusion, the Board considers that the Company has generally been in compliance with the Principles throughout the period under review as befits a company of this size and nature. Non-compliance with the principles and the reasons therefor have been identified above.

Approved by the Board on 26 March 2019 and signed on its behalf by:



Mr. Gordon Zammit - Chairman



Mr. Martin Vella - Director and CEO

## **Independent Auditors' Report to the shareholders of Klikk Finance p.l.c**

### *Report on the Financial Statements for the year ended 31 December 2018*

We have audited the individual financial statements of Klikk Finance p.l.c ("the Company") and the consolidated financial statements of the Company and its subsidiaries (together, "the Group"), set out on pages 15 to 51, which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### *Opinion*

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2018, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

### *Basis for Opinion*

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

### *Key Audit Matters*

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon.

We do not provide a separate opinion on these matters on which to report.

### *Other Information*

The directors are responsible for the other information. The other information comprises of the Directors' Report (but does not include the financial statements and our auditors' report thereon). Our opinion on the financial statements does not cover the other information, including the Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## **Independent Auditors' Report to the shareholders of Klikk Finance p.l.c**

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Companies Act, Cap. 386 of the Laws of Malta. Based on the work we have performed, in our opinion:

- the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Companies Act, Cap. 386 of the Laws of Malta.

In addition, in light of the knowledge and understanding of the Group and its environment, obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' Report.

Based on the work we have performed, we have nothing to report in this regard.

### ***Responsibilities of the Directors***

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's 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 Group or to cease operations, or have no realistic alternative to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable Assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these.

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

- Identify and assess the risk 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.



## **Independent Auditors' Report to the shareholders of Klikk Finance p.l.c**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

### *Report on other legal and regulatory requirements*

### **Report on the statement of compliance with the Principles of Good Corporate Governance**

The Prospects Rules issued by the Malta Stock Exchange require the Director to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and effective measures that they have taken to ensure compliance throughout the accounting period with those principles.

The Prospects Rules also require the auditor to include a report on the Statement of Compliance prepared by the Directors.

## **Independent Auditors' Report to the shareholders of Klikk Finance p.l.c**

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance 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 Statement of Compliance set out on pages 4 to 10 has been properly prepared in accordance with the requirements of the Prospects Rules issued by the Malta Stock Exchange.

### **Other matters on which we are required to report by exception**

Under the Companies Act, Cap. 386 of the Laws of Malta, we are required to report to you if, in our opinion:

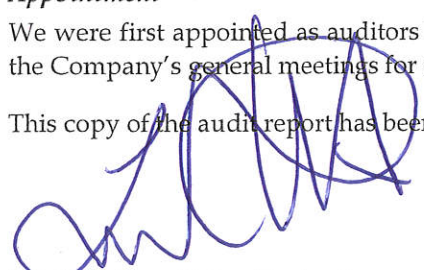
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- proper books of account have been kept by the Group so far as appears from our examination thereof;
- the financial statements are not in agreement with the books of account; and
- if certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

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

### **Appointment**

We were first appointed as auditors by the shareholders on 16 March 2018, and subsequently reappointed at the Company's general meetings for each financial year thereafter.

This copy of the audit report has been signed by:



Jozef Wallace Galea (Partner)  
for and on behalf of HLB CA Falzon  
Registered Auditors

26 March 2019

[www.hlbmalta.com](http://www.hlbmalta.com)

**Together we make it happen**

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**PARTNERS:** Jozef Wallace Galea, Alfred Falzon, Patrizio Prospero, Adrian Sultana.

# Klikk Finance p.l.c

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2018

	Note	The Group		The Company	
		Current €	2017 €	Current €	2017 €
<b>Revenue from contracts with customers</b>	6	5,378,105	4,044,923	222,002	129,240
Cost of sales	7	(4,393,167)	(3,253,428)	-	-
<b>Gross profit</b>		<u>984,938</u>	<u>791,495</u>	<u>222,002</u>	<u>129,240</u>
Selling and distribution expenses	7	(81,960)	(178,706)	-	-
Administrative expenses	7	(977,095)	(1,143,085)	(30,547)	(54,903)
Other operating expenses	7	(124)	(7,506)	-	(7,506)
Other operating income	6	86,107	18,133	35,395	-
		<u>11,866</u>	<u>(519,669)</u>	<u>226,850</u>	<u>66,831</u>
Interest income	6	40,360	4,931	-	-
Finance costs	7	(172,305)	(93,195)	(153,829)	(58,030)
<b>Profit/(loss) before tax</b>		<u>(120,079)</u>	<u>(607,933)</u>	<u>73,021</u>	<u>8,801</u>
Income tax credit/(expense)	9	53,429	249,478	-	(2,613)
<b>Profit/(loss) for the year</b>		<u>(66,650)</u>	<u>(358,455)</u>	<u>73,021</u>	<u>6,188</u>
Attributable to:					
Equity holders of the parent		(66,650)	(271,500)		
Non-controlling interests		-	(86,955)		
		<u>(66,650)</u>	<u>(358,455)</u>		
<b>Earnings per share (cents)</b>					
Basic, loss for the year attributable to ordinary equity holders of the parent	19	<u>(0.19)</u>	<u>(0.78)</u>		

The notes on pages 20 to 51 form part of these financial statements.



