

TSAM Limited

Annual Report and Financial Statements

31 December 2016

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Directors' report

The directors present their report and the audited financial statements of the company for the period ended 31 December 2016.

Prevailing currency

These financial statements are stated in Euro (€).

Registration of company

The company was registered on 10 August 2015 and started limited operations from that date. These financial statements relate to the sixteen month period from that date to 31 December 2016.

Principal activity

The main objective of the company is to manage the economic activities of the Scout Association of Malta (VO 0311) in line with the Agency agreement that the company has in place.

Review of business

The company has generated most of its revenue through the administrative and maintenance services provided and other ancillary support services on behalf of The Scout Association of Malta.

Results and dividends

The results for the period are set out in the income statement on page 5. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the period were:

Dr. Anthony Abela Medici

Mr. Gordon Dimech - appointed 17 January 2016

Mr. Robert Gonzi - appointed 17 January 2016

Mr. Anthony Rizzo - appointed - 17 January 2016

Mr. Leslie Bonnici - resigned 13 January 2017

In accordance with the Articles of Association of the company, the present directors remain in office.

Auditors

The auditors Degiorgio, Brincat and Associates have expressed their willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next annual general meeting.

By Order of the Board

Mr. Anthony Rizzo
Chairman

Mr. Gordon Dimech
Secretary

The Scout Association of Malta, Island Headquarters
Congreve-Bernard Memorial Hall, Sarria Street
Floriana FRN 1480
Date: 21 February 2017

Statement of directors' responsibilities and other legal and regulatory matters

The directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of the profit or loss for that year.

In preparing the financial statements, the directors are responsible for ensuring that -

- > appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- > the financial statements have been drawn up in accordance with International Financial Reporting Standards;
- > the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also 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, 1995. They 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.

The financial statements for the year ended 31 December 2016 are hereby approved.

Although the company satisfies the requirements set out in Regulation 5 of the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015. The directors have resolved to draw up the financial statements of the company for the year ended 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the European Union.

Independent auditors' report

To the members of TSAM Limited

We have audited the accompanying financial statements of the above company, which comprise the statement of affairs as at 31 December 2016 and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the EU. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

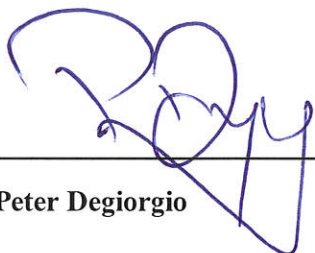
In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2016, and of its financial performance and its cash flow for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

Independent auditors' report - continued**Report on other legal and regulatory requirements**

We also have responsibilities under the Maltese Companies Act, 1995 to report to you, if in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept.
- 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.
- 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 in respect of these responsibilities.



Peter Degiorgio

Degiorgio, Brincat and Associates
Certified Public Accountants

'Anutruf', Suite 3
Triq tal - Hriereb,
Msida MSD 1675
Date: 21 February 2017

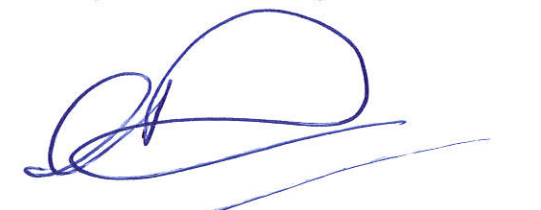
Statement of comprehensive income**Period from
10 August 2015 to
31 December 2016
€**

	Notes	
Revenue		34,059
Administration costs		(33,799)
Finance costs		-
Profit for the period before taxation	3	260
Taxation	4	(91)
Profit for the period		169

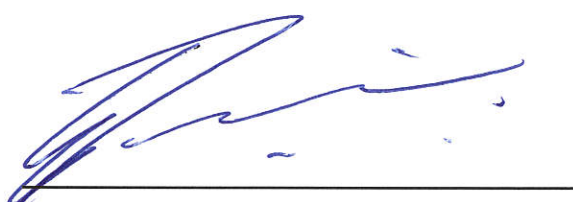
Statement of financial position

	Notes	31 December 2016 €
ASSETS		
Non-current assets		
Property, plant and equipment	5	<u>2,715</u>
Current assets		
Trade and other receivables	6	13,081
Taxation		-
Cash and cash equivalents		<u>32,453</u>
		<u>45,534</u>
Total assets		<u>48,249</u>
 EQUITY AND LIABILITIES		
Equity		
Ordinary shares	7	1,200
Profit and loss account		169
		<u>1,369</u>
Total equity		<u>1,369</u>
 Non - Current liabilities		
Long term borrowings	8	39,300
 Currant liabilities		
Trade and other payables	9	7,489
Company taxation		91
		<u>7,580</u>
Total liabilities		<u>46,880</u>
 Total equity and liabilities		 <u>48,249</u>

The financial statements on pages 5 to 15 were approved by the board of directors on the 21 February 2017 and were signed on its behalf by:



Mr. Anthony Rizzo
Chairman



Mr. Gordon Dimech
Secretary

Statement of changes in equity

	Ordinary shares €	Retained earnings €	Total €
Balance at beginning of period	-	-	-
Transactions with owners			
Issue of new share capital	1,200		1,200
Profit for the period		169	169
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	1,200	169	1,369

Cash flow statement

	Note	31 December 2016 €
Cash absorbed by operating activities		(4,427)
Taxation paid		-
		<hr style="width: 100%;"/>
		(4,427)
 Cash flow from investing activities		
Issue of new share capital		1,200
Purchase of new fixed assets		(3,620)
 Cash flows from financing activities		
Loan advanced from related entity (movement)		<hr style="width: 100%;"/> 39,300
Increase in cash and cash equivalents		32,453
Balance at beginning of period		-
		<hr style="width: 100%;"/>
Balance at 31 December	10	<hr style="width: 100%;"/> 32,453
 Reconciliation of operating profit to		
Cash absorbed by operating activities		
Operating profit		260
Depreciation		905
 Movement in working capital:		
Movement in receivables		(13,081)
Movement in other payables		7,489
		<hr style="width: 100%;"/>
Cash absorbed by operating activities		<hr style="width: 100%;"/> (4,427)

Notes to the financial statements

1. General information

The company is a limited liability company incorporated in Malta. The address of its registered office is, 'The Scout Association of Malta, Island Headquarters, Congreve-Bernard Memorial Hall, Sarria Street, Floriana.

