Santumas Shareholdings plc

Amalgamated
with Marsascala Development Limited, Santumas Contractors Limited
and Calpabrin Properties (Investments) Limited
Britannia House 1, 9 Old Bakery Street, Valletta VLT 1450, Malta G.C.
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30th December 2013

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Santumas Shareholdings plc pursuant to Malta Financial Services Authority Listing Rules.

Quote

On the 30th December 2013 the Board of Directors of Santumas Shareholdings plc approved the attached unaudited Interim Financial Statements for the six-month period ended 31st October 2013.

The unaudited Interim Financial Statements are also available for viewing at the registered office of the Company at 1 Britannia House, 9 Old Bakery Street, Valletta VLT 1450, Malta.

Unquote

Michael Formosa Gauci
Company Secretary

Company Registration No.: C 35

SANTUMAS SHAREHOLDINGS PLC

Interim Report
and
Interim Financial Statements (unaudited)

31 October 2013

CONTENTS

Supplementary Statements

DIRECTORS AND COMPANY INFORMATION

REGISTRATION

Santumas Shareholdings plc was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 24 December 1997 with company registration number C35. The Company holds a Collective Investment Scheme license from the Malta Financial Services Authority in terms of the Investment Services Act, 1994.

DIRECTORS

Dr. Edward Firman, B.A., M.B.A., F.C.M.A., M.B.I.M., C.P.A.
"La Encantada," Mons. E. Debono Street, Kappara, MALTA

Dr. Rene Frendo Randon, LL.D. (Chairman)
Villa Belveder, B'Kara Hill, St. Julians, MALTA

Mr. Peter Paul Testaferrata Moroni Viani
19, J. Howard Street, San Pawl tat-Targa, MALTA

Chev. Anthony Demajo OCC.
41, G'Mangia Hill, Pieta, MALTA

Mr. Christopher Testaferrata Moroni Viani
Villa Ammermann, Mdina Road, Balzan, MALTA.

SECRETARY

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T6F10 Favray Court, Tigne Point, Sliema, MALTA

REGISTERED OFFICE

Britannia House/1, 9, Old Bakery Street, Valletta, MALTA

AUDITORS

Ernst & Young Malta Limited
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
MALTA

CUSTODIAN

HSBC Bank Malta plc
166, Archbishop Street
Valletta VLT 1444
MALTA

STOCKBROKERS

HSBC Stockbrokers (Malta) Limited
80, Mill Street, Qormi QRM 3101, MALTA

DIRECTORS AND COMPANY INFORMATION - continued

LEGAL ADVISORS

Dr. Rene Frendo Randon & Associates
222, Merchants Street
Valletta,
MALTA

Camilleri Preziosi Advocates
Level 3, Valletta Buildings
South Street,
Valletta
MALTA

MANAGER

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T6F10 Favray Court, Tigne Point, Sliema, MALTA

BANKERS

HSBC Bank Malta plc
166, Archbishop Street
Valletta VLT 1444
MALTA

Bank of Valletta plc
Republic Street
Valletta
MALTA

INVESTMENT COMMITTEE

Chev. Anthony P Demajo Jnr.
41, G'Mangia Hill, Pieta, MALTA

Mr. Christopher Testaferrata Moroni Viani
Villa Ammermann, Mdina Road, Balzan, MALTA.

Mr. Michael Formosa Gauci, B.A. (Acc.) Bus. Manag.
T6FI0 Favray Court , Tigne Point, Sliema, MALTA

BACKGROUND

The Company was formed as the Malta New Issues Investment Co. Limited on 29 April 1963. The Company's name was changed on 11 May 1965 to Malta Shareholdings Limited when the Company was converted to a public company with the objects of carrying on the business of a finance trust in all branches. The name was changed again on 29 September 1978 to Santumas Shareholdings Limited. The Company's objects also provided for property development, with the main property development being the Santumas Estate at Marsascala.

Calpabrin Properties (Investments) Limited merged into Santumas Shareholdings Limited on 2 April 1987 and Marsascala Development Limited and Santumas Contractors Limited merged into Santumas Shareholdings Limited on 15 December 1989.

