

Registration Number C 6138

Sea Pebbles Limited

Report and Financial Statements

for the year ended 31st December 2015

Sea Pebbles Limited

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Sea Pebbles Limited

Directors' Report

for the year ended 31st December 2015

Directors	Joseph Casha Josephine Casha
Registered address	89 The Strand Sliema, SLM 1022

The directors present their report and the audited financial statements for the year ended 31st December 2015.

Principal activities

The principal activity of the company is the running of a hotel in Sliema.

Business review

The profit for the year amounted to € 272,213 (2014 : Profit of € 171,820).

Dividends and reserves

The results for the year are set out on page 5.

The directors have paid a dividend amounting to € 50,000 and propose to transfer the profit for the year to reserves.

Events after the reporting period

There were no particular important events affecting the company which occurred since the end of the accounting period.

Future developments

The directors intend to continue to operate in line with their current business plan.

Directors

In accordance with the company's Articles of Association, the directors, who held office throughout the year, remain in office.

Sea Pebbles Limited

Directors' Report

for the year ended 31st December 2015

Directors' responsibilities

The Maltese Companies Act (Cap. 386), requires the directors to prepare financial statements for each financial year 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 year, in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these the directors are required to:

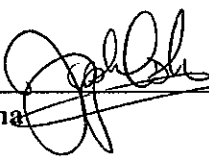
- adopt the going concern basis unless it is inappropriate to presume that the company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting 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 Maltese Companies Act (Cap. 386). 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.

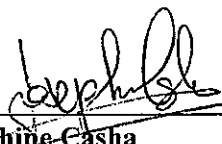
Auditors

The auditor, Steven Galea CPA, has intimated his willingness to remain in office and a resolution proposing his reappointment will be put before the members at the next annual general meeting.

This report was approved and authorised for issue by the Board of Directors on 25th October 2018, and signed on its behalf by:



Joseph Casha
Director



Josephine Casha
Director

Sea Pebbles Limited

Independent Auditor's Report

To the Members of Sea Pebbles Limited

I have audited the accompanying financial statements of Sea Pebbles Limited, which comprise the Statement of Financial Position as at 31st December 2015, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Sea Pebbles Limited

Independent Auditor's Report

To the Members of Sea Pebbles Limited

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Sea Pebbles Limited as of 31st December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the Maltese Companies Act, 1995.

Other matter

These financial statements have already been prepared in accordance with the Accountancy Profession (General Accounting Principles for Smaller Entities) Regulations, 2009 and the Schedule accompanying and forming an integral part of those Regulations, and were audited by me, wherein I expressed an unmodified opinion on those statements on 21st October 2016.



Steven Galea
Certified Public Accountant

37
St.Mary Street
Naxxar NXR 1406
Malta

Date : 25th October 2018

Sea Pebbles Limited

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December 2015

	Notes	2015 €	2014 €
Revenue	2	925,280	859,610
Cost of sales		(211,989)	(168,998)
Gross profit		<u>713,291</u>	<u>690,612</u>
Administrative expenses		(395,569)	(369,697)
Other operating income	4	47,300	42,500
Operating profit	5	<u>365,022</u>	<u>363,415</u>
Profit on sale of property		126,100	-
Profit on ordinary activities before interest		<u>491,122</u>	<u>363,415</u>
Investment income	6	64,615	53,644
Finance costs	7	(135,092)	(149,929)
Profit before taxation		<u>420,645</u>	<u>267,130</u>
Income tax	8	(148,432)	(95,310)
Profit for the year		<u>272,213</u>	<u>171,820</u>
Other comprehensive income			
Movement on revaluation of property		1,128,963	-
Total comprehensive income		<u>1,401,176</u>	<u>171,820</u>

The notes on pages 9 to 19 form an integral part of these financial statements.

