

EXALCO GROUP LIMITED

**Company reg no:
C-11273**

ANNUAL REPORT

for the year ended

31 December 2016

JEREMY GAMBIN FCCA, FIA, CPA
Certified Public Accountant
3, Triq il-Hawt, Swieqi SWQ3430 - Malta

EXALCO GROUP LIMITED

C-11273

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 31 December 2016

<u>Contents</u>	<u>Pages</u>
General Information	1
Statement of Directors' Responsibilities	2
Independent Auditor's Report	3-5
Income Statement	6
Balance Sheet	7
Notes to the financial statements	8-17
<u>Schedules:</u>	
Schedules to the Income Statement	18-19

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

General Information

Company Registration

EXALCO GROUP LIMITED is incorporated in Malta as a limited liability company under the Companies Act 1995. The company's registration number is C-11273

Directors

The following are the details of individuals who have served as directors of the Company during the period:

	Ordinary A Shares	Ordinary A Shares	Ordinary B Shares	Ordinary B Shares
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Mr Alexander Montanaro	2,839,703	2,399,704	289	289
Mrs Marianne Montanaro	6	5	2	2
Mr Jean Marc Montanaro	-	-	-	-
Ms Lee Ann Montanaro	-	-	-	-

Secretary

Mr Alexander Montanaro

Registered Office

The Cornerstone Business Centre
Level 4
16 September Square
Mosta MST 1180
MALTA

Auditor

Jeremy Gambin
Certified Public Accountant and Registered Auditor

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

2

Statement of Directors' Responsibilities

Company law requires the directors 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, the directors are 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 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 Companies Act, 1995 enacted in Malta. They are 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.

JEREMY GAMBIN FCCA, FIA, CPA

Certified Public Accountant

3, Triq il-Hawt, Swieqi SWQ3430 - Malta

Tel. +356 21370999, 79493143 - Fax +356 21248155 - Email: jeremygambin@gmail.com

1st August 2017**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF: EXALCO GROUP LIMITED****Report on the Audit of the Financial Statements**

I have audited the financial statements of EXALCO GROUP LIMITED (the Company), set out on pages 6 to 17, which comprise the balance sheet as at 31st December 2016, the income statement, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In my opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Company as at 31st December 2016, 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

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my 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 I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

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

JEREMY GAMBIN FCCA, FIA, CPA**Certified Public Accountant & Registered Auditor**

3, Triq il-Hawt, Swieqi SWQ3430 - Malta

Tel. +356 21370999, 79493143 - Fax +356 21374977 - Email: jeremygambin@gmail.com

Responsibilities of the Directors

The directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations; or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

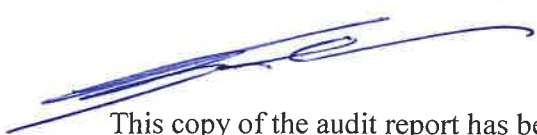
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) I am required to report to you if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

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



This copy of the audit report has been signed by
Jeremy Gambin FCCA FIA CPA
Certified Public Accountant

JEREMY GAMBIN FCCA, FIA, CPA**Certified Public Accountant & Registered Auditor**

3, Triq il-Hawt, Swieqi SWQ3430 - Malta

Tel. +356 21370999, 79493143 - Fax +356 21374977 - Email: jeremygambin@gmail.com

APPENDIX TO THE AUDITOR'S REPORT

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 directors.
- Conclude on the appropriateness of the directors' 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