# Klikk Finance p.l.c

## Consolidated Statement of Financial Position as at 31 December 2018

	Note	The Group		The Company	
		Current	2017	Current	2017
		€	€	€	€
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant & equipment	10	286,194	285,486	7,500	11,250
Intangible assets	11	472,816	417,951	-	-
Investment in subsidiaries	13	-	-	510,000	500,000
Other non-current financial assets		-	-	2,357,361	1,491,835
Trade receivables	15	362,583	643,983	-	364,311
Deferred tax assets	17	302,965	249,507	-	-
<b>Total non-current assets</b>		<b>1,424,558</b>	<b>1,596,927</b>	<b>2,874,861</b>	<b>2,367,396</b>
<b>Current assets</b>					
Inventories	14	1,031,723	714,697	-	-
Trade and other receivables	15	1,289,720	711,527	431,827	355,901
Current tax recoverable	9	2	2	-	-
Cash and short-term deposits	20	1,068,264	1,721,283	565,471	1,138,631
<b>Total current assets</b>		<b>3,389,709</b>	<b>3,147,509</b>	<b>997,298</b>	<b>1,494,532</b>
<b>Total assets</b>		<b>4,814,267</b>	<b>4,744,436</b>	<b>3,872,159</b>	<b>3,861,928</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Issued capital	18	350,000	350,000	350,000	350,000
Additional contributed capital	18	848,735	848,735	649,368	649,368
Retained earnings		(554,841)	(393,055)	34,248	(38,773)
<b>Equity attributable to equity holders of the parent</b>		<b>643,894</b>	<b>805,680</b>	<b>1,033,616</b>	<b>960,595</b>
Non-controlling interest		-	(85,136)	-	-
<b>Total equity</b>		<b>643,894</b>	<b>720,544</b>	<b>1,033,616</b>	<b>960,595</b>
<b>Non-current liabilities</b>					
Loans and borrowings	12	2,553,439	2,588,612	2,553,439	2,588,612
<b>Total non-current liabilities</b>		<b>2,553,439</b>	<b>2,588,612</b>	<b>2,553,439</b>	<b>2,588,612</b>
<b>Current liabilities</b>					
Loans and borrowings	12	409,140	531,552	156,303	218,848
Trade and other payables	16	1,207,794	903,728	128,801	93,873
<b>Total current liabilities</b>		<b>1,616,934</b>	<b>1,435,280</b>	<b>285,104</b>	<b>312,721</b>
<b>Total liabilities</b>		<b>4,170,373</b>	<b>4,023,892</b>	<b>2,838,543</b>	<b>2,901,333</b>
<b>Total equity and liabilities</b>		<b>4,814,267</b>	<b>4,744,436</b>	<b>3,872,159</b>	<b>3,861,928</b>

The notes on pages 20 to 51 form part of these financial statements.

The financial statements set out on pages 15 to 51 were approved and authorized for issue by the Board of Directors and signed on its behalf by:

  
Mr. Gordon Zammit - Chairman

  
Mr. Martin Vella - Director and CEO

26 March 2019

# Klikk Finance p.l.c

## Consolidated Statements of Changes in Equity

for the year ended 31 December 2018

Attributable to the equity holders of the parent  
(The Group)

	Issued share capital (note 18)	Retained earnings	Additional contributed capital (note 18)	Equity attributable to equity holders of the parent	Non- controlling interest	Total Equity
	€	€	€	€	€	€
<b>Balance as at 1 January 2018</b>						
Opening balance	350,000	(393,055)	848,735	805,680	(85,136)	720,544
Profit for the year	-	(66,650)	-	(66,650)	-	(66,650)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(66,650)	-	(66,650)	-	(66,650)
<b>Transactions with owners, recorded directly in equity</b>						
Change in shareholding	-	(95,136)	-	(95,136)	85,136	(10,000)
<b>Balance as at 31 December 2018</b>	350,000	(554,841)	848,735	643,894	-	643,894

The notes on pages 20 to 51 form part of these financial statements.

# Klikk Finance p.l.c

## Consolidated Statements of Changes in Equity

for the year ended 31 December 2018

	The Company			
	Issued capital	Additional contributed capital	Accumulated losses	Total equity
	€	€	€	€
<b>Balance as at 1 January 2017</b>				
Opening balance	100,000	1,135,163	(44,961)	1,190,202
Profit for the year	-	-	6,188	6,188
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	6,188	6,188
<b>Transactions with owners, recorded directly in equity</b>				
Issue of share capital	250,000	-	-	250,000
Shareholders' contributions	-	(485,795)	-	(485,795)
<b>Balance as at 31 December 2017</b>	<u>350,000</u>	<u>649,368</u>	<u>(38,773)</u>	<u>960,595</u>
<b>Balance as at 1 January 2018</b>				
Opening balance	350,000	649,368	(38,773)	960,595
Profit for the year	-	-	73,021	73,021
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	73,021	73,021
<b>Balance as at 31 December 2018</b>	<u>350,000</u>	<u>649,368</u>	<u>34,248</u>	<u>1,033,616</u>

The notes on pages 20 to 51 form part of these financial statements.

**Consolidated Statement of Cash Flows**  
**for the year ended 31 December 2018**

	Note	The Group		The Company	
		Current €	2017 €	Current €	2017 €
<b>Cash flows from operating activities</b>					
(Loss)/profit before tax		(120,079)	(607,933)	73,021	8,801
Depreciation of property, plant and equipment		63,428	54,140	3,750	3,750
Amortisation of intangible assets		-	18,986	-	-
Allowance for impairment of receivables		(4,839)	18,225	-	(2,127)
Finance income		(40,360)	(4,931)	-	-
Finance costs		189,210	167,975	153,829	55,373
Working capital changes:					
Increase in inventories		(317,026)	(356,725)	-	-
Increase in receivables		(93,551)	(534,384)	513,658	(95,107)
Increase in payables		88,676	258,254	(29,711)	88,927
Payments to from related companies		(237,993)	(61,791)	-	-
Interest paid on overdraft		(18,475)	(26,282)	-	-
Other interest received		39,967	-	-	-
Other interest paid		-	(121,451)	-	(44,014)
Taxation paid		(29)	(8,309)	-	(8,280)
Taxation refunded		-	388	-	-
<b>Net cash used in operating activities</b>		<b>(451,071)</b>	<b>(1,203,838)</b>	<b>714,547</b>	<b>7,323</b>
<b>Cash flows from investing activities</b>					
Payments to acquire property, plant and equipment		(64,136)	(105,990)	-	(15,000)
Payments to acquire intangible assets		(54,865)	-	-	-
Payments to acquire additional investment in subsidiary		(10,000)	-	(10,000)	-
Advances from other parties		-	184,263	-	184,263
Advances to group undertaking		-	-	(865,526)	(1,491,835)
Finance income		195	3,653	-	-
<b>Net cash (used in)/ from investing activities</b>		<b>(128,806)</b>	<b>81,926</b>	<b>(875,526)</b>	<b>(1,322,572)</b>
<b>Cash flows from financing activities</b>					
Repayment to banks loans		(39,723)	618,261	(39,723)	822,922
Issue of share capital		-	-	-	250,000
Interest paid on loans		(42,185)	(20,127)	(42,185)	(11,359)
Interest paid on bonds		(105,000)	-	(105,000)	-
Advances from/ (to) related undertaking		237,049	30,000	(225,273)	30,000
Advances/(payments) from shareholders		16,905	-	-	(485,795)
Other loans advanced		-	1,917,286	-	1,917,286
<b>Net cash from financing activities</b>		<b>50,440</b>	<b>2,545,420</b>	<b>(412,181)</b>	<b>2,523,054</b>
<b>Net movement in cash and cash equivalents</b>		<b>(529,437)</b>	<b>1,423,508</b>	<b>(573,160)</b>	<b>1,207,805</b>
Cash and cash equivalents at beginning of year		1,341,327	(82,181)	1,138,631	(69,174)
<b>Cash and cash equivalents at end of year</b>	20	<b>811,890</b>	<b>1,341,327</b>	<b>565,471</b>	<b>1,138,631</b>

