

TSAM Limited

Annual Report and Financial Statements

31 December 2022

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Registration

TSAM Limited is registered in Malta as a Limited Liability Company under the Companies Act (Cap. 386) with registration number C 71793.

Directors

Mr. Matthew Abela
Mr. Anthony Debono
Mr. Gordon Dimech
Mr. Mario Micallef
Mr. Michael Borg

Company secretary

Mr. Anthony Debono

Registered office

The Scout Association of Malta, Island Headquarters,
Congreve-Bernard Memorial Hall, Sarria Street,
Floriana, FRN 1480,
Malta

Auditors

GCB Malta Ltd,
No. 27,
Triq G. Grech Delicata,
Birkirkara, BKR 4467,
Malta

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- > adopt the going concern basis unless it is inappropriate to presume that the Company will continue in the business;
- > select suitable accounting policies and apply them consistently;
- > make judgements and estimates that are reasonable and prudent;
- > account for income and charges relating to the accounting year on the accruals basis;
- > value separately the components of asset and liability items; and
- > report comparative figures corresponding to those of the preceding accounting year.

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

TSAM Limited
Income statement
For the year ended 31 December 2022

	Notes	2022 €	2021 €
Revenue		241,039	144,244
Direct costs		<u>(13,221)</u>	<u>-</u>
Gross profit		227,818	144,244
Administration expenses		<u>(254,673)</u>	<u>(181,056)</u>
Other operating income		-	1,365
Finance cost		<u>(2,874)</u>	<u>(272)</u>
Loss before tax		(29,729)	(35,719)
Taxation	4	-	-
Loss for the year		<u>(29,729)</u>	<u>(35,719)</u>

TSAM Limited
Balance Sheet
As at 31 December 2022

	Notes	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	5	<u>436,019</u>	<u>437,000</u>
Current assets			
Trade and other receivables	6	15,852	85,673
Cash and cash equivalents		<u>129,030</u>	<u>38,686</u>
Total assets		<u>580,901</u>	<u>561,359</u>
EQUITY AND LIABILITIES			
Equity			
Ordinary shares	7	1,200	1,200
Accumulated losses		<u>(50,978)</u>	<u>(21,249)</u>
Total Equity		<u>(49,778)</u>	<u>(20,049)</u>
LIABILITIES			
Borrowings	8	<u>475,953</u>	<u>453,962</u>
Current Liabilities			
Current tax liability		32	290
Trade & other payables	9	<u>154,693</u>	<u>127,156</u>
Total equity and liabilities		<u>580,901</u>	<u>561,359</u>

The financial statements set out on pages 3 to 10 were approved and signed on behalf of the board by:



Mr. Matthew Abela
Director



Mr. Gordon Dimech
Director

Date: 10 August 2023

1 Basis of preparation

1.1 Basis of measurement and statement of compliance

The financial statements of TSAM Limited have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, Legal Notice 289 of 2015 and the Schedule accompanying and forming an integral part of those Regulations (“GAPSME”). The financial statements have been prepared on the historical cost basis except for land and buildings which are stated at their revalued amount. These financial statements present information about the Company as an individual undertaking.

1.2 Functional and presentation currency

The financial statements are presented in (€), which is the Company’s functional currency.

2 Significant accounting policies

2.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition, land and buildings are carried under the revaluation model while other items of property, plant and equipment are carried under the cost model. Revaluations are made for the entire class of land and buildings at least every five years or with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each year is recognised in profit or loss.

Land is not depreciated. The rates of depreciation used for other items of property.

- Plant & Machinery	10% per annum straight line
- Office Equipment	20% per annum straight line
- Building & Improvements	4% per annum straight line

Depreciation method, useful life and residual value

The depreciation method applied, the residual value and the useful life are reviewed on a regular basis and when necessary, revised with the effect of any changes in estimate being accounted for prospectively.

2 Significant accounting policies (continued)

2.1 Property, plant and equipment (continued)

Derecognition of property, plant and equipment

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

2.2 Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

i. Trade and other receivables (excluding non-financial assets included in this line item)

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment.

ii. Trade and other payables (Excluding non-financial liabilities included in this line item)

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

iii Share capital issued by the Company

Ordinary shares issued by the Company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the year in which they are declared.

2.3 Impairment

The Company's financial assets are tested for impairment.

i. Financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2 Significant accounting policies (continued)

2.3 Impairment (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost or cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in profit or loss. If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost/cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

2.5 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year 2022, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to 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 by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

2.6 Foreign currencies

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and monetary liabilities denominated in foreign currencies at balance sheet date are translated at year end closing rates of exchange. Any exchange differences arising on the settlement of monetary assets and monetary liabilities, or on translating foreign denominated monetary assets and liabilities at the balance sheet date at rates different from those at which they were previously translated, are recognised in profit or loss.

2.7 Income

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the inflow of economic benefits associated with the transaction is probable. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the entity.