6

Income Statement

	notes	The Group		The Company	
		2016 €	2015 €	2016 €	2015 €
Revenue	3	2,114,878	7,064,401	2,027,702	6,988,269
Cost of sales		(85,171)	(4,307,204)	(85,171)	(4,307,204)
Gross profit		2,029,707	2,757,197	1,942,531	2,681,065
Profit on Disposal of Assets		-	-	-	-
Selling and distribution costs	pg 18	(21,261)	(679,440)	(21,261)	(679,440)
Administrative expenses	pg 19	(459,089)	(627,802)	(415,012)	(595,181)
Operating profit before exchange rate differences		1,549,357	1,449,955	1,506,258	1,406,444
Foreign exchange differences	-realised	3,515	(127,909)	3,272	(127,894)
	-unrealised	15,676	93,871	15,676	93,871
Operating profit before financing costs		1,568,548	1,415,917	1,525,206	1,372,421
Financial income	5	116	20	116	15
Financial expenses	6	(523,213)	(558,776)	(512,624)	(548,415)
Profit before tax	4	1,045,451	857,161	1,012,698	824,021
Income tax expense	8	88,461	(267,544)	99,809	(255,946)
Profit after tax		1,133,912	589,617	1,112,507	568,075
Capitalisation of profit		(440,000)	-	(440,000)	-
Retained profit for the year		693,912	589,617	672,507	568,075

There are no recognised gains or losses other than the profit or loss for the above two financial years

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

7

Balance Sheet

	notes	The Group		The Company	
		2016	2015	2016	2015
		€	€	€	€
ASSETS					
Non-current assets					
Property, plant and equipment	9	127,871	135,390	127,871	135,390
Investment property	10	35,328,802	34,745,431	33,351,095	32,767,725
Financial assets	11	-	-	14,974	1,162
		35,456,673	34,880,821	33,493,940	32,904,277
Current assets					
Inventories	12	-	85,171	-	85,171
Trade and other receivables	13	315,155	616,373	1,881,574	2,165,495
Cash and cash equivalents		697,273	904,908	682,095	598,742
		1,012,428	1,606,452	2,563,669	2,849,408
Total assets		36,469,101	36,487,273	36,057,609	35,753,685
EQUITY AND LIABILITIES					
Equity and reserves					
Called up issued share capital	19	2,840,000	2,400,000	2,840,000	2,400,000
Other reserve	20	17,258,027	17,258,027	17,258,027	17,258,027
Retained earnings		2,388,527	1,694,615	2,288,284	1,615,777
Total equity		22,486,554	21,352,642	22,386,311	21,273,804
Minority interest	21	26	2	-	-
		22,486,580	21,352,644	22,386,311	21,273,804
Non-current liabilities					
Borrowings	17	8,878,103	10,007,192	8,634,268	9,712,325
Trade and other payables	16	13,847	40,484	13,847	40,484
Deferred taxation	18	1,534,534	1,917,764	1,534,534	1,917,764
		10,426,484	11,965,440	10,182,649	11,670,573
Current liabilities					
Trade and other payables	14	1,815,641	1,491,260	1,811,099	1,192,945
Borrowings	15	1,490,723	1,578,760	1,439,223	1,527,681
Current taxation		249,673	99,169	238,327	88,682
		3,556,037	3,169,189	3,488,649	2,809,308
Total liabilities		13,982,521	15,134,629	13,671,298	14,479,881
Total equity and liabilities		36,469,101	36,487,273	36,057,609	35,753,685

The financial statements on pages 6 to 17 were approved by the Board on 1 August 2017 and signed on its behalf by:



Alexander Montanaro
Director



Jean Marc Montanaro
Director

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

8

Notes to the financial statements

1 Basis of preparation

1.1 Basis of measurement and statement of compliance

The financial statements of EXALCO GROUP LIMITED (“the Company”) have been prepared in accordance with the Accountancy Profession Regulations, 2015 (General Accounting Principles for Small and Medium-sized Entities) and the Schedule accompanying and forming an integral part of those Regulations (“GAPSME”).

These are the Company’s first financial statements prepared under GAPSME. The Company’s previous financial statements, for the year ended 31 December 2015 were prepared in accordance with the requirements of Accountancy Profession Regulations 2010 (General Accounting Principles for Smaller Entities) and the schedule accompanying and forming part of these Regulations (the ‘GAPSE’). The date of transition to GAPSME is the beginning of the earliest period for which the Company presents full comparative information in accordance with GAPSME in these financial statements, and therefore 2 January 2015.

1.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for freehold land and buildings which are stated at re-valued amounts.

1.3 Functional and presentation currency

The financial statements are presented in euro, which is the Company’s functional currency.