The notes on pages 20 to 51 form part of these financial statements.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 1. Corporate information

The consolidated financial statements of Klikk Finance p.l.c , its subsidiary and sub-subsidiary ("the Group") for the year ended 31 December 2018 were authorized for issue in accordance with a resolution of the directors on 26 March 2019.

Klikk Finance p.l.c ("the Company") is a public limited liability company incorporated in Malta, under the Companies Act, Cap. 386 of the Laws of Malta. The Company's registration number is C 52833. The Company changed its status from private company to public and changed its name to Klikk Finance p.l.c with effect from 14 June 2017.

### 2. Significant accounting policies

#### 2.1 Basis of preparation and consolidation

These financial statements are prepared under the historical cost convention, as modified by the measurement of investment property, land and buildings classified as property, plant and equipment and financial assets at fair value and are in accordance with the requirements of the International Financial Reporting Standards (IFRS as adopted by the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta. The consolidated financial statements are presented in Euro (€), which is the functional currency of the Group.

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2018. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

#### 2.2 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting date; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, at the date on which control was obtained. Depreciation charge is provided from the month of acquisition until the month in which the asset is disposed of or scrapped.

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

Improvements	5%
Improvements - Zejtun	10%
Lift equipment	10%
Air conditioners	16.67%
Air conditioners - Zejtun	16.67%
Motor vehicles	20%
Computer equipment	25%
Computer software	25%
Furniture & fittings - Zejtun	10%
Office equipment	25%
Furniture & fittings	10%

Depreciation methods, useful life and residual values are reassessed at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

### 2.4 Intangible assets

The Group's intangible assets comprises website development costs, which is being amortised on a straight line basis over a period of 4 years, which period is estimated to reflect its useful economic life. The Group also develops a computer software on which amortisation will be charged upon completion of the asset.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### *Business combination and goodwill*

Goodwill is initially measured at cost. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts at the acquisition date. If the reassessment results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Goodwill was not remeasured upon acquisition of additional shares as control was already obtained previously and hence, accounted for as equity with owners, in accordance with IAS 27.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### **2.5 Investment in subsidiary**

A subsidiary is an entity that is controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries is stated at cost less any impairment loss which may have arisen. Income from the investment is recognised only to the extent of distributions received by the Company from post-acquisition profits. Distributions received in excess of such profits are regarded as recovery of investment and are recognised as a reduction of the cost of investment.

### **2.6 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on the weighted average cost method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **2.7 Other receivables**

Other receivables include, receivables created by the enterprise by providing funds directly to a debtor and are measured at cost.

Prepayments comprise payments made in advance in respect of expenditure relating to the subsequent financial year and accrued income is income relating to the current period, which will not be invoiced until after the current reporting date.

### **2.8 Cash and short-term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cashflows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2.10 Additional contributed capital

This equity reserve is attributable to the equity holders of the parent. The primary objective is to maximize the shareholders' value.

### 2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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

### 2.12 Foreign currencies

Translations denominated in foreign currencies are translated at the exchange rate ruling on the date of the transactions. Monetary receivables and payables denominated in foreign currencies are translated at the rates of exchange prevailing at each reporting date. Translation differences are dealt with in the statement of comprehensive income.

### 2.13 Financial instruments - initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2.14 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.



# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### *Subsequent measurement*

For purposes of subsequent measurement, financial assets at amortised cost (debt instruments).

### *Financial assets at amortised cost (debt instruments)*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and receivables from related companies which are included under current financial assets.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### **Impairment of financial assets**

Further disclosures relating to impairment of financial assets are also provided in notes 12 and 15 to the financial statements.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Financial liabilities**

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition as loans or borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

#### *Subsequent measurement*

##### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 12.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **2.14 Revenue recognition**

Revenue from contracts with customers is measured at the fair value of the consideration received or receivable for goods sold and services provided in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognized to the extent that it is probable that future economic benefits will flow to the Group and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

The Group is in the business of selling, providing maintenance and installation of computer software, hardware and related ancillary products. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 6.

### **Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, which generally coincides with the date of the invoice. The normal credit term is 6 to 36 months upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

### **Warranty obligations**

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### Contract balances

#### *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### *Trade receivables*

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### *Provision of services*

Revenue from the provision of services is recognized in the year in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

#### *Interest and investment income*

Interest income is accounted for when it is probable that the economic benefits associated with the transaction will flow to the Group and these can be measured reliably.

#### *Dividend income*

Dividend income is recognised on the date the Group's right to receive income is established.