Sea Pebbles Limited

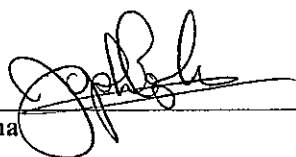
Statement of Financial Position

at 31st December 2015

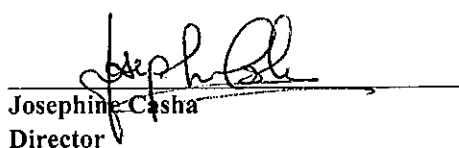
	Notes	2015 €	2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	9	15,486,367	14,827,411
Investments in associate	10	46,587	46,587
		<u>15,532,954</u>	<u>14,873,998</u>
Current assets			
Trade and other receivables	11	626,162	452,131
Current tax recoverable	12	8,624	23,326
Cash at bank and in hand	13	341,054	74,666
		<u>975,840</u>	<u>550,123</u>
Total assets		<u>16,508,794</u>	<u>15,424,121</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Called up issued share capital	14	465,875	465,875
Revaluation reserve		12,627,849	11,498,886
Retained earnings		750,056	527,843
Total equity		<u>13,843,780</u>	<u>12,492,604</u>
Non-current liabilities			
Long-term borrowings	15	2,108,538	2,373,541
Deferred taxation	16	111,569	39,902
		<u>2,220,107</u>	<u>2,413,443</u>
Current liabilities			
Short-term borrowings	15	365,341	371,329
Trade and other payables	17	79,566	141,486
Current tax payable	12	-	5,259
		<u>444,907</u>	<u>518,074</u>
Total liabilities		<u>2,665,014</u>	<u>2,931,517</u>
Total equity and liabilities		<u>16,508,794</u>	<u>15,424,121</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25th October 2018, and signed on its behalf by:

Joseph Casha
Director



Josephine Casha
Director



The notes on pages 9 to 19 form an integral part of these financial statements.

Sea Pebbles Limited

Statement of Changes in Equity for the year ended 31st December 2015

	Called-up issued share capital €	Revaluation reserve €	Retained earnings €	Total €
At 1st January 2014	465,875	11,498,886	406,023	12,370,784
Profit for the year	-	-	171,820	171,820
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	171,820	171,820
Dividends	-	-	(50,000)	(50,000)
At 31st December 2014	465,875	11,498,886	527,843	12,492,604
Profit for the year	-	-	272,213	272,213
Other comprehensive income				
- Movement on revaluation of property	-	1,128,963	-	1,128,963
Total comprehensive income	-	1,128,963	272,213	1,401,176
Dividends	-	-	(50,000)	(50,000)
At 31st December 2015	465,875	12,627,849	750,056	13,843,780

Sea Pebbles Limited

Statement of Cash Flows

for the year ended 31st December 2015

	2015 €	2014 €
Cash flows from operating activities		
Operating profit	365,022	363,415
Adjustments for:		
Depreciation	126,801	127,946
	<u>491,823</u>	<u>491,361</u>
Working capital changes:		
Movement in trade and other receivables	(174,031)	(22,369)
Movement in trade and other payables	(61,920)	(90,581)
	<u>255,872</u>	<u>378,411</u>
Cash flows from operations	255,872	378,411
Interest paid	(135,092)	(149,929)
Dividends received	64,615	53,644
Taxation refunded	19,471	-
Taxation paid	(86,793)	(28,511)
	<u>118,073</u>	<u>253,615</u>
Net cash flows from operating activities	<u>118,073</u>	<u>253,615</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(75,694)	(98,132)
Proceeds from disposal of property, plant and equipment	418,900	-
Other investments	126,100	-
	<u>469,306</u>	<u>(98,132)</u>
Net cash flows from investing activities	<u>469,306</u>	<u>(98,132)</u>
Cash flows from financing activities		
Movement in related party loan	-	99,540
Movement in bank loan	(270,991)	(262,525)
Dividends paid	(50,000)	(50,000)
	<u>(320,991)</u>	<u>(212,985)</u>
Net cash flows from financing activities	<u>(320,991)</u>	<u>(212,985)</u>
Movement in cash and cash equivalents	<u>266,388</u>	<u>(57,502)</u>
Reconciliation of net cash flow to movement in net funds		
Movement in cash and cash equivalents	266,388	(57,502)
Cash and cash equivalents at start of year	74,666	132,168
	<u>341,054</u>	<u>74,666</u>
Cash and cash equivalents at end of year	<u>341,054</u>	<u>74,666</u>
Cash and cash equivalents		
Cash at bank and in hand	<u>341,054</u>	<u>74,666</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

1. General information

Sea Pebbles Limited is a limited liability company incorporated in Malta. The principal activity of the company is the running of a hotel in Sliema. Its registered office is at 89, The Strand, Sliema, SLM 1022.

2. Accounting policies

Accounting convention and basis of preparation

These financial statements are presented using the €, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the entity. They are prepared under the historical cost convention as modified by the fair valuation convention where required by International Financial Reporting Standards, in accordance with the provisions of the Maltese Companies Act (Cap. 386), and the requirements of International Financial Reporting Standards as adopted by the EU. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with International Financial Reporting Standards 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 (see Note 3 - Critical accounting estimates and judgements).