2 Significant accounting policies

2.1 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property, plant and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site on which it is located. Subsequent expenditure is capitalised as part of the cost of property, plant and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property, plant and equipment may be carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

After initial recognition land and buildings are carried under the revaluation model. Other property, plant and equipment are carried under the cost model. Revaluations are made for the entire class of land and buildings at least every five years or with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

9

Notes to the financial statements

2. Significant accounting policies (continued)

2.1 Property, plant and equipment (continued)

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a systematic basis over its expected useful life. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) or the date that the asset is derecognised. The depreciation charge for each period is recognised in profit or loss.

Depreciation is charged to the income statement on the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates used are as follows:

Lifts and escalators:	15% Straight Line
Furniture, fixtures, fittings and equipment:	10% Straight Line
Motor vehicles:	20% Straight Line
Computer and other equipment	25% Straight Line

The residual value, if not insignificant, is reassessed annually.

2.2 Investment in associate

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

An investment in an associate is initially measured at cost. After initial recognition, an investment in associate may be carried under the cost method, or under the equity method, that is at its initial recognition amount, subsequently adjusted to recognise the Company's share of the profit or loss or changes in equity of the associate after the date of acquisition, and to recognise any impairment losses.

After initial recognition the investment in associate is carried under the cost method.

Under the cost method, the investment is measured at cost less any accumulated impairment losses. Distributions received from the associate are recognised as investment income in profit or loss when the Company's right to receive the dividend is established.

2.3 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.4 Financial assets and liabilities

Trade and other receivables

Trade and other receivables are carried at cost less any impairment losses.

Trade and other payables

Trade and other payables are stated at their nominal value.

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

10

Notes to the financial statements

2 Significant accounting policies (continued)

2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Bank overdrafts which are repayable on demand and form an integral part of the Company's cash management are a component of cash and cash equivalents.

2.5 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 accounted for using the Balance Sheet liability method in respect of 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. 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 the investment in associate to the extent that the Company is able to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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.

2.6 Revenue

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer and the inflow of economic benefits associated with the transaction is probable. Revenue is measured at the fair value of the consideration received or receivable, net of any trade discounts and volume rebates allowed by the entity.

Rendering of services

Revenue from services is recognised when the services are rendered.

2.7 Foreign currencies

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at Balance Sheet date are translated at year end closing rates of exchange. Any exchange differences arising on the settlement or re-translation of monetary assets and liabilities are recognised in profit or loss.

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

11

Notes to the financial statements

3. Revenue

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Revenue analysed by activity				
General trading	98,487	5,149,972	98,487	5,149,972
Property leasing	1,811,368	1,716,425	1,811,368	1,716,425
Financial and other administration services	205,023	198,004	117,847	121,872
	2,114,878	7,064,401	2,027,702	6,988,269
Revenue analysed by geographical market:				
Europe	2,016,391	1,914,429	1,929,215	1,838,297
Africa	98,487	5,149,972	98,487	5,149,972
	2,114,878	7,064,401	2,027,702	6,988,269

4. Operating Profit

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
<u>Operating profit is stated after charging:</u>				
Depreciation of tangible assets	38,568	50,453	38,568	50,453
(Gain)/loss on foreign currencies				
	-realised	127,909	(3,272)	127,894
	-unrealised	(93,871)	(15,676)	(93,871)
Directors' remuneration	18,410	93,101	18,410	93,101
Auditors' remuneration	2,600	3,100	2,000	2,500

5. Financial income

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Income from investments	-	-	-	-
Bank interest	116	5	116	15
	116	5	116	15

6. Financial expense

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Interest on bank loans and overdrafts	518,012	552,517	507,423	542,156
Hire purchase & Other interest	5,201	6,259	5,201	6,259
	523,213	558,776	512,624	548,415

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

12

Notes to the financial statements

7. Employees

The average number of employees (including the directors) during the year:

	The Group		The Company	
	2016	2015	2016	2015
Administration	5	4	5	5

Total employment costs during the year

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Wages and salaries	72,570	56,190	53,859	56,190
Director's remuneration	18,410	93,101	18,410	93,101
Social security costs	9,875	8,166	9,875	8,166
	100,855	157,457	82,144	157,457

8. Taxation

Reconciliation of effective tax rate:

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Profit/(loss) for the year before taxation	1,045,838	857,161	1,012,698	824,021
Tax at the applicable rate of 35%	366,043	300,006	354,444	288,407
<u>Tax effect of:</u>				
Items not deductible/chargeable for tax purposes	(116)	(32,457)	-	(32,457)
Tax effect of other non temporary differences	-	495	-	495
Previous years' tax	-	-	-	-
Items taxed at different rates of tax	(71,158)	(4)	(71,023)	(3)
Income Tax expense	294,769	268,040	283,421	256,442

Components of tax expense:

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Malta current year taxation				
Malta income tax	294,769	268,040	283,421	256,442
Transfer to/(from) deferred taxation	(383,230)	(496)	(383,230)	(496)
	(88,461)	267,544	(99,809)	255,946

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

13

Notes to the financial statements

9. Property, plant and equipment

The Group

Current accounting period

	Furniture, fixtures fittings & equipment €	Lifts & escalators €	Computer & other equipment €	Motor vehicles €	Total €
Cost:					
At 1 January 2016	377,768	161,117	33,558	35,318	607,761
Disposals	-	-	-	-	-
Additions	-	23,849	-	7,200	31,049
At 31 December 2016	377,768	184,966	33,558	42,518	638,810
Depreciation					
At 1 January 2016	272,202	144,876	33,558	21,735	472,371
Disposals	-	-	-	-	-
Charge for the year	27,198	2,866	-	8,504	38,568
At 31 December 2016	299,400	147,742	33,558	30,239	510,939
Net book values					
At 31 December 2016	78,368	37,224	-	12,279	127,871
At 31 December 2015	105,566	16,241	-	13,583	135,390

	Furniture, fixtures fittings & equipment €	Lifts & escalators €	Computer & other equipment €	Motor vehicles €	Total €
Previous accounting period					
Cost:					
At 1 January 2015	1,123,101	142,010	35,411	183,210	1,483,732
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2015	1,123,101	142,010	35,411	183,210	1,483,732
Depreciation					
At 1 January 2015	985,399	142,010	27,023	162,564	1,316,996
Disposals	-	-	-	-	-
Charge for the year	85,411	-	8,390	7,064	100,865
At 31 December 2015	1,070,810	142,010	35,413	169,628	1,417,861
Net book values					
At 31 December 2015	52,291	-	(2)	13,582	65,871
At 31 December 2014	137,702	-	8,388	20,646	166,736

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

14

Notes to the financial statements

9. Property, plant and equipment - continued

The Company

Current accounting period	Furniture, fixtures fittings & equipment	Lifts & escalators	Computer & other equipment	Motor vehicles	Total
	€	€	€	€	€
Cost:					
At 1 January 2016	377,768	161,117	33,558	35,318	607,761
Additions	-	23,849	-	7,200	31,049
Disposals	-	-	-	-	-
At 31 December 2016	377,768	184,966	33,558	42,518	638,810
Depreciation					
At 1 January 2016	272,202	144,876	33,558	21,735	472,371
Disposals	-	-	-	-	-
Charge for the year	27,198	2,866	-	8,504	38,568
At 31 December 2016	299,400	147,742	33,558	30,239	510,939
Net book values					
At 31 December 2016	78,368	37,224	-	12,279	127,871
At 31 December 2015	105,566	16,241	-	13,583	135,390
Previous accounting period	Furniture, fixtures fittings & equipment	Lifts & escalators	Computer & other equipment	Motor vehicles	Total
	€	€	€	€	€
Cost:					
At 1 January 2015	1,123,101	142,010	35,411	183,210	1,483,732
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2015	1,123,101	142,010	35,411	183,210	1,483,732
Depreciation					
At 1 January 2015	985,399	142,010	27,023	162,564	1,316,996
Disposals	-	-	-	-	-
Charge for the year	85,411	-	8,390	7,064	100,865
At 31 December 2015	1,070,810	142,010	35,413	169,628	1,417,861
Net book values					
At 31 December 2015	52,291	-	(2)	13,582	65,871
At 31 December 2014	137,702	-	8,388	20,646	166,736

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

15

Notes to the financial statements

10. Investment property

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Balance at 1 January	34,745,431	22,303,906	32,767,725	20,357,136
Net Acquisitions	583,370	849,724	583,370	818,788
Increase in fair value		11,591,801	-	11,591,801
Transfer from property, plant and equipment	-	-	-	-
	35,328,802	34,745,431	33,351,095	32,767,725

Investment properties are stated at fair value, which has been determined on valuations performed by competent architects in March 2015. The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the date of valuation.