### 2.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except when it relates to items recognized in other comprehensive income or directly in equity, in which case it is also dealt with in other comprehensive income or in equity, as appropriate.

#### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

#### *Deferred income tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at each reporting date.

### *Value Added Tax*

Revenue, expenses and assets are recognised net of Value Added Tax, except:

- where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case Value Added Tax is recognised as part of the acquisition of the asset or as part of the expense item, as applicable;
- where receivables and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### **2.16 Borrowing costs**

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property, are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed.

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

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known.

In the opinion of the management, except for the above, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 (revised) – ‘Presentation of Financial Statements’.

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 4. Changes in Accounting policies and disclosures

#### 4.1 New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the impact of each new standard and amendment is described below:

##### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The change does not have a material impact on the Group's financial statements.

##### *IFRS 9 Financial Instruments*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies but did not have a material impact on the Group's financial statements. In accordance with the transitional provisions of IFRS 9, comparative figures have not been restated due to immaterial effect of the standard on the comparative figures of the Group, thereby resulting in the following impact:

- a. Comparative information for prior periods are not restated. The classification and measurement requirements previously applied in accordance with IAS 39 and disclosures required in IFRS 7 are retained for the comparative periods.
- b. The accounting policies for both the current period and the comparative periods, one applying IFRS 9 and one applying IAS 39 are disclosed in the notes to the financial statements.
- c. As comparative information is not restated, the Group is not required to provide a third statement of financial information at the beginning of the earliest comparative period in accordance with IAS 1, Presentation of Financial Statements.

##### *Classification and Measurement*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories: (i) those to be measured subsequently at fair value (either through OCI, or through profit or loss), and (ii) those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

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

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

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

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

### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments: (i) amortized cost; (ii) FVOCI; and (iii) FVTPL.

Assets that are held both for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses).

Assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at amortized cost.

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises.

### *Equity instruments*

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

On 1 January 2018, the Group assessed which business model apply to the financial assets held and has classified its financial assets into the appropriate categories. There was no material impact on the resulting remeasurements. Presented below is the impact of the adoption of IFRS 9 as at 1 January 2018 on the Group's financial statements:

	Original Measurement Category under IAS 39	New Measurement Category under IFRS 9	Original Carrying Amount under IAS 39	Remeasurement	New Carrying Amount under IFRS 9
			€	€	€
<b>Financial assets:</b>					
Trade and other receivables	Loans and receivables	Financial assets at amortized cost	1,355,510	-	1,355,510

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

There were no changes to the classification and measurement of financial liabilities.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39 with the exception of the calculation of ECL in the current year. No ECL was provided for in the prior year as the impact was not material.

### *Impairment*

IFRS 9 requires that the Group records an allowance for ECL for all loans and other debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the Simplified Approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. ECLs are thereby calculated on lifetime basis using the provisional matrix. For other receivables, the Group applies the General Approach where the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. As at 1 January 2018, the Group assessed that there was no significant increase in the credit risk related to its financial assets. Accordingly, the Group applied the 12-month ECL to all its financial assets and assessed that there is no material impact on the financial statements.

### *IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations*

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration.

The change does not have an impact on the Group's financial statements.

### *Amendments to IAS 40 Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

The change does not have an impact on the Group's financial statements.



## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### *Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions*

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the Group's consolidated financial statements.

### *Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.

The change does not have an impact on the Group's financial statements.

### *Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Group's financial statements.

### *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters*

Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have now served their intended purpose.

These amendments do not have any impact on the Group's financial statements.

## **4.2 Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

<i>Description</i>	<i>Effective for annual periods beginning on or</i>
<i>IFRS 16 Leases</i>	1 January 2019
<i>IFRS 17 Insurance Contracts</i>	1 January 2021
<i>IFRIC Interpretation 23 Uncertainty over Income Tax Treatment</i>	1 January 2019
<i>Amendments to IFRS 9: Prepayment Features with Negative Compensation an Investor and its Associate or Joint Venture</i>	1 January 2019 deferred
<i>Amendments to IAS 19: Plan Amendment, Curtailment or Settlement</i>	1 January 2019
<i>Amendments to IAS 28: Long-term interests in associates and joint ventures Annual Improvements 2015-2017 Cycle (issued in December 2017)</i>	1 January 2019
<i>IFRS 3 Business Combinations</i>	1 January 2019
<i>IFRS 11 Joint Arrangements</i>	1 January 2019
<i>IAS 12 Income Taxes</i>	1 January 2019
<i>IAS 23 Borrowing Costs</i>	1 January 2019

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## Consolidated Notes to the financial statements for the year ended 31 December 2018

### 5. Segment information

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- The lending and financing segment, which carries the business of a finance and holding company.
- The retail segment, which operates computer retail outlets.
- The software development segment, which develops software solutions to customers.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of the detailed reconciliations presented further below.

Year ended 31 December 2018	Lending and financing	Retail	Software Development	Total segments	Adjustments and eliminations	Consolidated
	€	€	€	€	€	€
<b>Revenue</b>						
External customers	53,666	5,017,003	307,436	5,378,105	-	5,378,105
<b>Total revenue</b>	<u>53,666</u>	<u>5,017,003</u>	<u>307,436</u>	<u>5,378,105</u>	<u>-</u>	<u>5,378,105</u>
<b>Income/(expenses)</b>						
Cost of inventories recognised as an expense	-	4,163,555	-	4,163,555	-	4,163,555
Employee benefits expenses	-	592,160	254,306	846,466	-	846,466
Depreciation and amortisation	3,750	58,617	1,061	63,428	-	63,428
<b>Segment profit/(loss)</b>	<u>73,021</u>	<u>(224,663)</u>	<u>30,340</u>	<u>(121,302)</u>	<u>3,910</u>	<u>(117,392)</u>
<b>Total assets</b>	<u>3,872,159</u>	<u>3,327,462</u>	<u>395,556</u>	<u>7,595,177</u>	<u>(2,780,910)</u>	<u>4,814,267</u>
<b>Total liabilities</b>	<u>(2,838,543)</u>	<u>(3,687,024)</u>	<u>(329,890)</u>	<u>(6,855,457)</u>	<u>2,685,084</u>	<u>(4,170,373)</u>

