



**Interim Financial Report (Unaudited)**

**For the period ended 30 June 2022**

**Bonnici Bros. Properties p.l.c.**

**Interim Financial Report (Unaudited)**

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## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Comprehensive Income

For the period 1 January 2022 to 30 June 2022

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	01.01.22 to 30.06.22 Unaudited	01.01.21 to 30.06.21 Unaudited
	€	€
Revenue	486,695	231,830
Direct operating expenses	(1,424)	(2,054)
	-----	-----
Net income	485,271	229,776
Administrative expenses	(99,042)	(27,187)
Finance costs	(74,999)	(23,384)
	-----	-----
Profit before taxation	311,230	179,205
Income tax expense	(147,364)	(59,940)
	-----	-----
Profit for the period - total comprehensive income	163,866	119,265
	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

**Bonnici Bros. Properties p.l.c.**  
**Condensed Statement of Financial Position**  
**As at 30 June 2022**

		30.06.22	31.12.21
		Unaudited	Audited
	Note	€	€
<b>ASSETS</b>			
Property and equipment	6	2,194,378	2,194,557
Investment property	7	27,759,969	25,962,408
		-----	-----
<b>Total non-current assets</b>		<b>29,954,347</b>	<b>28,156,965</b>
		-----	-----
Trade and other receivables		315,880	184,095
Cash and cash equivalents		44,970	10,242
		-----	-----
<b>Total current assets</b>		<b>360,850</b>	<b>194,337</b>
		-----	-----
<b>TOTAL ASSETS</b>		<b>30,315,197</b>	<b>28,351,302</b>
		=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

# Bonnici Bros. Properties p.l.c.

## Condensed Statement of Financial Position (continued)

As at 30 June 2022

		30.06.22 Unaudited	31.12.21 Audited
	Note	€	€
<b>EQUITY AND LIABILITIES</b>			
Share capital		50,000	1,200
Capital contribution reserve		10,786,735	10,835,535
Retained earnings		5,378,228	5,214,362
<b>Total equity</b>		<b>16,214,963</b>	<b>16,051,097</b>
<b>Borrowings and other liabilities</b>			
Borrowings	8	1,141,239	1,201,030
Trade and other payables		5,000	5,000
Deferred tax liabilities		2,548,200	2,548,200
<b>Total non-current liabilities</b>		<b>3,694,439</b>	<b>3,754,230</b>
<b>Current liabilities</b>			
Borrowings	8	1,344,482	145,902
Trade and other payables		8,713,879	8,165,304
Contract liabilities		103,161	114,888
Current tax liabilities		244,273	119,881
<b>Total current liabilities</b>		<b>10,405,795</b>	<b>8,545,975</b>
<b>Total liabilities</b>		<b>14,100,234</b>	<b>12,300,205</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,315,197</b>	<b>28,351,302</b>

The accompanying notes form an integral part of these condensed interim financial statements.

These condensed interim financial statements on pages 1 to 13 were approved by the Board of Directors on 8 August 2022 and signed on its behalf by:

Gilbert Bonnici  
Director



David Bonnici  
Director



## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Changes in Equity

For the period 1 January 2022 to 30 June 2022

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	Share capital	Capital contribution reserve	Retained earnings	Total
	€	€	€	€
As at 1 January 2021	1,200	10,835,535	5,050,265	15,887,000
	-----	-----	-----	-----
Profit for the period	-	-	119,265	119,265
	-----	-----	-----	-----
<b>Total comprehensive income for the period</b>	-	-	119,265	119,265
	-----	-----	-----	-----
As at 30 June 2021	1,200	10,835,535	5,169,530	16,006,265
	=====	=====	=====	=====
As at 1 January 2022	1,200	10,835,535	5,214,362	16,051,097
	-----	-----	-----	-----
Issue of share capital	48,800	(48,800)	-	-
	-----	-----	-----	-----
Transactions with owners	48,800	(48,800)	-	-
	-----	-----	-----	-----
Profit for the period	-	-	163,866	163,866
	-----	-----	-----	-----
<b>Total comprehensive income for the period</b>	-	-	163,866	163,866
	-----	-----	-----	-----
As at 30 June 2022	50,000	10,786,735	5,378,228	16,214,963
	=====	=====	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.