2. Summary of significant accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and comply with the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and presupposes the continued support of its shareholders in order to meet its commitments as and when they fall due.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are explained in the notes to these financial statements.

Standards, interpretations and amendments to published standards

During the year, the company adopted standards, amendments and interpretations to existing standards that are mandatory for the company's accounting year. The adoption of these revisions to the requirements of IFRSs did not result in substantial changes to the company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the company's accounting period. The company has not early adopted these revisions to the requirements of IFRSs and the company's directors are of the opinion that there are no requirements that will have a possible significant impact on the group's financial statements in the period of initial application.

Revenue recognition

Revenue comprises the fair value of the consideration receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the activities described below.

Property, Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Notes to the financial statements

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

	%
Equipment	25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments within the allowed credit terms are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

Cash and equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Share capital

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividend distribution

Dividends on ordinary shares are recognised in the year in which they are declared.

Notes to the financial statements

3: Expenses by nature	31 December 2016
	€
Wages and salaries	27,986
Accountancy fees	3,114
Audit fees	500
Other expenses	1,294
Depreciation	905
	<u>33,799</u>

4: Taxation	31 December 2016
	€
Current tax expense	91
Deferred tax credit	-
	<u>91</u>

Provision for Malta income tax has been made in these accounts based on the taxable profit for the year. The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	31 December 2016
	€
Profit on ordinary activities	<u>260</u>
Tax charge on ordinary activities at 35%	91
Tax effect on temporary differences	-
Tax charge to profit and loss account	<u>91</u>

5: Plant, property and equipment

	Equipment €	Total €
Cost		
At beginning of period	-	-
Additions	<u>3,620</u>	<u>3,620</u>
At 31 December 2016	<u>3,620</u>	<u>3,620</u>
Depreciation		
At beginning of period	-	-
Charge for the year	<u>905</u>	<u>905</u>
At 31 December 2016	<u>905</u>	<u>905</u>
Net book value		
At 31 December 2016	<u>2,715</u>	<u>2,715</u>

6: Trade and other receivables	31 December 2016
	€
Trade Receivables	13,081
Accrued Income	-
	<u>13,081</u>

Notes to the financial statements

7: Ordinary share capital

	31 December 2016 €
Authorised:	
4,000 Ordinary Shares of €1 each	<u>4,000</u>
Issued and fully paid:	
1,200 Ordinary Shares of €1 each	<u>1,200</u>

8: Borrowings

	31 December 2016 €
Non-current	
Shareholder's account	<u>39,300</u>

The loans are unsecured, interest free and not repayable within the next twelve months.

9: Trade and other payables

	31 December 2016 €
Trade payables	2,730
Other payables	415
Accrued expenses	640
Indirect taxation	3,704
	<u>7,489</u>

10: Note to the cash flow statement

	31 December 2016 €
Analysis of cash and cash equivalents:	
Cash at bank	24,711
Cash in hand	<u>7,742</u>
	<u>32,453</u>
Analysis of changes in cash and cash equivalents:	
Balance at start of period	-
Movement during the period	<u>32,453</u>
Balance at end of period	<u>32,453</u>

11: Related party transactions

Related party transactions carried out during the course of the period are as stated in these financial statements. All related party balances at the end of the period have been separately reported in these financial statements.

12: Financial risk factors

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of market conditions and therefore seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the board of directors. The board evaluates, on a yearly basis, financial risk factors based on appropriate skills, experience and supervision.

Notes to the financial statements

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. The company's policy is designed to minimise such risks by implementing the necessary safeguards to counter market risks.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties are accepted. Risk control assesses the credit quality of customers, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the year and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company maintains flexibility in funding by maintaining availability under committed credit lines. The company monitors its liquidity on the basis of expected cash flow. This entails projecting cash flows and considering the level of liquid assets necessary to meet the company's obligations as they fall due.

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue to operate as a going concern in order to provide returns for shareholders and to maintain an optimal structure to reduce the cost of capital. The company monitors capital on the basis of its gearing ratio.

Financial assets which potentially subject the company to concentrations of credit risk consist principally of marketable securities, cash at bank and debtors. The company's cash and securities are placed with quality financial institutions. Debtors are presented net of an allowance for doubtful debts where applicable. Credit risk with respect to debts is limited due to the large number of customers comprising the company's debtor base and the company has no significant concentration of credit risk.

13: Fair values

At 31 December 2016 the carrying amounts of cash at bank, current assets and trade receivables, trade payables, accrued expenses and borrowings approximated their fair values. The fair values of long term borrowings are taken into consideration and adjusted in these financial statements and stated accordingly.

14: Statutory information

TSAM Limited is a limited liability company and is incorporated in Malta.

Detailed accounts

	Pages
Profit and loss account	15

Profit and loss account

Period from
10 August 2015 to
31 December 2016
€

Revenue	34,059
Administration costs	
Wages and Salaries	27,986
Accountancy fees	3,114
Audit fees	500
Miscellaneous expenses	677
Professional fees	477
Registration fee	140
Depreciation	905
	<u>33,799</u>
Profit for the period before taxation	<u>260</u>