



Interim Financial Report (Unaudited)

For the period ended 30 June 2024

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 2024 to 30 June 2024**

	01.01.24 to 30.06.24 Unaudited	01.01.23 to 30.06.23 Unaudited
	€	€
Revenue	662,996	476,778
Direct operating expenses	(7,197)	(16,804)
	-----	-----
Net income	655,799	459,974
Administrative expenses	(90,342)	(107,042)
Net finance costs	(328,035)	(214,120)
	-----	-----
Profit before taxation	237,422	138,812
Income tax expense	(107,842)	(89,395)
	-----	-----
Profit for the period - total comprehensive income	129,580	49,417
	=====	=====

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 2024**

		30.06.24 Unaudited	31.12.23 Audited
	Note	€	€
ASSETS			
Property and equipment	6	2,193,661	2,193,840
Investment property	7	34,133,110	32,054,973
		-----	-----
Total non-current assets		36,326,771	34,248,813
		-----	-----
Trade and other receivables		2,138,971	2,540,925
Prepayments		8,510	8,556
Contract assets		26,917	67,751
Cash and cash equivalents		60,885	762,140
		-----	-----
Total current assets		2,235,283	3,379,372
		-----	-----
TOTAL ASSETS		38,562,054	37,628,185
		=====	=====

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 2024**

		30.06.24 Unaudited	31.12.23 Audited
	Note	€	€
EQUITY AND LIABILITIES			
Share capital		5,000,000	5,000,000
Capital contribution reserve		6,619,875	6,619,875
Retained earnings		5,570,891	5,441,311
Total equity		17,190,766	17,061,186
Borrowings	8	13,732,609	12,760,091
Trade and other payables	9	53,950	40,450
Deferred tax liabilities		3,070,839	3,070,839
Total non-current liabilities		16,857,398	15,871,380
Borrowings	8	98,712	-
Trade and other payables	9	4,302,518	4,623,335
Contract liabilities		9,287	1,142
Current tax liabilities		103,373	71,142
Total current liabilities		4,513,890	4,695,619
Total liabilities		21,371,288	20,566,999
TOTAL EQUITY AND LIABILITIES		38,562,054	37,628,185

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

These condensed interim financial statements on pages 1 to 14 were approved by the Board of Directors on 26 August 2024 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 2024 to 30 June 2024**

	Share capital	Capital contribution reserve	Retained earnings	Total
	€	€	€	€
As at 1 January 2023	5,000,000	6,619,875	5,439,947	17,059,822
	-----	-----	-----	-----
Profit for the period	-	-	49,417	49,417
	-----	-----	-----	-----
Total comprehensive income for the period	-	-	49,417	49,417
	-----	-----	-----	-----
As at 30 June 2023	5,000,000	6,619,875	5,489,364	17,109,239
	=====	=====	=====	=====
As at 1 January 2024	5,000,000	6,619,875	5,441,311	17,061,186
	-----	-----	-----	-----
Profit for the period	-	-	129,580	129,580
	-----	-----	-----	-----
Total comprehensive income for the period	-	-	129,580	129,580
	-----	-----	-----	-----
As at 30 June 2024	5,000,000	6,619,875	5,570,891	17,190,766
	=====	=====	=====	=====

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 2024 to 30 June 2024**

	01.01.24 to 30.06.24 Unaudited €	01.01.23 to 30.06.23 Unaudited €
Cash flows from operating activities		
Profit for the period	129,580	49,417
Adjustments for:		
Income tax expense	107,842	89,395
Net finance costs	328,035	214,120
Depreciation	179	180
	-----	-----
	565,636	353,112
Net changes in working capital:		
Increase in trade and other receivables	(85,559)	(784,515)
Decrease in contract assets	40,834	27,521
Increase/(Decrease) in trade and other payables	7,684	(206,103)
Increase/(Decrease) in contract liabilities	8,145	(2,218)
	-----	-----
Cash generated from/(absorbed by) operating activities	536,740	(612,203)
Tax paid	(75,611)	(38,420)
	-----	-----
Net cash from/(used in) operating activities	461,129	(650,623)
	-----	-----
Cash flows from investing activities		
Purchase of investment property	(1,560,928)	(7,783,450)
	-----	-----
Cash used in investing activities	(1,560,928)	(7,783,450)
	-----	-----
Balance carried forward	(1,099,799)	(8,434,073)
	-----	-----