On 9 May 1996 the Company was licensed as a Collective Investment Scheme under the Investment Services Act, 1994 by the Malta Financial Services Centre. The Company was registered as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta on 24 December 1997 thereby changing its name to Santumas Shareholdings plc.

On 12 December 2003 the Company's shares were accepted for listing on the Malta Stock Exchange.

DIRECTORS' REPORT

The directors submit their report and financial statements for the six-month period ended 31 October 2013.

Results and dividends

The accounts presented to you are not audited as is the norm for an interim set of accounts. The interim statement of comprehensive income is set out on page 6.

The profit before tax for the six-month period to 31 October 2013 was EUR198,871 as compared to a profit of EUR329,372 for the corresponding period in 2012. There was a tax charge for the six months of EUR42,500 (2012: EUR25,189). The profit for the six-month period to 31 October 2013 was therefore EUR156,371 as against a profit of EUR304,183 for the six month period to 31 October 2012. The profit for the six months resulted to a higher tax charge due to the fact that fair value gains and losses, which are unrealised, are not subject to tax.

Property

There has been no movement on the property portfolio over the six months. The Company continues to explore the local property market for purposes of investment in a suitable income yielding premises.

Portfolio

The period under review has seen a rise in the MSE Index from 3359.79 as at 1st May 2013 to 3455.95 as at 31st October 2013 yielding a positive fair value movement of EUR 100,079 as compared to a positive fair value movement of EUR296,814 for the corresponding period last year. This rise in the value of the portfolio has contributed substantially to the profit recorded for the period.

The level of investment income has also made a positive contribution to the profit for the period with dividend income rising to EUR101,377(2012:EUR49,037) , this as a result of an increased level of investment in local equities ; interest income for the period was much in line with the previous year. The company remains cautious in its approach to investment as markets, although generally recording improved performances, still retain a level of volatility which necessitate a prudent approach. The Company continues to hold substantial cash deposits on which it earns market rates of interest, which however it is ready to exploit as and when the opportunity arises.

Net asset value

At 31 October 2013 the Net Asset Value per share of the Company stood at EUR4.132. This contrasts with the share price of EUR1.80 as at the end of October 2013; the share price rose to EUR2.20 as at the end of November 2013.

DIRECTORS' REPORT - continued

Malta Stock Exchange

Trading in company shares on the local market remained thin as has been the case since admission to the official list of the Malta Stock Exchange on 12 December 2003. The share price continues to lag behind the Net Asset Value, a situation not unusual with Investment Companies. As at 30 November 2013 the Company's shares are trading at a 46.75% discount to net asset value.

Directors

The directors for the six months to 31 October 2013 were listed on page 2.

Company Chairman

Dr R.Frendo Randon , erstwhile Chairman of the Company , passed away in November 2013. He has been a Director of the Company in its various forms for over forty years and Chairman of the Board for the last seven years. His contribution has been substantial and his advice and good counsel will be missed.

Custodian

The Company has been informed by HSBC , its current Custodian , that it has terminated its function as a Custodian of the assets of the Company. The Company will be seeking to make interim alternative arrangements with respect to the function of a Custodian until such time as a proper way forward is determined with the regulator. In this respect discussions are on-going to find interim solutions for Custody.

Risk warning

The company is not a normal trading, manufacturing or Services Company, but a specialized investment fund whose assets are not immediately realisable. As a consequence the price of its shares and the income (if any) there from can go down as well as up and investors may not realize the amount of their initial investment. Past performance is no guide to future performance.

The directors' report was approved by the Board of Directors and signed on its behalf by:

Chev. Anthony Demajo
Director

Mr. C. Testaferrata Moroni Viani
Director

Date: 30 December 2013

INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
REVENUE			
Investment income	4	**156,782**	87,616
Increase in fair values of financial assets	13	**100,079**	296,814
Total revenue		**256,861**	384,430
EXPENSES			
Administrative expenses	6	**57,628**	52,912
Finance costs	5	**362**	2,146
Total expenses		**57,990**	55,058
Profit before tax		**198,871**	329,372
Income tax expense	8	**(42,500)**	(25,189)
Profit for the period		**156,371**	304,183
Total comprehensive income for the period		**156,371**	304,183
Profit per share	9	**0.094**	0.183