## Bonnici Bros. Properties p.l.c.

### Condensed Statement of Cash Flows

For the period 1 January 2022 to 30 June 2022

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	01.01.22 to 30.06.22 Unaudited	01.01.21 to 30.06.21 Unaudited
	€	€
<b>Cash flows from operating activities</b>		
Profit for the period	163,866	119,265
Adjustments for:		
Income tax expense	147,364	59,940
Finance costs	74,999	23,384
Depreciation	179	89
	-----	-----
	386,408	202,678
Net changes in working capital:		
(Increase)/Decrease in trade and other receivables	(224,246)	3,694
Decrease in contract assets	-	32,657
Increase/(Decrease) in trade and other payables	114,527	(13,803)
Decrease in contract liabilities	(11,727)	-
	-----	-----
Cash generated from operating activities	264,962	225,226
Tax paid	(22,972)	(10,148)
	-----	-----
<b>Net cash from operating activities</b>	<b>241,990</b>	<b>215,078</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(631,605)
Purchase of investment property	(1,303,863)	(103,007)
	-----	-----
<b>Cash used in investing activities</b>	<b>(1,303,863)</b>	<b>(734,612)</b>
	-----	-----
Balance carried forward	(1,061,873)	(519,534)
	-----	-----

The accompanying notes form an integral part of these condensed interim financial statements.

**Bonnici Bros. Properties p.l.c.**

**Condensed Statement of Cash Flows (continued)**

**For the period 1 January 2022 to 30 June 2022**

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	01.01.22 to 30.06.22 Unaudited	01.01.21 to 30.06.21 Unaudited
	€	€
Balance brought forward	(1,061,873)	(519,534)
	-----	-----
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	1,200,000	600,000
Repayment of bank borrowings	(72,761)	(59,263)
Payment of bank borrowings processing fees	(9,309)	(1,800)
Bank loan interest paid	(21,329)	(8,087)
	-----	-----
<b>Net cash from financing activities</b>	1,096,601	530,850
	-----	-----
<b>Net change in cash and cash equivalents</b>	34,728	11,316
Cash and cash equivalents at beginning of period	10,242	43,568
	-----	-----
<b>Cash and cash equivalents at end of period</b>	44,970	54,884
	=====	=====

The accompanying notes form an integral part of these condensed interim financial statements.



# Bonnici Bros. Properties p.l.c.

## Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

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### 1 Reporting entity

Bonnici Bros. Properties p.l.c. (the "Company") is a public limited liability company domiciled and incorporated in Malta under the Companies Act, 1995 (Chapter 386, Laws of Malta), whose registered address is situated at 'Bonnici House', Sardine Street, Burmarrad, St. Paul's Bay, SPB 6073, Malta.

By a shareholders' extraordinary resolution dated 23 November 2022, the Company was converted from a private limited liability company to a public limited liability company.

The effective date of the conversion was registered with the Malta Business Registry on 5 January 2023.

The Company principally invests in immovable property to earn rental and other income therefrom in the short and the long term.

### 2 Significant events and transactions

During the six-month period ended 30 June 2022 (the 'reporting date'), the Company:

- entered into an agreement with related parties to charge property security fee for the provision of special hypothecary guarantees on own property to the related parties' bankers for the granting of bank facilities to related parties.
- incurred additional costs in the development of the warehouses on the Company's own land.
- was granted a bank loan amounting to €1,200,000 to finance the cost of acquiring three Mercury Suites in March 2022.

Subsequent to the reporting date, the Company cancelled all corporate guarantees (Note 10) provided to banks of related parties for the issuance of bank facilities to related parties.

### 3 Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2022 have been extracted from the unaudited management accounts of the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*, as adopted by the EU ("IAS 34").

## **Bonnici Bros. Properties p.l.c.**

### **Notes to the Condensed Interim Financial Statements**

**For the period 1 January 2022 to 30 June 2022**

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#### **3 Basis of preparation (continued)**

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2021, and corresponding interim period.

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2021.

As required by IAS 34, these condensed interim financial statements include the comparative statement of financial position as of 31 December 2021, and the comparative statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 January 2021 to 30 June 2021.

#### **4 New Standards or Amendments adopted as at 1 January 2022**

Some accounting pronouncements which have become effective from 1 January 2022 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

#### **5 Judgements and estimates**

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The judgements, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's annual financial statements for the year ended 31 December 2021.

#### **6 Property and equipment**

Property and equipment include the cost of the Company's quarries amounting to €2,193,391. No depreciation was recognised in profit or loss during the period on the Company's quarries given that the landfilling activity did not commence as at the reporting date.

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

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#### 6 Property and equipment (continued)

The Company's quarries are secured against bank loan facilities granted to the Company (Note 8) and related parties (Note 9).

#### 7 Investment property

	€
Balance as at 1 January 2021 (audited)	21,627,386
Additions	3,906,734
Fair value gain recognised in profit or loss	428,288
	-----
As at 31 December 2021 (audited)	25,962,408
Additions	1,797,561
	-----
<b>As at 30 June 2022 (unaudited)</b>	<b>27,759,969</b>
	=====

The additions to investment property during the six-month period ended 30 June 2022 include construction work in progress on the development of one of the Company's own land amounting to €505,200, and the acquisition of three Mercury Suites at €1,292,361, including any attributable costs.