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 2024 to 30 June 2024**

	01.01.24 to 30.06.24 Unaudited €	01.01.23 to 30.06.23 Unaudited €
Balance brought forward	(1,099,799)	(8,434,073)
Cash flows from financing activities		
Proceeds from bond issue	-	12,000,000
Proceeds from bank loans	1,071,000	-
Repayment of bank loans (inclusive of interest)	(34,425)	(2,986,224)
Payment of bank loans processing fees	(8,031)	-
Payment of bond interest	(630,000)	-
Payment of bond related expenses	-	(180,582)
Net cash from financing activities	398,544	8,833,194
Net change in cash and cash equivalents	(701,255)	399,121
Cash and cash equivalents at beginning of period	762,140	18,436
Cash and cash equivalents at end of period	60,885	417,557

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 2024 to 30 June 2024

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.

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 2024 (the 'reporting date'), the Company:

- acquired a property in Swieqi with a guest house comfort licence issued by the Malta Tourism Authority.
- leased its property in Swieqi to a third party.

3 Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2024 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").

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 2023, 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 2023.

As required by IAS 34, these condensed interim financial statements include the comparative statement of financial position as of 31 December 2023, and the comparative statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 January 2023 to 30 June 2023.

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

3 Basis of preparation (continued)

Going concern

The financial statements have been prepared under the assumption that the Company operates on a going concern basis, which assumes that the Company will be able to discharge its liabilities, when and as these fall due.

As at the reporting date, the Company had a positive net equity position of €17,190,766 and a net working capital liability position of €2,278,607. In conforming the validity of the going concern basis of preparation, management concluded that the ultimate shareholders have the ability to assign and novate to themselves in part or in full the amounts due to related parties which as at the reporting date amounted to €3,918,672.

4 New Standards or Amendments adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 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 2023.

6 Property and equipment

Property and equipment include the cost of the Company's quarries amounting to €2,193,391 (2023: €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 2024 to 30 June 2024

6 Property and equipment (continued)

One of the Company's quarries at a carrying amount of €1,405,721 (2023: €1,405,721) is pledged as security in relation to bank facilities granted to related parties (Note 9).

7 Investment property

	€
Balance as at 1 January 2023 (audited)	29,297,635
Additions	2,537,127
Fair value movement recognised in profit or loss	220,211

As at 31 December 2023 (audited)	32,054,973
Additions	2,078,137

As at 30 June 2024 (unaudited)	34,133,110
	=====

The additions to investment property during the six-month period ended 30 June 2024 include the acquisition of a property in Swieqi with a guest house comfort licence issued by the Malta Tourism Authority. This property was partly financed through a bank loan facility (Note 8).

The carrying amount of investment property amounting to €1,611,546 (2023: nil) is pledged as security in relation to a bank facility granted to the Company (Note 8) and €25,786,878 (2023: €25,324,973) is pledged as security in relation to bank facilities granted to related parties (Note 9).

