

DELIVERING HOMES LTD.

Annual Report

For the year ended 31 December 2018

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General Information

Registration

Delivering Homes Ltd. is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 69341.

Director

Adrian Sciberras

Company secretary

Adrian Sciberras

Registered address:

Abacus Business Centre
Level 1, Dun Karm Street
B'Kara Bypass
Birkirkara BKR 9037
Malta

Auditors

Busuttil & Micallef
Nr. 11, "L-Ufficji"
Misrah 28 ta' Frar 1883
Birkirkara BKR1501
Malta

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act (Cap. 386) enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The director is 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.

Independent Auditor's Report

To the Member of Delivering Homes Ltd.

Report on the Audit of the Financial Statements

We have audited the financial statements of Delivering Homes Ltd. (the company), set out on pages 6 to 11, which comprise the balance sheet as at 31 December 2018, the income statement, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the company as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME) and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that on 31 December 2018, the company's current liabilities exceeded its total assets by €44,296. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The director is responsible for the other information. The other information comprises the General Information. Our opinion on the financial statements does not cover this information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report – continued

Responsibilities of the Director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit 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.

Independent Auditor's Report – continued

Auditor's Responsibilities for the Audit of the Financial Statements – continued

We communicate with the director 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- 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.

We have nothing to report to you in respect of these responsibilities.



Hector Spiteri
Partner

For and on behalf of
Busuttil & Micallef
Certified Public Accountants

Nr. 11, "L-Ufficcj"
Misrah 28 ta' Frar 1883
Birkirkara
BKR1501
Malta

17 April 2019

Income Statement

		Year ended 31 December	
	Note	2018 €	2017 €
Revenue		15,456	37,456
Direct cost		-	(25,681)
Gross profit		15,456	11,775
Administrative expenses		(22,437)	(62,719)
Other operating income		13,711	-
Profit/(loss) before tax	4	6,730	(50,944)
Income tax expense		(2,233)	22,126
Profit/(loss) for the year		4,497	(28,818)

Balance Sheet

	Notes	As at 31 December	
		2018 €	2017 €
ASSETS			
Trade and other receivables	5	4,008	28,417
Cash and bank balances		159	131
Deferred taxation		24,090	26,323
Total assets		28,257	54,871
EQUITY AND LIABILITIES			
Equity			
Share capital		240	240
Accumulated losses		(44,536)	(49,033)
		(44,296)	(48,793)
Non - current liabilities			
Trade and other payables	6	69,375	99,393
Current liabilities			
Trade and other payables	6	3,178	4,271
Total equity and liabilities		28,257	54,871

The financial statements set out on pages 6 to 11 were approved and authorised for issue by the sole director and signed on 17 April 2019.


 Adrian Sciberras
 Director

Notes to the Financial Statements

1. Going Concern

During the year ended 31 December 2018, the company's current liabilities exceeded its current assets by €44,296 (2017: €48,793). These financial statements have been prepared on a going concern basis, on the basis of undertakings given by the company's shareholders to continue to provide financial support to the company in the foreseeable future.

2. Basis of preparation

2.1 Basis of measurement and statement of compliance

The financial statements of Delivering Homes Ltd (the company) have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME). The financial statements have been prepared on the historical cost basis.

2.2 Functional and presentation currency

The financial statements are presented in Euro, which is the company's functional currency.

3. Significant accounting policies

3.1 Financial assets, financial liabilities and equity

Trade and other receivables

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment;

Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

3 Significant accounting policies – continued

3.1 Financial assets, financial liabilities and equity – continued

Loan from parent company

The company's loan from parent company is initially measured at fair value plus transaction costs that are directly attributable to the issue of the loan. After initial recognition, the company's loan from parent company is measured at amortised cost.

Share capital issued by the company

Ordinary shares issued by the company are classified as equity. Dividends to ordinary shareholders are debited directly to equity and are recognised as liabilities in the period in which they are declared.

3.2 Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term investments that are held to meet short-term cash commitments rather than for investment or other purposes.

3.3 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

3.4 Revenue

Revenue is made up of short and long-term rent.

4 Profit/(loss) before tax

4.1 Total remuneration paid to the company's auditor during the year amounts:

	2018 €	2017 €
Audit fees	1,350	1,260

4.2 The average number of persons employed by the company during the year was as 1 (2017: 1).

5 Trade and other receivables

	2018 €	2017 €
Amounts due from related party (Note)	-	755
Indirect taxes	1,180	2,662
Other receivables	2,828	25,000
	4,008	28,417

Note:

Amounts due from related party are unsecured, interest free and are repayable on demand.

6 Trade and other payables

	2018 €	2017 €
6.1 <i>Non-current</i>		
Amounts due to shareholder (Note)	69,375	99,393
6.2 <i>Current</i>		
Trade payables	127	1,811
Other payables	1,537	-
Accrued expenses	1,514	2,460
	3,178	4,271

6 Trade and other payables – continued

Note:

Amounts due to shareholder are unsecured, interest free and are repayable on demand, however they are not expected to be settled within the next twelve months.

7 Related party disclosure

Transactions with related parties

Year end balances owed by or to related parties, resulting mainly in connection with loan transactions, are disclosed in notes 5 and 6 to these financial statements.

The following transactions were carried out with related parties:

	2018 €	2017 €
Sales of services/goods		
Other related parties	-	755
	-	755
Amount due to shareholder		
Beginning of the year	99,393	88,658
Amounts advanced during the year	-	29,572
Amounts repaid during the year	(30,018)	(18,837)
	69,375	99,393
Amounts due to ultimate beneficial owner		
Beginning of the year	-	2,090
Amounts advanced during the year	-	80,923
Amounts repaid during the year	-	(83,013)
	-	-

DELIVERING HOMES LTD.
Detailed Results - 31 December 2018

Direct costs

	Year ended 31 December	
	2018 €	2017 €
Commissions paid	-	25,681

Administrative expenses

	Year ended 31 December	
	2018 €	2017 €
Advertising	10,246	11,069
Audit fees	1,350	1,260
Bank charges	26	37
Computer expenses	575	923
Franchise fee	-	3,500
Legal and professional fees	1,245	70
Licences	-	1,500
Loss on disposal	-	10,186
Office stationery and supplies	-	996
Other expenses	1,384	1,701
Property management fee	1,904	-
Registry fee	100	100
Rent	-	11,487
Repairs and maintenance	3,812	3,112
Salaries	-	13,687
Sub-contractors	-	1,100
Telecommunications	1,062	1,249
Water and electricity	733	742
Total administrative expenses	22,437	62,719