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## Consolidated Notes to the financial statements for the year ended 31 December 2018

### 5. Segment information (continued)

Year ended 31 December 2017	Lending and financing	Retail	Software Development	Total segments	Adjustments and eliminations	Consolidated
	€	€	€	€	€	€
<b>Revenue</b>						
External customers	51,803	3,993,120	-	4,044,923	-	4,044,923
<b>Total revenue</b>	<u>51,803</u>	<u>3,993,120</u>	<u>-</u>	<u>4,044,923</u>	<u>-</u>	<u>4,044,923</u>
<b>Income/(expenses)</b>						
Cost of inventories recognised as an expense	-	3,251,735	-	3,251,735	-	3,251,735
Employee benefits expenses	-	614,182	52,741	666,923	-	666,923
Depreciation and amortisation	<u>3,750</u>	<u>69,376</u>	<u>-</u>	<u>73,126</u>	<u>-</u>	<u>73,126</u>
<b>Segment profit/(loss)</b>	<u>8,801</u>	<u>(616,734)</u>	<u>(616,734)</u>	<u>(607,933)</u>	<u>-</u>	<u>(607,933)</u>
<b>Total assets</b>	<u>3,861,928</u>	<u>2,496,305</u>	<u>2,496,305</u>	<u>6,358,233</u>	<u>(1,613,797)</u>	<u>4,744,436</u>
<b>Total liabilities</b>	<u>(2,901,333)</u>	<u>(2,649,307)</u>	<u>(2,649,307)</u>	<u>(5,550,640)</u>	<u>1,526,748</u>	<u>(4,023,892)</u>

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 6. Revenue from contracts with customers

#### 6.1 Disaggregated revenue information

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
<b>Type of goods or service</b>				
Interest income	79,728	55,666	207,704	129,240
Management fees	32,696	1,317	14,299	-
Sale of goods	5,012,638	3,993,120	-	-
Provision of services	307,436	-	-	-
Other income - legal fees, insurance claims	72,074	17,884	35,394	-
<b>Total revenue from contracts with customers</b>	<b>5,504,572</b>	<b>4,067,987</b>	<b>257,397</b>	<b>129,240</b>
<b>Timing of revenue recognition</b>				
Revenue recognized at a point in time	5,504,572	4,067,987	257,397	129,240
<b>Total revenue from contracts with customers</b>	<b>5,504,572</b>	<b>4,067,987</b>	<b>257,397</b>	<b>129,240</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 5).

	Lending and financing	Retail	Software Development	Total segments
31 December 2018	€	€		€
<b>Revenue</b>				
External customers	53,666	5,042,541	281,898	5,378,105
Inter-segment	168,336	-	25,538	193,874
	222,002	5,042,541	307,436	5,571,979
Inter-segment adjustments and eliminations	(168,336)	-	(25,538)	(193,874)
<b>Total revenue from contracts with customers</b>	<b>53,666</b>	<b>5,042,541</b>	<b>281,898</b>	<b>5,378,105</b>

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

	Lending and financing	Retail	Software Development	Total segments
31 December 2017	€	€		€
<b>Revenue</b>				
External customers	51,803	3,993,120	-	4,044,923
Inter-segment	77,437	55,654	52,500	185,591
	129,240	4,048,774	52,500	4,230,514
Inter-segment adjustments and eliminations	(77,437)	(55,654)	(52,500)	(185,591)
<b>Total revenue from contracts with customers</b>	<b>51,803</b>	<b>3,993,120</b>	<b>-</b>	<b>4,044,923</b>

### 6.2 Contract balances

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Trade receivables (note 15)	636,013	659,189	184,559	343,981

Trade receivables of the Company bear interest at 8% and are generally on terms of 6 to 36 months. As at year-end, there are no past due accounts.

The trade receivables of the Group are unsecured, bear interest at 8% and are generally on terms of 6 to 36 months.

Other income arise from legal fees, insurance claims and other administrative fees charged to customers.

### 6.3 Performance obligations

#### *Sale of goods*

The performance obligation is satisfied upon transfer of the risks and rewards of ownership which generally coincides with the date of the invoice. Payment is generally due within 6 to 36 months from date of invoice.

#### *Provision of services*

Revenue from the provision of services is recognized in the year in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 7. Expenses by nature

#### 7.1 Cost of sales and operating expenses

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Depreciation	63,428	54,140	3,750	3,750
Amortisation of intangible assets	-	18,986	-	-
Auditors' remuneration	4,035	3,800	1,200	1,100
Directors' salaries (note 8)	34,936	64,146	-	-
Wages, salaries and social security contribution (note 8)	811,530	620,685	-	-
Other expenses	4,538,417	3,820,968	25,597	57,559
	<u>5,452,346</u>	<u>4,582,725</u>	<u>30,547</u>	<u>62,409</u>

#### Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2018 and 2017 relate to the following:

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Annual statutory audit	<u>4,035</u>	<u>3,800</u>	<u>1,200</u>	<u>1,100</u>

#### 7.2 Finance cost

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Bank overdraft interest	18,475	26,397	-	-
Bank loan interest	42,179	20,127	42,179	11,359
Other interest	111,651	46,671	111,650	46,671
	<u>172,305</u>	<u>93,195</u>	<u>153,829</u>	<u>58,030</u>

### 8. Staff costs and employee information

Staff costs for the year comprised the following:

	The Group	
	Current	2017
	€	€
Directors' remuneration	34,936	64,146
Wages and salaries	742,291	576,251
Social security contributions	69,239	44,434
	<u>846,466</u>	<u>684,831</u>

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

The average number of persons (including directors) employed by the company during the year was as follows:

	The Group	
	Current	2017
Operational	35	30
Administration	9	11
	44	41

## 9. Income tax

### 9.1 Tax (credit)/ expense on (loss)/profit on ordinary activities

Provision for income tax has been made at the rate of 35% on the chargeable income for the year except for investment income which is charged at the rates of 15%.