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

8 Borrowings

	30.06.24 Unaudited	31.12.23 Audited
	€	€
Unsecured 5.25% bond issue 2033 (i)	11,713,654	11,701,046
Loans due to shareholders (ii)	1,077,578	1,059,045
Bank loan (iii)	941,377	-
	-----	-----
Non-current liabilities	13,732,609	12,760,091
	-----	-----
Bank loan (iii)	98,712	-
	-----	-----
Current liabilities	98,712	-
	-----	-----
Total borrowings	13,831,321	12,760,091
	=====	=====

- (i) The unsecured debt in issue by the Company is stated net of attributable costs, bears an effective interest rate of 5.6% per annum, and matures on 3 April 2033.
- (ii) The loans due to shareholders are unsecured, interest free and payable by 29 November 2082. The equity portion of these loans amounting to €6,619,875 (2023: €6,619,875) is recognised as capital contribution reserve directly in equity.
- (iii) The bank loan is secured by a special hypothecary guarantee over the property in Swieqi acquired during the reporting period (Note 7), is repayable over a 15-year term period, and bears interest at 4% per annum.

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

9 Trade and other payables

	30.06.24 Unaudited	31.12.23 Audited
	€	€
Deposits from tenants	53,950	40,450
	-----	-----
Non-current liabilities	53,950	40,450
	=====	=====
Trade payables	150,109	108,005
Other payables	3,028	7,195
Amounts owed to related parties	3,918,672	3,965,897
Accruals	170,520	488,589
	-----	-----
<i>Financial liabilities</i>	4,242,329	4,569,686
Indirect taxation	60,189	53,649
	-----	-----
Total current liabilities	4,302,518	4,623,335
	=====	=====

10 Related party transactions

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

	01.01.24 to 30.06.24 Unaudited	01.01.23 to 30.06.23 Unaudited
	€	€
Revenue		
Rental income	242,388	129,568
Security fee income	253,900	247,376

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

10 Related party transactions

	01.01.24 to 30.06.24 Unaudited	01.01.23 to 30.06.23 Unaudited
	€	€
Direct operating expenses		
Recharge of expenses	2,793	417
Administrative expenses		
Recharge of expenses	546	3,617
Finance costs		
Interest expense on shareholders' loans	18,533	17,906
Interest expense charged by related party	-	16,699

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 €27,192,599 (2023: €26,730,694) is provided as security against bank facilities granted to related parties.

11 Contingent liabilities

The special hypothecs securing bank facilities granted to related parties (Note 10) are contingent since they will only be enforced if the principal debtor fails to honour its commitments to the banks.

The maximum amount that can be settled by the Company if these special hypothecary guarantees are called upon by the bankers as at the reporting date amounts to €23,902,103 (2023: €24,010,000).

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

12 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.

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.

Bonnici Bros. Properties p.l.c.

Notes to the Condensed Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

12 Fair value measurement (continued)

Financial instruments

	Level 1	Level 2	Level 3	Carrying amount
	€	€	€	€
<i>Financial assets</i>				
Trade and other receivables	-	2,138,971	-	2,138,971
Contract assets	-	26,917	-	26,917
Cash and cash equivalents	-	60,885	-	60,885
	-----	-----	-----	-----
At 30 June 2024 (unaudited)	-	2,226,773	-	2,226,773
	=====	=====	=====	=====
<i>Financial liabilities</i>				
Borrowings	12,348,000	1,040,089	478,800	13,866,889
Trade and other payables	-	4,356,468	-	4,356,468
Contract liabilities	-	9,287	-	9,287
	-----	-----	-----	-----
At 30 June 2024 (unaudited)	12,348,000	5,405,844	478,800	18,232,644
	=====	=====	=====	=====
<i>Financial assets</i>				
Trade and other receivables	-	2,540,925	-	2,540,925
Contract assets	-	67,751	-	67,751
Cash and cash equivalents	-	762,140	-	762,140
	-----	-----	-----	-----
At 31 December 2023 (audited)	-	3,370,816	-	3,370,816
	=====	=====	=====	=====
<i>Financial liabilities</i>				
Borrowings	12,180,000	-	467,261	12,647,261
Trade and other payables	-	4,663,785	-	4,663,785
Contract liabilities	-	1,142	-	1,142
	-----	-----	-----	-----
At 31 December 2023 (audited)	12,180,000	4,664,927	467,261	17,312,188
	=====	=====	=====	=====