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Except for land and buildings, they are subsequently stated at cost less accumulated depreciation and impairment losses. After initial recognition, land and buildings are stated at fair value.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the Statement of Profit or Loss and Other Comprehensive Income in the period of derecognition.

Depreciation is provided at rates intended to write down the cost of the assets on a straight line basis over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are as follows:

Buildings	-	2%
Electrical installation	-	10%
Furniture and fittings	-	5%
Equipment	-	10%
Motor vehicles	-	20%
Computer equipment	-	25%

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

Financial assets

Loans and receivables are stated at fair value, net of any impairment. A provision for impairment of loans and receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of payment. Loans and receivables are considered for impairment on a case by case basis and any provision is based on the directors' assessment of the amount recoverable on each receivable. Any change in value of loans and receivables is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate is accounted for at cost less accumulated impairment losses.

Financial liabilities

The company's financial liabilities include borrowings and trade and other payables, which are measured at amortised cost using the effective interest rate method.

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. Any changes in fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income.

Interest-related charges are recognised as an expense in the period in which they are incurred.

Share capital

Ordinary shares are classified as equity.

Dividends are recognised in the period in which they are declared.

Impairment

The carrying amounts of the company's assets, other than deferred tax assets, are reviewed annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Foreign currencies

The financial statements are presented in €, being both the company's functional and presentation currency. Transactions denominated in foreign currencies are translated into € at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into € at the rates of exchange prevailing at the date of the Statement of Financial Position. Translation differences are dealt with through the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

Revenue

Revenue represents the invoiced value of goods sold and services rendered, net of taxes. Revenue from sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer. Revenue from services rendered is recognised in proportion to the stage of completion of the transaction.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and 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 directors, the accounting estimates and judgements 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 the requirements of IAS1 (revised).

4. Other operating income

	2015	2014
	€	€
Income from restaurant	42,500	42,500
Service charge receivable	4,800	-
	<u>47,300</u>	<u>42,500</u>

5. Operating profit

	2015	2014
	€	€
Operating profit is stated after charging:		
Staff costs	<i>Note</i> 48,729	45,943
Directors' remuneration	<i>Note</i> 20,424	20,394
Depreciation	126,801	127,946
Auditors' remuneration	2,150	2,000
	<u>177,104</u>	<u>196,283</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

<i>Staff costs</i>	2015	2014
	€	€
Wages and salaries (including directors' remuneration)	64,838	62,270
Social security costs	4,315	4,067
	<u>69,153</u>	<u>66,337</u>
	2015	2014
Number of employees		
The average number of employees (including the directors) during the year was:		
Operations and administration	<u>6</u>	<u>6</u>
6. Investment income	2015	2014
	€	€
Income from associate undertaking	<u>64,615</u>	<u>53,644</u>
7. Finance costs	2015	2014
	€	€
Interest on bank overdraft	247	462
Interest on bank loans	134,609	149,467
Other interest	236	-
	<u>135,092</u>	<u>149,929</u>
8. Income tax	2015	2014
	€	€
Malta Income Tax :		
Current - for the year	76,765	24,657
Deferred	71,667	70,653
Tax charge for the year	<u>148,432</u>	<u>95,310</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

The accounting profit and the tax charge for the year are reconciled as follows:

	2015	2014
	€	€
Profit before taxation	420,645	267,130
Tax thereon at 35%	147,226	93,496
Property sales subject to final withholding tax	10,015	-
Expenses disallowed for tax purposes	14,509	14,477
20% further deduction on rental income	-	(2,975)
Tax credits	(23,318)	(9,688)
Tax charge for the year	<u>148,432</u>	<u>95,310</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