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
<i>Income tax expense:</i>				
Current tax charge	-	-	-	-
Final withholding tax at 15%	(29)	(29)	-	-
<b>Total current tax expense</b>	(29)	(29)	-	-
Consideration payable by the company in respect of the tax benefit, attaching to tax losses surrendered by a subsidiary company under the Group Relief provision of the Income Tax Act	-	-	-	(2,613)
<b>Deferred taxation (note 17):</b>				
Credit for the year	53,458	249,507	-	-
<b>Income tax credit for the year</b>	53,429	249,478	-	(2,613)



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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 9.2 Tax reconciliation

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Profit/(loss) before tax	(120,079)	(607,993)	73,021	8,801
Taxation credit thereon	(42,028)	(212,777)	25,557	3,080
<i>Tax effect of:</i>				
property,				
plant and equipment over tax base	27,725	36,530	-	-
- expenses non allowed for tax purpose	(3,173)	16,332	(3,365)	(467)
- income taxed at different rates	(108)	(487)	-	-
- unabsorbed capital allowances	(25,472)	(73,788)	-	-
- unabsorbed tax losses	(10,373)	(12,675)	(22,192)	-
- group relief	-	(2,613)	-	-
Income tax credit for the year	(53,429)	(249,478)	-	2,613

### 9.3 Current taxation

Taxation recoverable is made up as follows:

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
As at 1 January	(2)	7,890	-	8,280
Income tax expense	29	29	-	-
Tax refund	-	388	-	-
	27	8,307	-	8,280
Payments:				
Provisional tax	-	(8,280)	-	(8,280)
Final withholding tax	(29)	(29)	-	-
Income tax credit/(expense) for the year	(29)	(8,309)	-	(8,280)
As at 31 December	(2)	(2)	-	-

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## Consolidated Notes to the financial statements for the year ended 31 December 2018

### 10. Property, plant and equipment

	The Group											
	Improvements	Improvements - Zejtun	Lift Equipment	Air conditioners	Air conditioners (Zejtun)	Motor vehicles	Computer Equipment	Computer Software	Furniture & Fittings - Zejtun	Furniture & Fittings	Office Equipment	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Cost												
As at 1 January 2018	120,523	135,718	7,433	4,136	8,548	39,045	48,138	57,061	40,434	131,102	38,797	630,935
Additions	6,438	-	-	7,881	-	-	12,562	33,165	4,090	-	-	64,136
As at 31 December 2018	<u>126,961</u>	<u>135,718</u>	<u>7,433</u>	<u>12,017</u>	<u>8,548</u>	<u>39,045</u>	<u>60,700</u>	<u>90,226</u>	<u>44,524</u>	<u>131,102</u>	<u>38,797</u>	<u>695,071</u>
Depreciation												
As at 1 January 2018	42,325	54,193	3,716	4,060	5,700	25,038	45,378	32,847	16,139	90,473	25,580	345,449
Charge for the year	6,348	13,572	743	1,389	1,425	3,502	5,901	16,363	4,043	9,659	483	63,428
As at 31 December 2018	<u>48,673</u>	<u>67,765</u>	<u>4,459</u>	<u>5,449</u>	<u>7,125</u>	<u>28,540</u>	<u>51,279</u>	<u>49,210</u>	<u>20,182</u>	<u>100,132</u>	<u>26,063</u>	<u>408,877</u>
Net book amount												
As at 1 January 2018	<u>78,198</u>	<u>81,525</u>	<u>3,717</u>	<u>76</u>	<u>2,848</u>	<u>14,007</u>	<u>2,760</u>	<u>24,214</u>	<u>24,295</u>	<u>40,629</u>	<u>13,217</u>	<u>285,486</u>
As at 31 December 2018	<u>78,288</u>	<u>67,953</u>	<u>2,974</u>	<u>6,568</u>	<u>1,423</u>	<u>10,505</u>	<u>9,421</u>	<u>41,016</u>	<u>24,342</u>	<u>30,970</u>	<u>12,734</u>	<u>286,194</u>

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 11. Intangible assets

#### The Group

	Website development cost €	Computer software €	Goodwill €	Total €
<b>Cost</b>				
As at 1 January 2018	75,946	-	417,951	493,897
Additions - internally developed	-	54,865	-	54,865
As at 31 December 2018	<u>75,946</u>	<u>54,865</u>	<u>417,951</u>	<u>548,762</u>
<b>Amortisation</b>				
As at 1 January 2017	56,960	-	-	56,960
Charge for the the year	18,986	-	-	18,986
As at 1 January 2018	<u>75,946</u>	<u>-</u>	<u>-</u>	<u>75,946</u>
Charge for the the year	-	-	-	-
As at 31 December 2018	<u>75,946</u>	<u>-</u>	<u>-</u>	<u>75,946</u>
<b>Net book amount</b>				
As at 31 December 2017	-	-	417,951	417,951
As at 31 December 2018	<u>-</u>	<u>54,865</u>	<u>417,951</u>	<u>472,816</u>

Website development cost has been written off in equal annual instalments over its estimated economic life of 4 years.

Goodwill was acquired as a result of a business combination. This is considered to be of an indefinite life.

### 12. Financial assets and liabilities

#### 12.1 Financial assets: Trade and other receivables

	Current €	2017 €
<b>Debt instruments at amortised cost</b>		
Trade and other receivables (note 15)	1,652,303	1,355,510
Total current	<u>1,289,720</u>	<u>711,527</u>
Total noncurrent	<u>373,620</u>	<u>661,343</u>

Refer to note 15 for more information on expected credit losses.