11. Financial assets

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Shares at cost in subsidiary	-	-	14,974	1,162
Listed investments - available for sale	-	-	-	-
	-	-	14,974	1,162

11.1 Holding company's shares at cost in subsidiary undertakings

Subsidiary undertaking	Holding %	No of Ordinary shares of € 1 each	2016	2015
			€	€
ECTS Limited	99.9	14,974	14,974	1,162

Registered office:

ECTS Limited - 'The Cornerstone Business Centre' Level 4, 16th September Square, Mosta MST 1180.

12. Inventories

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Stock held for resale	-	85,171	-	85,171

13. Current trade and other receivables

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Trade receivables	287,295	598,025	276,350	531,257
Advance payments and deposits	24,434	7,988	24,434	7,988
Amounts due by subsidiaries/related company	-	1,733	1,577,364	1,617,623
Directors' Current Accounts	-	-	-	-
Other receivables	3,426	8,627	3,426	8,627
	315,155	616,373	1,881,574	2,165,495

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

16

Notes to the financial statements

14. Current trade and other payables

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Falling due within one year:				
Trade payables	235,725	171,539	235,725	171,343
Other payables	-	289,535	-	-
Indirect taxes and social security costs	230,451	155,307	226,509	147,323
Deposits received from clients	419,838	341,356	419,838	341,356
Deferred income	878,102	445,740	878,102	445,740
Accruals	51,525	87,783	50,925	87,183
	1,815,641	1,491,260	1,811,099	1,192,945

The amount due/(from) to subsidiaries are unsecured and interest free.

The amounts due to shareholder are unsecured, interest free and with no fixed date for repayment.

15. Current Borrowings

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Falling due within one year:				
Bank overdrafts	617,599	1,073,987	617,599	1,073,987
Bank loans	873,124	504,773	821,624	453,694
	1,490,723	1,578,760	1,439,223	1,527,681

For bank loans see more details in note 17.

16. Non-current trade and other payables

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Falling due after more than one year				
Trade payables	13,847	40,484	13,847	40,484

17. Non-current Borrowings

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Long term - due after one year				
Shareholders' Loan	167,998	203,857	167,998	203,857
Bank loans	8,710,105	9,803,335	8,466,270	9,508,468
	8,878,103	10,007,192	8,634,268	9,712,325

The Shareholders' loan is interest free, unsecured and without a fixed date for repayment.

The Group enjoys bank loans and overdraft facilities as disclosed above and in the note 15. The bank loans are repayable at €103,570 monthly including interest, having an average interest rate of 4.85% per annum (2015: 4.85% per annum.) They are secured by general and special hypothecs over immovable property owned by the Group and a shareholder; guarantees from the shareholder and the Group and by pledges over insurance policies in the name of the shareholder.

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

17

Notes to the financial statements

18. Deferred tax

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Deferred tax is analysed over the following timing differences:				
Differences between the tax base and carrying amounts of tangible assets- taken to income statement.				
	(282)	(496)	(282)	(496)
Difference on asset revaluation taken to reserves	383,512	-	383,512	-

19. Share capital

	2016	2015
	€	€
Authorised		
2,840,000 Ordinary shares of €1.00 each	2,840,000	2,400,000
Allotted, called up and fully paid equity		
2,839,709 Ordinary shares of €1.00 each	2,839,709	2,399,709
291 Ordinary shares of €1.00 each	291	291
	2,840,000	2,400,000

20. Reserves

Other reserve

Other reserve represents unrealised profits arising from unrealised foreign currency exchange differences and revaluation surpluses from the revaluation of the group's investment property and listed financial assets. This reserve is not available for distribution.

