

**TSAM Limited**  
**Annual Report and Financial Statements**  
**31 December 2017**

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**Directors' report**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

**Prevailing currency**

These financial statements are stated in Euro (€).

**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's main revenue includes administrative and maintenance services provided and other ancillary support services on behalf of The Scout Association of Malta. A loss was registered in the period under review. This was mainly due to an increase in expenses which surpassed a small increase in income. Plans are in hand for the company to take over running of the Ghajn Tuffieha camp site from May 2018. Consequently revenue should increase enough to ensure that the company can operate as a going concern.

**Results and dividends**

The results for the year 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

Mr. Robert Gonzi

Mr. Anthony Rizzo

Mr. Anthony Debono - appointed 7 March 2017

Mr. Leslie Bonnici - resigned 13 January 2017

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

**Auditors**

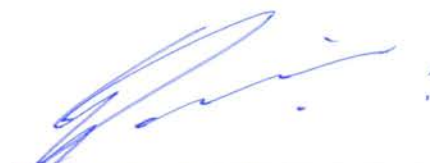
The auditors Degiorgio, Brincat and Associates have expressed their willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next annual general meeting.

**By Order of the Board**

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**Mr. Anthony Rizzo**

Chairman



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**Mr. Gordon Dimech**

Secretary

The Scout Association of Malta, Island Headquarters  
Congreve-Bernard Memorial Hall, Sarria Street  
Floriana FRN 1480  
10 April 2018

**Statement of directors' responsibilities**

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

In preparing the financial statements, directors are required to:

- > Select suitable accounting policies and then apply them consistently;
- > Make judgments and estimates that are reasonable and prudent;
- > State whether International Financial Reporting Standards, as approved by the EU, have been followed;
- > Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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).

They are also responsible to ensure that an appropriate system of internal control is in operation to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the company and that the necessary precautions are being taken so that fraud and error and other irregularities will be prevented or detected.

**Independent auditors' report - continued**

As part of an audit in accordance with ISAs, we exercise professional judgement 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- : Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- : Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- : Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- : 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.

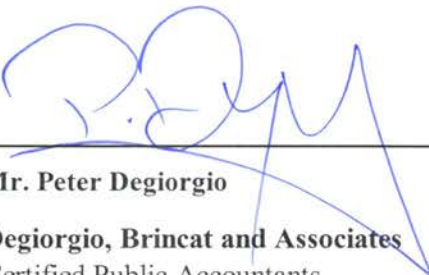
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.
- : The information given in the directors' report is not consistent with the financial statements.
- : 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.



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**Mr. Peter Degiorgio**

**Degiorgio, Brincat and Associates**

Certified Public Accountants

'Anutruf', Level 3

Triq tal - Hriereb,

Msida

10 April 2018



# Statement of comprehensive income

		Year ended 31 Dec 2017 €	Period from 10 Aug 2015 to 31 Dec 2016 €
	Notes		
<b>Revenue</b>		<u>39,504</u>	<u>34,059</u>
Administration costs		(54,100)	(33,799)
Finance costs		<u>(48)</u>	<u>-</u>
<b>(Loss)/profit for the year before taxation</b>	3	(14,644)	260
Taxation	4	<u>-</u>	<u>(91)</u>
<b>(Loss)/profit for the year after taxation</b>		<u>(14,644)</u>	<u>169</u>

## Statement of financial position

	Notes	31 Dec 2017 €	31 Dec 2016 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	<u>1,810</u>	<u>2,715</u>
<b>Current assets</b>			
Trade and other receivables	6	119	13,081
Taxation		-	-
Cash and cash equivalents		<u>33,889</u>	<u>32,453</u>
		<u>34,008</u>	<u>45,534</u>
<b>Total assets</b>		<u>35,818</u>	<u>48,249</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Ordinary shares	7	1,200	1,200
Profit and loss account		<u>(14,475)</u>	<u>169</u>
<b>Total equity</b>		<u>(13,275)</u>	<u>1,369</u>
<b>Non - Current liabilities</b>			
Long term borrowings	8	40,000	39,300
<b>Currant liabilities</b>			
Trade and other payables	9	9,093	7,489
Company taxation		-	91
<b>Total liabilities</b>		<u>49,093</u>	<u>46,880</u>
<b>Total equity and liabilities</b>		<u>35,818</u>	<u>48,249</u>

The financial statements on pages 5 to 13 were approved by the board of directors on the 10 April 2018 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 €
<b>Balance at beginning of period</b>	-	-	-
<b>Transactions with owners</b>			
Issue of new share capital	1,200		1,200
Profit for the period		169	169
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<hr/> 1,200	<hr/> 169	<hr/> 1,369
 Balance at 1 January 2017	 1,200	 169	 1,369
Loss for the year	<hr/>	<hr/> (14,644)	<hr/> (14,644)
 <b>Balance at 31 December 2017</b>	 <hr/> <b>1,200</b>	 <hr/> <b>(14,475)</b>	 <hr/> <b>(13,275)</b>