# Klikk Finance p.l.c

## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 12.2 Financial liabilities: Loans and borrowings

#### Current loans and borrowings

	Interest rate	Maturity	The Group	
			Current	2017
	€	€	€	€
<b>Current</b>				
Bank overdraft (note 20)	5.15%	On demand	255,450	379,956
Bank loans	5.15%	2019	153,690	151,596
<b>Total current borrowings</b>			409,140	531,552
<b>Non-current</b>				
Bank loans	5.15%	2020 - 2026	629,509	671,326
Bonds	5.25%	2027	1,923,930	1,917,286
<b>Total non-current borrowings</b>			2,553,439	2,588,612
<b>Total borrowings</b>			2,962,579	3,120,164

The bank overdrafts bear interest rate of 5.15% (2017: 4.50% to 5.15%) per annum and is repayable on demand. The Group enjoys an overdraft facility amounting to €450,000 out of which €255,450 has been utilised. These facilities are secured by general hypothec over the Group's assets, general and special hypothecary guarantee over property owned by the related companies, pledges in insurance policies in the name of the related companies.

The bank loans bear interest of 5.15% per annum and are secured by a general hypothec over the Company's assets, special hypothec over the affiliate's assets, guarantees given by the parent and group companies and by pledge over the affiliate's insurance policies in the name of the Company covering properties.

The bank loans are repayable as follows:

- €383,253 within 8 years by monthly payments of €6,383 each inclusive of interest;
- €399,946 within 5 years by monthly payments of €9,486 each inclusive of interest.

The bonds with a face value of €2,000,000 and a nominal rate of 5.25% per annum are unsecured and redeemable at par value of €100 per bond on 31 July 2027. These bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of the bonds, using effective yield method as follows:

	The Group	
	Current	2017
	€	€
Carrying value of unsecured bonds	1,917,286	1,914,629
Amortisation of the bond issue costs	6,644	2,657
<b>Amortised cost</b>	1,923,930	1,917,286

#### Other financial liabilities

	The Group	
	Current	2017
	€	€
Current trade and other payables (note 16)	1,207,794	903,728

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 12.3 Financial risk management objectives and policies

The Group's principal financial assets comprise interest in joint ventures, other financial assets, trade and other receivables and cash and cash equivalents. Its principal financial liabilities comprise trade and other payables and borrowings.

The Group is exposed to market risk, credit risk, liquidity risk and fair value risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

#### *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk. Financial instruments affected by market risk include borrowings. The Group is only exposed to interest rate risk other market price risk.

Financial instruments affected by market risk include borrowings. The Group is only exposed to interest rate risk other market price risk.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Except as disclosed in note 16, the Group's borrowings are non-interest bearing. Borrowings issued at fixed rates consist primarily of bank loans, 5% secured bonds, shareholders' loan and other loans which are carried at amortised cost, and therefore do not expose the Group to cash flow and fair value interest rate risk.

#### *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks.

Customer credit risk is managed by the Group's management subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on each customer's credit limits. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at the reporting date on an individual basis. The Group exercises a prudent credit control policy, and accordingly, it is not subject to any significant exposure or concentration of credit risk.

The Group banks only with local financial institutions with high quality standard or rating. The Group's operations are principally carried out in Malta and most of the Group's revenue originates from clients based in Malta.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

Year ended 31 December 2018

	Trade receivables			
	Specific	Corporate	Contracts	Total
	€	€	€	€
Expected credit loss rate	40%	3%	2%	
Estimated total gross carrying amount at default	17,616	313,211	669,133	999,960
<b>Expected credit loss</b>	<b>7,046</b>	<b>9,396</b>	<b>13,383</b>	<b>29,825</b>

Year ended 31 December 2017

	Trade receivables			
	Specific	Corporate	Contracts	Total
	€	€	€	€
Expected credit loss rate	40%	3%	2%	
Estimated total gross carrying amount at default	17,616	166,712	1,130,818	1,315,146
Expected credit loss	7,046	5,001	22,616	34,664

### Liquidity risk

The Group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended 31 December 2018

	Less than 1 year	1 to 5 years	> 5 years	Total
	€	€	€	€
Interest-bearing loans and borrowings	409,140	569,708	59,801	1,038,649
Trade and other payables	1,207,794	-	-	1,207,794
Bonds	-	-	1,923,930	1,923,930
	<b>1,616,934</b>	<b>569,708</b>	<b>1,983,731</b>	<b>4,170,373</b>

Year ended 31 December 2017

	Less than 1 year	1 to 5 years	> 5 years	Total
	€	€	€	€
Interest-bearing loans and borrowings	531,552	540,719	130,607	1,202,878
Trade and other payables	903,728	-	-	903,728
Bonds	-	-	1,917,286	1,917,286
	<b>1,435,280</b>	<b>540,719</b>	<b>2,047,893</b>	<b>4,023,892</b>

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### *Fair value risk*

As at 31 December 2018 and 2017, the carrying amounts of trade and other receivables, cash and cash equivalents and trade and other payables and current borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair values of loans and receivables and non-current borrowings are not materially different from their carrying amounts in the statement of financial position.

### *Capital management*

Capital includes the equity attributable to the ultimate shareholders of the Group.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018.

### 12.4 Changes in liabilities arising from financing activities

	1 January 2018	Cash flows	Non-cash changes	31 December 2018
	€	€	€	€
Bank loans	822,922	(39,723)	-	783,199
Bonds	1,917,286	-	6,644	1,923,930
<b>Total liabilities from financing activities</b>	<b>2,740,208</b>	<b>(39,723)</b>	<b>6,644</b>	<b>2,707,129</b>

## 13. Investment in subsidiary

### The Company

	Current	2017
	€	€
<b>Cost</b>		
As at 1 January and 31 December 2018	510,000	500,000

Undertaking / Registered Office	Number, class and nominal value of shares held	Percentage of issued shares held
Klikk Limited	144,323 Ordinary A at €2.4/share (par value: €2.5/share), fully paid up	
Design House, Dun Karm Street, Birkirkara By-pass, Birkirkara BKR 4019	146,877 Ordinary B at €2.4/share (par value: €2.5/share), fully paid up	100%

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

The company acts as an importer, exporter, wholesaler, retailer, purchaser, seller, dealer, distributor, agent and supplier of computer equipment, peripherals, software and other related products.