Rendering of services

Revenue from rendering of services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably. Revenue from the provision of maintenance support services is recognised in proportion to the stage of completion of the transaction at the balance sheet date.

Interest income

Interest income is recognised when the inflow of economic benefits associated with the transaction is probable and the amount of income can be measured reliably. Interest income is recognised on an accrual or time proportion basis.

2.8 Employee benefits

The Company contributes towards the state pension in accordance with local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the year in which they are incurred.

2.9 Borrowing costs

Borrowing costs, including those costs that are directly attributable to the acquisition, construction or production of qualifying assets, are recognised as an expense in profit or loss in the year in which they are incurred.

3 Profit before tax

Total remuneration paid to the Company's auditors is as follows:

	2022	2021
	€	€
Auditor's fees	<u>1,200</u>	<u>1,805</u>

4 Taxation

No provision for the Malta tax has been made in these accounts at the rate of 35% in view of the losses incurred during the year under review.

5 Property, plant and equipment

	Parking areas	Electrical & Plumbing Installations and Sanitary Fittings	Electronic Equipment - Carpark	Other plant	Total
	€	€	€	€	€
Cost					
As at 1 January 2022	313,822	10,722	80,000	38,459	443,003
Additions	26,639	-	5,000	-	31,639
Disposal	-	-	-	-	-
At 31 December 2022	340,461	10,722	85,000	38,459	474,642
Depreciation					
As at 1 January 2022	-	-	-	6,003	6,003
Charge for the year	6,809	715	21,250	3,846	32,620
At 31 December 2022	6,809	715	21,250	9,849	38,623
Net book Value					
At 31 December 2022	333,651	10,008	63,750	28,610	436,019
At 31 December 2021	313,822	10,722	80,000	32,456	437,000

6 Trade and other receivables

	2022	2021
	€	€
Trade receivables	4,830	-
Prepayments	8,147	7,706
VAT liability	2,875	77,967
	15,852	85,673

7 Ordinary shares

	2022	2021
	€	€
Authorised Shares Capital		
4,000 ordinary shares of €1 each	4,000	4,000
Issued share capital and fully paid-up		
1,200 shares of €1 each	1,200	1,200

8 Borrowings	2022	2021
	€	€
Non-current liabilities		
Shareholder's loan	475,953	453,962

The shareholder's loan is unsecured, interest free, and has no fixed repayment date.

9 Trade and other payables	2022	2021
	€	€
Trade payables	110,344	117,861
Accruals	44,349	5,400
Sales Tax	-	3,895
	154,693	127,156

Report on the Audit of the Financial Statements

We have audited the financial statements of TSAM Limited set out on pages 3 to 10, which comprise the balance sheet as at 31 December 2022, the income statement, 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 balance sheet of the Company as at 31 December 2022, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, Legal Notice 289 of 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Maltese Companies Act, (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the 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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the General information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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 GAPSME, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- > Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 company to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

We also have responsibilities under the Maltese Companies Act, (Cap 386) to report to you, if in our opinion:

- > Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- > The financial statements are not in agreement with the accounting records and returns.
- > We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these responsibilities.



Gabriele Brincat - for and on behalf of
GCB Malta Ltd - AB/2/21/05

Certified Public Accountants

No. 27

Triq G. Grech Delicata,

Birkirkara, BKR 4467

Malta

Date: 10 August 2023

Declaration by Directors' pursuant to article 183(3) of the Companies Act

Applicable to accounting periods other than the first accounting period

We, the undersigned director **TSAM Limited** having registration no. **C 71793** do hereby confirm that in respect of the company's financial period ending **31 December 2022** the company qualifies as a small company in terms of article 185 (1) of the Companies Act on the grounds that:

The company did not exceed the limits of at least two of the below-mentioned three criteria, in respect of both the current accounting period and the previous accounting year;	☒
The company: - did not exceed the limits of at least two of the below-mentioned three criteria in respect of the current accounting period; and - exceeded the limits of at least two of the below-mentioned three criteria in the previous accounting period, but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test);	☐
The company exceeded the limits of two of the below-mentioned criteria in respect of the current accounting year but is still entitled to be treated as a small company on the basis of the provisions of article 185(3) of the Companies Act (the two consecutive accounting periods test).	☐

Criteria for a small company

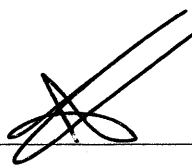
- | | |
|---|---------------------------------|
| - Balance Sheet Total: | four million euro (€4,000,000) |
| - Turnover: | Eight million euro (€8,000,000) |
| - Average number of employees during the accounting period: | Fifty (50) |

We also confirm that on the basis of the above, the company has taken advantage of the following exemptions:

Directors' report has not been submitted to the Registrar of Companies	☒
Profit and Loss account has not been submitted to the Registrar of Companies	☐



Mr. Matthew Abela
Director



Mr. Anthony Debono
Director