

Crecol Limited
Interim report and financial statements
For the period ended 30th June 2020

Crecol Limited
Interim report and financial statements
For the period ended 30th June 2020

Contents

Interim Report	Page
Director's report	1 - 2
Interim Financial Statements:	
Interim Statement of Financial Position	3
Interim Statement of Comprehensive Income	4
Interim Statement of Changes in Equity	5
Interim Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13

Director's report

For the period ended 30th June 2020

The director presents his interim report and the audited financial statements of Crecol Limited (“the company”) for the period ended 30th June 2020.

Principal activities

The company is to hold investments in subsidiary companies for capital growth and income generation.

Review of business development and financial position

The company made a loss before tax of €11,920 (30 June 2019: nil).

Results and dividends

The loss for the period after taxation amounted to €11,920 (30 June 2019: nil). The director does not recommend the payment of dividend during the year.

Subsequent event

During the period ending 30th June 2020, the existence of a new coronavirus (COVID-19) was confirmed. Due to its spread across a number of countries, COVID-19 has caused interruption to businesses and economic activity which has been reflected in fluctuations in global stock markets. Although the effects of such virus were include in the financial results of the Company as at 30th June 2020, the rapidly changing environment arising from the COVID-19 are still to be considered as a non-adjusting post balance sheet event. The current circumstances are still affecting many countries, businesses and people. Whilst it is possible that the level of activity of the Company may be negatively impacted for a limited time period, the director is confident that the longer-term forecasts and opportunities will outweigh any short-term negative impact. As a result, it is not feasible at this time to determine the full quantitative impact of COVID-19 and make reliable forecasts of the total global impacts on the Company, given the inherent uncertainties.

Director's report (continued)

Director

The following has served as director of the company during the period under review, and the respective shareholding, if applicable:

FJV Management Limited – 1 share held

In accordance with the company's Articles of Association, the present director is to remain in office.

Kurt Risiott
for and on behalf of
FJV Management Limited Director

Registered address:
B2, Industry Street,
Zone 5, Central Business District, Qormi CBD 5030,
Malta

15th October 2020

Crecol Limited
Interim Statement of Financial Position

3

As at 30th June 2020

	Note	30 th June 2020 €	31 st December 2019 €
Assets			
Total assets			-
Equity and liabilities			
Share capital	7.1	3,000	3,000
Accumulated losses	7.2	(32,555)	(20,635)
Total equity		(29,555)	(17,635)
Current Liabilities			
Other payables	8	16,531	4,611
Borrowings	9	13,024	13,024
Total current liabilities		29,555	17,635
Total liabilities		29,555	17,635
Total equity and liabilities			-

The notes on pages 7 to 13 are an integral part of these financial statements.

The financial statements on pages 3 to 13 were approved and authorised for issue on 15th October 2020.

Kurt Risiott
for and on behalf of
FJV Management Limited Director

Crecol Limited
Interim Statement of Comprehensive Income
For the period ended 30th June 2020

4

		30th June 2020	30th June 2019
	Note	€	€
Administrative expenses		(11,920)	-
		<hr/>	<hr/>
Loss before tax	5	(11,920)	-
Income tax expense	6	-	-
		<hr/>	<hr/>
Loss for the period		(11,920)	-
		<hr/>	<hr/>
Total comprehensive loss for the period		(11,920)	-
		<hr/>	<hr/>

The notes on pages 7 to 13 are an integral part of these financial statements.

Crecol Limited
Interim Statement of Changes in Equity
For the period ended 30th June 2020

5

	Share capital	Accumulated losses	Total
	€	€	€
Issue of share capital	-	-	-
Total comprehensive loss for the period			
Loss for the period	-	-	-
At 30th June 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 1 st January 2020	3,000	(20,635)	(17,635)
Total comprehensive loss for the period			
Loss for the period	-	(11,920)	(11,920)
At 30th June 2020	<u>3,000</u>	<u>(32,555)</u>	<u>(29,555)</u>

The notes on pages 7 to 13 are an integral part of these financial statements.

Crecol Limited
Interim Statement of Cash Flows
For the period ended 30th June 2020

6

		30th June 2020	30th June 2019
Cash flows from operating activities	Note	€	€
Loss for the period		(11,920)	-
Loss for the year before working capital changes		(11,920)	-
Change in payables		11,920	-
Cash used in operating activities		-	-
<i>Net cash used in operating activities</i>		-	-
Cash flows from financing activities			
<i>Net cash generated financing activities</i>		-	-
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

The notes on pages 7 to 13 are an integral part of these financial statements.

1 Reporting Entity

Crecol Limited (the “Company”) is a limited liability company domiciled and incorporated in Malta in terms of the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU (“the applicable framework”). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. They have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the “Act”), to the extent that such provisions do not conflict with the applicable framework.

Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the director of the company, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of their requirements of IAS 1 (revised).

Interim financial information is financial information that is prepared and presented in accordance with an applicable financial reporting framework and comprises a complete set of financial statements for a period that is shorter than the entity’s financial year.

2.2 Use of estimates and judgements

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 estimate are significant are explained in the notes to the financial statements.

2.3 Basis of measurement

Assets and liabilities are measured at historical cost. The methods used to measure fair values are discussed in note 4.

2.4 Functional and presentation currency

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

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all year presented in these financial statements.

3.1 Financial instruments

3.1.1 Non-derivative financial liabilities

The company initially recognises all financial liabilities on the on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial liabilities: other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.1.2 Share capital

Share capital consists of ordinary shares which are classified as equity.

3.2 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

3 Significant accounting policies (continued)

3.3 Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Other payables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5 Loss before tax

5.1 Loss before tax is stated after charging:

	2020	2019
	€	€
Audit fees	1,300	-
Director fees	2,183	-
	<u> </u>	<u> </u>

6 Income tax expense

6.1 Charge for taxation:

	2020 €	2019 €
Malta Income Tax at 35%		
Current	-	-
Deferred	-	-
	<u> </u>	<u> </u>

6.2 The tax expense and the result of accounting loss multiplied by the statutory domestic income tax rate is reconciled as follows:

	2020 €	2019 €
Loss before taxation	(11,920)	-
	<u> </u>	<u> </u>
Tax at the applicable rate of 35%	4,172	-
	<u> </u>	<u> </u>
Effect of: Disallowed expenses	(4,172)	-
	<u> </u>	<u> </u>
Income taxation charge		-
	<u> </u>	<u> </u>

7 Equity

7.1 Share capital

	2020 €	2019 €
Authorised, issued and fully paid-up		
2,999 Ordinary 'A' shares of €1 each	2,999	-
1 ordinary 'B' share of €1	1	-
	<u> </u>	<u> </u>
	3,000	-
	<u> </u>	<u> </u>

7 Equity (continued)

7.1 Share capital (continued)

All ordinary shares in the company, irrespective of the letter by which they are denominated shall rank equally in all respects subject that the 'B' ordinary shares will not be entitled to a vote in the general meetings, shall not carry any dividend entitlements and shall not be entitled to any surplus of assets of the company on a winding up but shall have a prior claim over the holder/s of the Ordinary 'A' shares for the return of the nominal value of the said Ordinary 'B' shares.

7.2 Accumulated losses

Accumulated losses represent accumulated profits or losses. No dividends were distributed out of the accumulated losses during the period.

8 Other payables

	2020 €	2019 €
Other payables	13,404	-
Accrued expenses	3,127	-
	<u>16,531</u>	<u>-</u>

9 Borrowings

	2020 €	2019 €
Amounts due to shareholder	13,024	-
	<u>13,024</u>	<u>-</u>

Note:

Amounts due to shareholder is unsecured, interest free and repayable on demand.

10 Risk management objectives and policies

10.1 Overview

The company's activities expose it to a variety of financial risks: 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 director. The director evaluates, on a periodical basis, financial risk factors based on appropriate skills, experience and supervision.

The most significant risks to which the company is exposed to are described below.

10 Risk management objectives and policies (continued)

10.2 Liquidity risk

The company's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

10.3 Capital 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. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The company monitors capital on the basis of its gearing ratio.

11 Related party transactions

11.1 Ultimate controlling party

As at reporting date, the company is controlled by Mr. Omar Koleilat who owns 100% of the entire share capital.

11.2 Transactions with director

Apart from those mentioned in note 5, no emoluments were granted to the director in respect of the current financial reporting year.

11.3 Transactions with related parties

	Transaction value		Balance outstanding	
	2020 €	2019 €	2020 €	2019 €
Financing transactions				
Amounts due to shareholder	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Subsequent event

During the period ending 30th June 2020, the existence of a new coronavirus (COVID-19) was confirmed. Due to its spread across a number of countries, COVID-19 has caused interruption to businesses and economic activity which has been reflected in fluctuations in global stock markets. Although the effects of such virus were included in the financial results of the Company as at 30th June 2020, the rapidly changing environment arising from the COVID-19 are still to be considered as a non-adjusting post balance sheet event. The current circumstances are still affecting many countries, businesses and people. Whilst it is possible that the level of activity of the Company may be negatively impacted for a limited time period, the director is confident that the longer-term forecasts and opportunities will outweigh any short-term negative impact. As a result, it is not feasible at this time to determine the full quantitative impact of COVID-19 and make reliable forecasts of the total global impacts on the Company, given the inherent uncertainties.