## Cash flow statement

	Note	31 Dec 2017 €	31 Dec 2016 €
<b>Cash generated from/absorbed by operating activities</b>		<b>875</b>	<b>(4,427)</b>
Taxation paid		(91)	-
Finance charges		(48)	-
		<u>736</u>	<u>(4,427)</u>
<b>Cash flow from investing activities</b>			
Issue of new share capital		-	1,200
Purchase of new fixed assets		-	(3,620)
<b>Cash flows from financing activities</b>			
Loan advanced from related entity		<u>700</u>	<u>39,300</u>
<b>Increase in cash and cash equivalents</b>		<b>1,436</b>	<b>32,453</b>
Balance at beginning of year		<u>32,453</u>	<u>-</u>
Balance at 31 December	10	<u><u>33,889</u></u>	<u><u>32,453</u></u>
<b>Reconciliation of operating (loss)/profit to</b>			
Cash generated from/absorbed by operating activities			
Operating (loss)/profit		(14,596)	260
Depreciation		905	905
<b>Movement in working capital:</b>			
Movement in receivables		12,962	(13,081)
Movement in other payables		<u>1,604</u>	<u>7,489</u>
<b>Cash generated from/absorbed by operating activities</b>		<u><u>875</u></u>	<u><u>(4,427)</u></u>

## 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, (Cap 386). 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**

<b>3: Expenses by nature</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	€	€
Wages and salaries	42,546	27,986
Accountancy fees	4,627	3,114
Audit fees	500	500
Other expenses	4,448	1,294
Depreciation	905	905
	<u>53,026</u>	<u>33,799</u>

<b>4: Taxation</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	€	€
Current tax expense	-	91
Deferred tax credit	-	-
	<u>-</u>	<u>91</u>

No provision for Malta income tax has been made in these accounts in view of the loss incurred by the company during 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:

	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	€	€
(I)Loss/profit on ordinary activities	<u>(14,644)</u>	<u>260</u>
Tax charge on ordinary activities at 35%	(5,125)	91
Tax effect on temporary differences	<u>5,125</u>	<u>-</u>
Tax charge to profit and loss account	<u>-</u>	<u>91</u>

**5: Plant, property and equipment**

	<b>Equipment</b>	<b>Total</b>
	€	€
<b>Cost</b>		
Balance as at 1 January	3,620	3,620
Additions	-	-
<b>At 31 December 2017</b>	<u>3,620</u>	<u>3,620</u>
<b>Depreciation</b>		
Balance as at 1 January	905	905
Charge for the year	905	905
<b>At 31 December 2017</b>	<u>1,810</u>	<u>1,810</u>
<b>Net book value</b>		
<b>At 31 December 2017</b>	<u>1,810</u>	<u>1,810</u>
At 31 December 2016	<u>2,715</u>	<u>2,715</u>

<b>6: Trade and other receivables</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	€	€
Trade Receivables	119	13,081
Accrued Income	-	-
	<u>119</u>	<u>13,081</u>

## Notes to the financial statements

### 7: Ordinary share capital

	31 Dec 2017 €	31 Dec 2016 €
<b>Authorised:</b>		
4,000 Ordinary Shares of €1 each	<u>4,000</u>	<u>4,000</u>
<b>Issued and fully paid:</b>		
1,200 Ordinary Shares of €1 each	<u>1,200</u>	<u>1,200</u>

### 8: Borrowings

	31 Dec 2017 €	31 Dec 2016 €
<b>Non-current</b>		
Shareholder's account	<u>40,000</u>	<u>39,300</u>

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

### 9: Trade and other payables

	31 Dec 2017 €	31 Dec 2016 €
Trade payables	1,505	2,730
Other payables	435	415
Accrued expenses	6,192	640
Indirect taxation	961	3,704
	<u>9,093</u>	<u>7,489</u>

### 10: Note to the cash flow statement

	31 Dec 2017 €	31 Dec 2016 €
<b>Analysis of cash and cash equivalents:</b>		
Cash at bank	27,513	24,711
Cash in hand	<u>6,376</u>	<u>7,742</u>
	<u>33,889</u>	<u>32,453</u>
<b>Analysis of changes in cash and cash equivalents:</b>		
Balance at start of period	-	-
Movement during the period	<u>33,889</u>	<u>32,453</u>
<b>Balance at end of period</b>	<u>33,889</u>	<u>32,453</u>

### 11: Related party transactions

Related party transactions carried out during the course of the year are as stated in these financial statements. All related party balances at the end of the year 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 2017 and 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**

	<b>Pages</b>
Profit and loss account	15

**Profit and loss account**

	Year ended 31 Dec 2017 €	Period from 10 Aug 2015 to 31 Dec 2016 €
<b>Revenue</b>	<u>39,504</u>	<u>34,059</u>
<b>Administration costs</b>		
Wages and Salaries	42,546	27,986
Director's fees	-	-
Administration costs	-	-
Travelling costs	416	-
Accountancy fees	4,627	3,114
Audit fees	500	500
Fines and penalties	100	-
Legal fees		
Miscellaneous expenses	997	677
Utility costs	2,769	-
Professional fees	542	477
Registration fee	140	140
Insurance costs	558	-
Depreciation	905	905
	<u>54,100</u>	<u>33,799</u>
<b>Finance costs</b>		
Bank charges	48	-
<b>Total finance costs</b>	<u>48</u>	<u>-</u>
 <b>(Loss)/profit for the year before taxation</b>	 <u><u>(14,644)</u></u>	 <u><u>260</u></u>