9. Property, plant and equipment

	Land and buildings €	Motor vehicles €	Equipment €	Electrical installation €	Furniture and fittings €	Computer equipment €	Total €
Cost/revaluation							
At 1st January 2014	14,124,886	3,400	295,473	31,365	812,698	36,189	15,304,011
Additions	8,595	-	19,439	-	70,098	-	98,132
At 31st December 2014	14,133,481	3,400	314,912	31,365	882,796	36,189	15,402,143
At 1st January 2015	14,133,481	3,400	314,912	31,365	882,796	36,189	15,402,143
Additions	45,780	-	10,710	-	19,204	-	75,694
Revaluation	1,128,963	-	-	-	-	-	1,128,963
Disposals	(418,900)	-	-	-	-	-	(418,900)
At 31st December 2015	14,889,324	3,400	325,622	31,365	902,000	36,189	16,187,900
Depreciation							
At 1st January 2014	50,815	680	153,245	13,220	204,857	23,969	446,786
Charge for the year	50,917	680	26,644	2,552	41,124	6,029	127,946
At 31st December 2014	101,732	1,360	179,889	15,772	245,981	29,998	574,732
At 1st January 2015	101,732	1,360	179,889	15,772	245,981	29,998	574,732
Charge for the year	51,692	680	23,979	2,474	41,947	6,029	126,801
At 31st December 2015	153,424	2,040	203,868	18,246	287,928	36,027	701,533
Net book value							
At 31st December 2015	14,735,900	1,360	121,754	13,119	614,072	162	15,486,367
At 31st December 2014	14,031,749	2,040	135,023	15,593	636,815	6,191	14,827,411
At 31st December 2013	14,074,071	2,720	142,228	18,145	607,841	12,220	14,857,225

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

Fair value measurement of the Company's land and buildings

The Company's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Company's land and buildings as at 12th December 2015 were performed by an independent valuer not related to the Company.

The fair value of the land was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

There has been no change to the valuation technique during the year.

Had the Company's land and buildings been measured on a historical cost basis, their carrying amount would have been as follows.

	2015	2014
	€	€
Land and buildings	<u>2,108,051</u>	<u>2,532,863</u>

10. Investment in associate

	Investment in associate	Total
	€	€
Cost		
At 1st January 2015 /		
At 31st December 2015	<u>46,587</u>	<u>46,587</u>

10.1. Holdings of 20% or more

At year-end, the company held 20% or more of the share capital of the following companies:

Company	Registered address	Shares held	
		Class	%age
Quayside Properties Limited	88, Msida Valley Road, B'Kara	Ordinary	20%

Sea Pebbles Limited

Notes to the Financial Statements for the year ended 31st December 2015

11. Trade and other receivables

	2015	2014
	€	€
Amounts owed by related companies	Note 618,972	449,741
Other receivables	2,390	2,390
Accrued income	4,800	-
Financial assets	<u>626,162</u>	<u>452,131</u>

Related companies

The amounts owed by related companies are unsecured, interest free and repayable upon demand.

12. Current tax recoverable

	2015	2014
	€	€
The tax provision is made up of :		
Balance at beginning of year	18,067	14,213
Provision for the year	(76,765)	(24,657)
Final tax paid	51,700	-
Settlement tax paid	5,259	-
Provisional tax paid	7,219	9,736
Tax repaid	(19,471)	-
Tax paid at source	<u>22,615</u>	<u>18,775</u>
Balance at end of year	<u>8,624</u>	<u>18,067</u>

13. Cash at bank and in hand

As at year-end, the company did not have any restrictions on its cash at bank and in hand.

14. Called up issued share capital

	2015	2014
	€	€
Authorised		
200,000 Ordinary shares of €2.329373 each	<u>465,875</u>	<u>465,875</u>
Called up issued and fully paid-up		
200,000 Ordinary shares of €2.329373 each	<u>465,875</u>	<u>465,875</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

15. Borrowings

	2015	2014
	€	€
Falling due within one year:		
Bank loans	<i>Note</i> 265,801	271,789
Shareholders' loan	<i>Note</i> 99,540	99,540
Short-term borrowings	<u>365,341</u>	<u>371,329</u>
Falling due in between two and five years:		
Bank loans	<i>Note</i> 1,089,638	1,263,903
Falling due in five years or more:		
Bank loans	<i>Note</i> 1,018,900	1,109,638
Long-term borrowings	<u>2,108,538</u>	<u>2,373,541</u>

Bank loans

At 31st December 2015 the company had four bank loans of €343,734, €1,457,821, €473,062 and €99,721. These loans are repayable in monthly instalments of €5,973, €14,773, €7,709 and €3,800 respectively, inclusive of interest.

These facilities are secured by a general hypothec over the company's assets, a special hypothec over the company's immovable property, a general hypothecary guarantee over directors' assets, a special hypothecary guarantee over directors' immovable property and by pledges over various insurance policies.

Shareholders' loan

The shareholders' loan is unsecured, interest free and are repayable upon demand.