### 14. Inventories

	The Group	
	Current	2017
	€	€
Finished goods	1,031,723	714,697

### 15. Trade receivables

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
<b>Current</b>				
Trade receivables	636,013	659,189	184,559	343,981
Amounts paid in advance	72,459	11,944	-	-
Other receivables	2,090	275	-	-
Amount owed by related companies	22,800	24,330	-	-
Shareholders' advances	225,273	-	225,375	-
Indirect taxation	5,147	12,104	5,147	12,104
Accrued income and prepayments	344,726	20,989	20,518	6,842
Allowance for expected credit losses	(18,788)	(17,304)	(3,772)	(7,026)
<b>Total current trade and other receivables</b>	<b>1,289,720</b>	<b>711,527</b>	<b>431,827</b>	<b>355,901</b>
<b>Non-current</b>				
Trade receivables	373,620	661,343	-	371,597
Allowance for expected credit losses	(11,037)	(17,360)	-	(7,286)
<b>Total non-current trade receivables</b>	<b>362,583</b>	<b>643,983</b>	<b>-</b>	<b>364,311</b>
<b>Total trade and other receivables</b>	<b>1,652,303</b>	<b>1,355,510</b>	<b>431,827</b>	<b>720,212</b>

Trade receivables of the Company bear interest at 8% and are generally on terms of 6 to 36 months. As at year-end, there are no past due accounts.

The trade receivables of the Group are unsecured, bear interest at 8% and are generally on terms of 6 to 36 months.

The amounts owed by related companies are unsecured, bear interest of 6%, and repayable on demand. These amounts resulted from trading activities.

See note 3 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.



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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### The Group

As at 31 December 2018, trade receivables at nominal value of €29,825 (2017: €34,664) were impaired and fully provided for. Movement in the allowance for expected credit losses of trade receivables were as follows:

	The Group	
	Current	2017
	€	€
As at 1 January	34,664	16,439
Expected credit loss movement during the year		
Provision during the year	5,802	20,352
Reversal of expected credit loss	(10,641)	(2,127)
Movement during the year	(4,839)	18,225
As at 31 December	29,825	34,664

At 31 December 2018, there was an expected credit loss of €5,802 (2017: €20,352) related to outstanding receivables which are deemed by the Directors not to be recoverable.

## 16. Trade and other payables

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
<b>Current</b>				
Amounts received in advance	1,234	16,660	-	-
Trade payables	487,946	467,950	4,003	19,530
Amounts due to related undertakings	331,062	97,080	64,639	-
Indirect taxes and social security contributions	271,347	209,379	582	2,100
Accrual and prepaid income	69,680	57,948	50,613	48,979
Other payables	620	993	-	-
Deferred income	45,905	53,718	8,964	23,264
<b>Total trade and other payables</b>	<b>1,207,794</b>	<b>903,728</b>	<b>128,801</b>	<b>93,873</b>

Trade payables are non-interest bearing and are normally settled between 120 to 180 days. Other payables are non-interest bearing.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 3.

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 17. Deferred taxation

#### Deferred tax asset

	The Group	
	Current	2017
	€	€
As at 1 January	249,507	-
Charge in profit or loss (note 9)	53,458	249,507
As at 31 December	302,965	249,507

The balance as at 31 December 2018 represents:

	The Group	
	Current	2017
	€	€
Tax effect of temporary differences relating to:		
Excess of capital allowances over depreciation	(26,100)	(18,892)
Unabsorbed capital allowances	99,259	73,788
Unrelieved tax losses	220,652	187,488
Provision for impairment of receivables	9,154	7,123
	302,965	249,507

Deferred income taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax used is 35% (2017: 35%) .

### 18. Share Capital

#### 18.1 Issued capital

	The Company	
	Current	2017
	€	€
<b>Authorised:</b>		
500,000 Ordinary shares of €1 each	500,000	500,000
<b>Issued and fully paid up:</b>		
350,000 Ordinary shares of €1 each	350,000	350,000

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 18.2 Additional contributed capital

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
As at 1 January	848,735	1,179,594	649,368	1,135,163
Additional contributions	-	199,367	-	-
Reduction in shareholders' contributions	-	(530,226)	-	(485,795)
As at 31 December	848,735	848,735	649,368	649,368

This equity reserve is attributable to the equity holders of the parent. The primary objective is to maximise the shareholders' value.

## 19. Earnings per share (EPS)

Basic earnings per share is based on the profit for the year attributable to the equity holders of the Parent divided by the weighted average number of ordinary shares in issue during the year.

	The Group	
	Current	2017
	€	€
Loss for the year attributable to shareholders	(66,650)	(271,500)
Weighted average number of ordinary shares in issue (note 18)	350,000	350,000
Earnings per share (cents)		
- Continuing operations	(0.19)	(0.78)

There is no difference between the basic and diluted earnings per share as the Group and the Company have no potential dilutive ordinary shares.

## 20. Cash and short-term deposits

The cash and cash equivalents comprise the following statement of financial position amount:

	The Group		The Company	
	Current	2017	Current	2017
	€	€	€	€
Cash at bank and in hand	1,068,264	1,721,283	565,471	1,138,631
Overdrawn bank current accounts	(255,450)	(379,956)	-	-
As at 31 December	812,814	1,341,327	565,471	1,138,631

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## Consolidated Notes to the Financial Statements for the year ended 31 December 2018

### 21. Commitments and contingencies

#### *Guarantees*

As at the reporting date, the Group had given guarantees to third parties in the normal course of business amounting to €7,000 (2017: €7,000).

### 22. Related party transactions

All companies forming part of the Group are related parties. The following significant transactions were carried out with related parties:

	Current €	2017 €
Interest income	185,242	77,437
Related party purchases	-	93,909

#### **Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm's length transactions. Outstanding balances as at year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2017: €Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in note 8.

### 23. Event after the reporting date

As at reporting date, the Group there is no significant transactions that occurred that needs to be disclosed as at 31 December 2018.

### 24. Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's presentation.