The accounting policies and explanatory notes on pages 10 to 29 form an integral part of the financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION
as at 31 October 2013

	Notes	31 October 2013 EUR unaudited	30 April 2013 EUR
ASSETS			
Non-current assets			
Investment properties	11	**2,456,266**	2,456,160
Property, plant and equipment	12	**96,839**	99,158
Financial assets at fair value through profit or loss	13	**3,840,434**	3,635,626
		6,393,539	6,190,944
Current assets			
Receivables	14	**45,300**	59,175
Income tax recoverable		**-**	39,249
Cash at bank	15	**965,301**	1,026,829
		1,010,601	1,125,253
TOTAL ASSETS		**7,404,140**	7,316,197
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	16	**969,704**	969,704
Share premium	17	**262,746**	262,746
Revaluation reserve	17	**51,991**	51,356
Dividend reserve	17	**-**	100,000
Other reserves	17	**2,362,053**	2,288,451
Retained earnings	17	**3,233,960**	3,149,339
		6,880,454	6,821,596
Non-current liabilities			
Deferred tax liability	18	**323,342**	323,275
Current liabilities			
Interest-bearing borrowings	19	**14,833**	21,790
Payables	20	**163,439**	149,536
Income tax payable		**22,072**	-
		200,344	171,326
Total liabilities		**523,686**	494,601
TOTAL EQUITY AND LIABILITIES		**7,404,140**	7,316,197
Net asset value per share	21	**4.132**	4.097

The accounting policies and explanatory notes on pages 10 to 29 form an integral part of the financial statements.

The financial statements on pages 6 to 29 were authorised for issue by the board of directors on 30 December 2013 and signed on its behalf by:

Chev. Anthony Demajo
Director

Mr. C. Testaferrata Moroni Viani
Director

INTERIM STATEMENT OF CHANGES IN EQUITY

	Issued capital EUR	Share premium EUR	Revaluation reserve EUR	Other reserves EUR	Dividend reserve EUR	Retained earnings EUR	Total EUR
FINANCIAL PERIOD ENDED 31 October 2013							
At 1 May 2013	969,704	262,746	51,356	2,288,451	100,000	3,149,339	6,821,596
Total comprehensive income for the period	-	-	-	-	-	156,371	156,371
Dividend distributed	-	-	-	-	(100,000)	-	(100,000)
Unclaimed dividend forfeited	-	-	-	-	-	2,487	2,487
Increase in fair value of financial assets	-	-	-	73,509	-	(73,509)	-
Increase in fair value of investment property	-	-	-	93	-	(93)	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	635	-	-	(635)	-
Financial period ended at 31 October 2013	**969,704**	**262,746**	**51,991**	**2,362,053**	**-**	**3,233,960**	**6,880,454**
FINANCIAL PERIOD ENDED 31 October 2012							
At 1 May 2012	969,704	262,746	43,398	2,213,770	-	2,797,351	6,286,969
Total comprehensive income for the period	-	-	-	-	-	304,183	304,183
Unclaimed dividends forfeited	-	-	-	-	-	6,122	6,122
Increase in fair value of financial assets	-	-	-	49,267	-	(49,267)	-
Decrease in fair value of investment property			(61)	-		61	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	(522)	-	-	522	-
Financial period ended at 31 October 2012	**969,704**	**262,746**	**42,876**	**2,262,976**	**-**	**3,058,972**	**6,597,274**

The accounting policies and explanatory notes on pages 10 to 29 form an integral part of the financial statements.