The carrying amount of investment property amounting to €27,759,969 is secured against bank facilities granted to the Company (Note 8) and related parties (Note 9).

#### 8 Borrowings

	30.06.22 Unaudited	31.12.21 Audited
	€	€
Loans due to shareholders	893,669	878,299
Bank loans	247,570	322,731
	-----	-----
<b>Non-current liabilities</b>	<b>1,141,239</b>	<b>1,201,030</b>
	-----	-----

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

#### 8 Borrowings (continued)

	30.06.22 Unaudited	31.12.21 Audited
	€	€
Bank loans	1,344,482	145,902
<b>Current liabilities</b>	<b>1,344,482</b>	<b>145,902</b>
<b>Total borrowings</b>	<b>2,485,721</b>	<b>1,346,932</b>

The Company's bank loan facilities bear an effective interest rate ranging from 3.75% to 3.86% per annum. These facilities are secured by special hypothecs over the Company's quarries (Note 6) and investment property (Note 7) up to a limit of €396,692 and €1,200,000 respectively.

#### 9 Related party transactions

During the period, the Company entered into transactions with related parties as set out below:

	01.01.22 to 30.06.22 Unaudited	01.01.21 to 30.06.21 Unaudited
	€	€
<b>Revenue</b>		
Rental income	215,426	195,951
Security fee income	236,020	-
<b>Direct operating expenses</b>		
Recharge of expenses	1,424	2,054
<b>Administrative expenses</b>		
Recharge of expenses	1,816	1,764

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

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#### 9 Related party transactions (continued)

	01.01.22 to 30.06.22 Unaudited	01.01.21 to 30.06.21 Unaudited
	€	€
<b>Finance costs</b>		
Interest expense on shareholders' loans	15,370	14,850
Interest expense charged by related party	36,119	-

No impairment loss in relation to balances due by related parties has been recognised in profit or loss during the reporting period and exist as at the reporting date.

The carrying amount of the Company's properties amounting to €27,873,329 (2021: €27,368,129) are provided as security against bank facilities granted to related parties.

The Company's liability is limited to the value of the property used as security which in aggregate amount to €24,467,000 (2021: €24,467,000).

#### 10 Contingent liabilities

The special hypothecs securing bank facilities to related parties (Note 9) are contingent since they will only be enforced if the principal debtor fails to honour its commitments to the banks.

As at 30 June 2022, the Company was acting as a guarantor in favour of banks of related parties up to a limit of €44,415,000 (2021: €45,885,000) for the issuance of bank facilities to the related parties. As disclosed in Note 2, these corporate guarantees were cancelled subsequent to the reporting date.

#### 11 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

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#### 11 Fair value measurement (continued)

The Company measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Valuation techniques based on observable input, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data; and
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes input not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

##### *Non-financial instruments*

The fair value of the Company's investment property (Note 7) has been determined by an accredited external independent architect based on level 3 inputs.

These level 3 inputs include future rental value, anticipated property costs, future development costs and an appropriate discount rate.

##### *Financial instruments*

	Level 1	Level 2	Level 3	Carrying amount
	€	€	€	€
<i>Financial assets</i>				
Trade and other receivables	-	315,880	-	315,880
Cash and cash equivalents	-	44,970	-	44,970
<b>At 30 June 2022 (unaudited)</b>	-	360,850	-	360,850



## Bonnici Bros. Properties p.l.c.

### Notes to the Condensed Interim Financial Statements

For the period 1 January 2022 to 30 June 2022

#### 11 Fair value measurement (continued)

##### *Financial instruments (continued)*

	Level 1	Level 2	Level 3	Carrying amount
	€	€	€	€
<i>Financial liabilities</i>				
Borrowings	-	1,592,052	893,669	2,485,721
Trade and other payables	-	8,718,879	-	8,718,879
Contract liabilities	-	103,161	-	103,161
	-----	-----	-----	-----
<b>At 30 June 2022 (unaudited)</b>	-	10,414,092	893,669	11,307,761
	=====	=====	=====	=====
<i>Financial assets</i>				
Trade and other receivables	-	184,095	-	184,095
Cash and cash equivalents	-	10,242	-	10,242
	-----	-----	-----	-----
<b>At 31 December 2021 (audited)</b>	-	194,337	-	194,337
	=====	=====	=====	=====
<i>Financial liabilities</i>				
Borrowings	-	468,633	878,299	1,346,932
Trade and other payables	-	8,170,304	-	8,170,304
Contract liabilities	-	114,888	-	114,888
	-----	-----	-----	-----
<b>At 31 December 2021 (audited)</b>	-	8,753,825	878,299	9,632,124
	=====	=====	=====	=====