16. Deferred taxation

Deferred tax is analysed over the following temporary differences:

	2015	2014
	€	€
Excess of capital allowances over depreciation	126,550	111,143
Unutilised tax credits	(14,981)	(71,241)
	<u>111,569</u>	<u>39,902</u>

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

17. Trade and other payables

	2015	2014
	€	€
Trade payables	25,608	61,372
Amounts owed to related company	Note 9,045	5,438
Indirect taxes	8,294	7,571
Other payables	15,000	50,000
Accruals	21,619	17,105
	<u>79,566</u>	<u>141,486</u>

Amounts owed to related company

This amount is unsecured, interest free and is repayable upon demand.

18. Risk management objectives and policies

The entity is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from its operating and investing activities. The entity's risk management is coordinated by the directors and focuses on actively securing the entity's short to medium term cash flows by minimising the exposure to financial risks.

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

Credit risk

The entity's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position, which are disclosed in Notes 10, 11 and 13.

The company continuously monitors defaults of customers and other counterparts, and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy counterparties.

None of the company's financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered to be negligible, since the counterparties are reputable institutions with high quality external credit ratings.

Liquidity risk

The entity's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise borrowings and trade and 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 entity's obligations when they become due.

At 31st December 2015 and 31st December 2014, the contractual maturities on the financial liabilities of the company were as summarized below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Financial Position.

Sea Pebbles Limited

Notes to the Financial Statements

for the year ended 31st December 2015

	Less than 6 months 2015 €	From 6 to 12 months 2015 €	From 1 to 5 years 2015 €	More than 5 years 2015 €	Less than 6 months 2014 €	From 6 to 12 months 2014 €	From 1 to 5 years 2014 €	More than 5 years 2014 €
Bank borrowings	131,095	134,706	1,089,638	1,018,900	134,048	137,741	1,263,903	1,109,638

Foreign currency risk

Most of the entity's transactions are carried out in €. Exposure to currency exchange rates arises from the entity's transactions in foreign currencies.

The entity's financial assets face minimal foreign currency risk since all sales are made receivable in €.

Interest rate risk

The entity's exposure to interest rate risk is limited to the variable interest rates on borrowings. Based on observations of current market conditions, the directors consider an upward or downward movement in interest of 1% to be reasonably possible. However, the potential impact of such a movement is considered immaterial.

19. Related parties

During the year the company entered into the following transactions with a related party, being a company owned and controlled by the same persons as Sea Pebbles Limited:

	2015 €	2014 €
Other income	4,800	-

20. Ultimate controlling party

The company is controlled by Mr Joseph Casha and Mrs Josephine Casha who own an aggregate of 100% of its issued share capital.

21. Capital management policies and procedures

The entity's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders by pricing commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital. The entity monitors the level of debt, which includes borrowings and trade and other payables less cash and cash equivalents, against total capital on an ongoing basis.

20. Statutory information

Sea Pebbles Limited is a limited liability company and is incorporated in Malta.

Sea Pebbles Limited

Detailed Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December 2015

	2015		2014	
	€	€	€	€
Revenue		925,280		859,610
Cost of sales				
Purchases	211,989		168,998	
		(211,989)		(168,998)
Gross profit		713,291		690,612
Administrative expenses		(395,569)		(369,697)
		317,722		320,915
Other operating income				
Income from restaurant	42,500		42,500	
Service charge receivable	4,800		-	
Profit on sale of property	126,100		-	
		173,400		42,500
Operating profit		491,122		363,415
Investment income				
Income from associate undertaking		64,615		53,644
Finance costs				
Interest on bank overdraft	247		462	
Interest on bank loan	134,609		149,467	
Other interest payable	236		-	
		(135,092)		(149,929)
Profit on ordinary activities before taxation		420,645		267,130

Sea Pebbles Limited

Administrative Expenses

for the year ended 31st December 2015

	2015	2014
	€	€
Administrative expenses		
Wages and salaries	48,729	45,943
Directors' remuneration	20,424	20,394
Licences and permits	4,481	3,569
Insurance	12,094	11,458
Water and electricity	63,757	59,118
Repairs and maintenance	36,141	51,941
Stationery and postages	797	625
Advertising	5,572	5,052
Telecommunication costs	9,208	12,199
Transportation expenses	1,634	2,397
Legal and professional	30,121	701
Accountancy fees	3,177	3,864
Audit fees	2,150	2,000
Bank charges	29,190	21,862
General expenses	503	36
Penalties	91	-
Subscriptions	699	592
Depreciation on property, plant and equipment	126,801	127,946
	<u>395,569</u>	<u>369,697</u>

This page does not form part of the statutory financial statements.