INTERIM STATEMENT OF CASH FLOWS

	Notes	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Operating activities			
Profit before taxation		**198,871**	329,372
Adjustments for:			
Depreciation of property, plant and equipment	12	**2,319**	2,190
Increase in fair value of financial assets	13	**(100,079)**	(296,814)
Gain on change in ground rent	11	**(106)**	-
Finance costs	5	**362**	2,146
Interest income	4	**(18,320)**	(21,552)
Working capital adjustments:			
Decrease in receivables		**14,232**	21,057
Increase/(decrease) in payables		**16,389**	(275,513)
Income tax paid		**(38,270)**	(20,730)
Interest income received		**17,963**	17,867
Tax refund received		**57,158**	-
Dividend paid		**(100,000)**	-
Net cash flows from/(used in) operating activities		**50,519**	(241,977)
Investing activities			
Purchase of financial assets		**(104,728)**	(89,911)
Net cash flows used in investing activities		**(104,728)**	(89,911)
Financing activities			
Interest paid	5	**(362)**	(2,146)
Net cash flows used in financing activities		**(362)**	(2,146)
Net decrease in cash and cash equivalents		**(54,571)**	(334,034)
Cash and cash equivalents at 1 May	15	**1,005,039**	2,022,032
Cash and cash equivalents at 31 October	15	**950,468**	1,687,998

The accounting policies and explanatory notes on pages 10 to 29 form an integral part of the financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Santumas Shareholdings plc is a public limited company incorporated and domiciled in Malta whose shares are publicly traded.

The principal activity of the Company is to carry out investment activities as a Collective Investment Scheme as licensed by the Malta Financial Services Authority.

2. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The unaudited interim financial statements are prepared under the historical cost convention, except for leasehold property under property, plant and equipment, investment properties and financial assets at fair value through profit and loss that have been measured at fair value.

Statement of compliance

These financial statements are prepared in accordance with Appendix II of Part B of the Investment Services Rules for Retail Collective Investment Schemes issued by the Malta Financial Services Authority, and in accordance with International Financial Reporting Standards as adopted for use in the European Union and comply with the Companies Act, Cap. 386 of the Laws of Malta.

3.1 CHANGES IN ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards as endorsed by the European Union effective in the current year

The Company has adopted the following new and amended IFRS and IFRIC interpretations:

- IFRS 7 (Amendment) Transfer of financial assets disclosures (effective for financial years beginning on or after 1 July 2011)

The adoption of the standards or interpretations above did not have an impact on the financial statements or performance of the Company.

Standards, interpretations and amendments to published standards as adopted by the European Union that are not yet effective

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- IFRS 7 (Amendment) Offsetting of financial assets and financial liabilities (effective for financial years beginning on or after 1 January 2013)
- IFRS 10 - Consolidated financial statements (as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2014)
- IFRS 11 - Joint Arrangements (as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2014)
- IFRS 12 - Disclosures of interests in other entities (as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2014)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.1 CHANGES IN ACCOUNTING POLICIES- continued

Standards, interpretations and amendments to published standards as adopted by the European Union that are not yet effective – continued

- IFRS 13- Fair Value Measurement (effective for financial years beginning on or after 1 January 2013)
- IFRIC 20 - Stripping costs in the production phase of a surface mine (effective for financial years beginning on or after 1 January 2013)
- IAS 1 (Amendments) Presentation of items of other comprehensive income (effective for financial years beginning on or after 1 July 2012)
- IAS 19 (Amendments) Employee benefits (effective for financial years beginning on or after 1 January 2013)
- IAS 12 Amendments – Recovery of underlying assets (as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2013)
- IAS 27 Revised - Separate financial statements (as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2014)
- IAS 28 Revised - Investments in associates and joint ventures ((as endorsed by the EU with delayed effective date for financial years beginning on or after 1 January 2014)
- IAS 32 Amendments – Financial Instruments: Presentation: Classification of Right issues (as effective date for financial years beginning on or after 1 January 2014)
- IFRS 10, IFRS 11, and IFRS 12 (Amendments) Transition Guidance (effective for financial years beginning on or after 1 January 2013)
- Improvements to IFRSs 2009-2011 effective for financial years beginning on or after 1 January 2013)

Except as explained below, the changes resulting from these standards are not expected to have a material effect on the financial statements of the Company.

IFRS 13- Fair Value Measurement, effective for financial years beginning on or after 1 January 2013. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. The Company is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected.