21. Minority interests

Results attributable to minority interests have not been disclosed separately due to immateriality of the amount and due to the fact that the minority shareholder is the major shareholder (99.9%) in Exalco Group Limited.

22. Ultimate controlling party

The ultimate controlling party of the Group is Mr Alexander Montanaro, residing at Ir-Randa, A. De Saaverda Street, Naxxar - Malta

23. Analysis of cash and cash equivalents

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
Cash at bank and in hand	988,261	904,908	682,095	598,742
Bank overdrafts	(617,599)	(1,073,987)	(617,599)	(1,073,987)
	370,662	(169,079)	64,496	(475,245)

24. Related party transactions

Outstanding balances with related parties at year-end have been separately disclosed in the previous notes to the financial statements. Intra group balances and transactions have been eliminated on consolidation.

25. First-time adoption of GAPSME

As explained in note 1, the Company adopted GAPSME first-time in these financial statements. The date of transition to GAPSME is **1st January 2015**.

The accounting policies applied by the Company upon transition to GAPSME were consistent with those applied under IFRS as adopted by the EU. As a result, the transition to GAPSME had no effect on the Company's reported position and financial performance.

EXALCO GROUP LIMITED

Annual Report and Financial statements
For the year ended 31 December 2016

18

Schedule to the income statement (I)

	The Group		The Company	
	2016	2015	2016	2015
	€	€	€	€
REVENUE	2,114,878	7,064,401	2,027,702	6,988,269
Opening stock	85,171	611,247	85,171	611,247
Purchases	-	3,781,128	-	3,781,128
	85,171	4,392,375	85,171	4,392,375
Closing stock	-	(85,171)	-	(85,171)
	85,171	4,307,204	85,171	4,307,204
Direct operating costs				
Sub Contracting	-	-	-	-
COST OF SALES	85,171	4,307,204	85,171	4,307,204
GROSS PROFIT	2,029,707	2,757,197	1,942,531	2,681,065
Profit on Disposal of Assets	-	-	-	-
Selling and distribution expenses				
Commissions	-	437,395	-	437,395
Export costs	117	9,845	117	9,845
Freight	5,460	184,757	5,460	184,757
Bad Debts	-	-	-	-
Marketing expenses	15,684	47,443	15,684	47,443
	21,261	679,440	21,261	679,440
Administrative expenses (next schedule)	459,089	627,802	415,012	595,181
OPERATING PROFIT/(LOSS) BEFORE EXCHANGE RATE DIFFERENCES, FINANCING COSTS AND INCOME TAX	1,549,357	1,449,955	1,506,258	1,406,444
Exchange differences - realised	3,515	(127,909)	3,272	(127,894)
Exchange differences - unrealised	15,676	93,871	15,676	93,871
OPERATING PROFIT/(LOSS) BEFORE FINANCING COSTS AND INCOME TAX	1,568,548	1,415,917	1,525,206	1,372,421

EXALCO GROUP LIMITED

Annual Report and Financial statements

For the year ended 31 December 2016

19

Schedule to the income statement (II)

	The Group		The Company	
	2016 €	2015 €	2016 €	2015 €
Administrative expenses				
Salaries & social security cost	82,445	71,969	63,734	64,356
Director's remuneration & Fees	18,410	93,101	18,410	93,101
Commissions	13,020	9,190	13,020	9,190
Insurance	23,801	27,939	17,415	27,939
Water & electricity	11,496	24,402	9,467	23,974
Repairs & maintenance	65,165	124,262	62,702	122,562
Printing, postage and stationery	1,282	2,650	1,282	2,650
Subscriptions & licences	30,907	46,785	30,907	41,912
Advertising & promotion	1,325	2,259	1,325	2,259
Telecommunications	7,340	18,909	3,387	15,102
Motor vehicle expenses	18,230	11,482	18,230	11,482
Travelling & entertainment	8,226	15,442	4,701	12,397
Professional fees	129,664	117,816	123,552	107,516
Fines & Donations	1,651	1,136	1,562	1,136
Audit	2,600	3,100	2,000	2,500
Bank charges	4,959	6,907	4,750	6,652
Depreciation	38,568	50,453	38,568	50,453
	459,089	627,802	415,012	595,181