Standards, interpretations and amendments that are not yet adopted by the European Union

These are as follows:

- IFRS 9 - Financial Instruments (effective for financial years beginning on or after 1 January 2015)
- IFRS 10, IFRS 12, and IAS 12 (Amendments) Investment Entities (effective for financial years beginning on or after 1 January 2014)
- IAS 36 – (Amendment) Recoverable Amount Disclosures for Non-Financial Assets (effective for financial years beginning on or after 1 January 2014)
- IAS 39 – (Amendment) Novation of Derivatives and Continuation of Hedge Accounting (effective for financial years beginning on or after 1 January 2014)
- IFRIC 21 – Levies (effective for financial years beginning on or after 1 January 2014)

The adoption of IFRS 9 will primarily have an effect on the classification and measurement of the Company's financial assets. The Company is currently assessing the impact of adopting IFRS 9, however the impact of adoption depends on the assets held by the Company at the date of adoption, therefore it is not practical to quantify the effect at this stage.

The other standards, amendments and interpretations mentioned above are not expected to have an effect on the Company's financial position and performance.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are set out below:

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is reliably measured. The following specific revenue criteria must also be met before revenue is recognised:

Investment income

Interest income is included in the statement of comprehensive income on an accruals basis using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Ground rents and other rents are included in the statement of comprehensive income on an accrual basis. Dividend income is included in the statement of comprehensive income when the right to receive the payment is established.

Upon disposal of investment properties consisting of land, leasehold property and ground rents capitalised, the difference between the proceeds from disposal and the carrying amount is recognised as a gain or loss through the statement of comprehensive income.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred taxation is provided using the liability method, on temporary differences, at the reporting date, arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, and at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Under this method the Company is required to make provision for deferred income taxes on the revaluation of certain non-current assets. Such deferred tax is charged or credited directly to the statement of comprehensive income, and is charged or credited directly to equity if the tax relates to items that are credited or charged in the same or a different period, directly to equity.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Foreign currency translation

The financial statements are presented in Euro, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year-end date. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Investment properties consisting of land, buildings and leasehold property

Investment properties, consisting of properties not occupied by the Company and held to earn rentals and for capital appreciation, are regarded as long term investments.

All investments are measured initially at cost, being the fair value of the consideration given, including acquisition charges associated with the investment. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the year-end date. This is based on market valuations performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the year when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the year-end date. Gains or losses on changes in the fair values of investment properties are taken to the statement of comprehensive income in accordance with IAS 40 "Investment Properties". Unrealised gains are subsequently transferred to other reserves in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

Investment properties consisting of ground rents capitalised

On 30 April 1990, the directors capitalised ground rent. The value of this asset was included with long term assets with a resultant increase in the capitalisation reserve included within other reserves. Up to 30 April 2001, ground rents were revalued in the financial statements after capitalising the net annual amount receivable at 8% per annum. As from the year ended 30 April 2002, the capitalisation rate was changed to 5% per annum. The capitalisation rate reflects the fair value of the capitalised ground rent.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Leasehold property is subsequently measured at fair value less depreciation and impairment. All other property, plant and equipment, are subsequently stated at cost amounts less accumulated depreciation and accumulated impairment in value, if any.

Leasehold premises consists of property that is occupied by the Company as its offices.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property, plant and equipment - continued

It is Company policy to carry out a professional market valuation of leasehold every two years which is frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount. To the extent that a revaluation results in an increase in the carrying amount of the asset, the increase is credited to the revaluation reserve within equity. To the extent that a revaluation results in a decrease in the carrying amount of the asset, the decrease is charged against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; any excess of the decrease is taken to the statement of comprehensive income. The accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Depreciation of property, plant and equipment

Depreciation is provided on property, plant and equipment, other than leasehold property, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight line basis over the expected useful life.

The annual rates used for this purpose are:

	%
Fixtures and fittings	15.0
Equipment	33.3
Improvements to premises	10.0

Depreciation is provided on leasehold property to write off the valuation on a straight line basis over the remaining period of the lease.

Each year, the difference between the depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost, is transferred from the revaluation reserve to retained earnings.

Impairment of non-financial assets

The Company assesses at each reporting date whether there are indications of impairment for all non-financial assets. If any such amount exists, or when impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end. The Company classifies its financial assets as fair value through profit or loss and loans and receivables. The Company does not hold financial assets classified as held-to-maturity and available-for-sale.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments and other financial assets - continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

The Company assesses whether embedded derivatives are required to be separated from host contracts when the Company first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Receivables are recognized and carried at cost.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the Statement of Comprehensive Income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents are composed of cash at bank and short term deposits. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date," that is, the date the Company commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made.

Contingent liabilities and contingent assets are not recognised. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Employee benefits

The Company contributes towards the State pension in accordance with local legislation. Short-term employee benefit obligations are measured on undiscounted basis and recognised as an expense in the statement of comprehensive income in the period they are incurred.

Events after the reporting date

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Adjusting events require the Company to adjust the amounts recognised in its financial statements while non-adjusting events do not require any adjustments to the amounts recognised in the financial statements.

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, the directors are required to make judgments, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the period the changes become known.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

3.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS - continued

The most significant judgements and estimates are as follows:

Revaluation of property, plant and equipment and investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of comprehensive income. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. This is based on market valuations performed by independent professional architects every two years. The last market valuation was performed in April 2013. As at 31 October 2013 an assessment of the fair value of investment properties consisting of land and building was performed to reflect market conditions at the period end date. No changes in fair value have been recognised.

In the opinion of the management, except for the above, the accounting estimates, assumptions 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 the requirements of IAS 1 (revised)-'Presentation of Financial Statements'.

4. INVESTMENT INCOME

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Dividends	**101,377**	49,037
Interest income	**18,320**	21,552
Ground rents	**17,415**	17,027
Other interest and income	**19,670**	-
	156,782	87,616

5. FINANCE COSTS

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Interest on bank overdrafts	**362**	2,146

NOTES TO THE INTERIM FINANCIAL STATEMENTS – continued

6. EXPENSES BY NATURE

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Staff costs (note 7a)	**18,967**	18,513
Auditors' remuneration	**6,496**	4,136
Depreciation of property, plant and equipment (note 12)	**2,319**	2,190
(Gain)/loss on exchange	**(708)**	382
Custodian fees	**3,494**	3,484
Other expenses	**27,060**	24,207
Total administrative expenses	**57,628**	52,912

7. EMPLOYEE INFORMATION

a) **Staff costs**

The total employment costs were as follows:

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Salaries	**17,748**	17,609
Social security costs	**1,219**	904
	18,967	18,513

b) **Staff numbers**

The average number of persons employed by the Company during the period was as follows:

	Six months to 31 October 2013 Number	Six months to 31 October 2012 Number
Administration	**2**	2

NOTES TO THE INTERIM FINANCIAL STATEMENTS – continued

8. INCOME TAX EXPENSE

Major components of income tax expense for the periods ended 31 October 2013 and 2012 are:

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Statement of comprehensive income		
Current income tax charge	**42,433**	24,753
Deferred tax charge (note 18)	**67**	436
Income tax expense	**42,500**	25,189

The income tax on profit differs from the theoretical income tax expense that would apply on the Company's profit before tax using the applicable tax rate in Malta of 35% as follows:

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Profit before tax	**198,871**	329,372
Theoretical tax expense at 35%	**69,605**	115,280
Tax effect of:		
- income subject to lower tax rate	**(3,687)**	(4,310)
- Gains not subject to tax	**(35,028)**	(103,893)
- expenses not deductible for tax purposes	**13,541**	19,161
- investment income not subject to further tax	**(1,931)**	(1,049)
Income tax expense	**42,500**	25,189

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

9. PROFIT PER SHARE

The profit per share of 9.39 cents (2012: 18.27 cents) is calculated on the profit after taxation attributable to the ordinary shareholders, divided by the average number of ordinary shares in issue and ranking for dividend during the period.

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Profit for the period	**156,371**	304,183

	31 October 2013 Number	31 October 2012 Number
Average number of ordinary shares in issue	**1,665,176**	1,665,176

	Six months to 31 October 2013 cents	Six months to 31 October 2012 cents
Profit per share	**9.39**	18.27

10. DIVIDENDS PAID

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Paid dividends	**100,000**	-

Final dividend as at 30 April 2013: 6.00c (2012: nil).

11. INVESTMENT PROPERTIES

	Land and buildings EUR	**Ground rents capitalisation EUR**	**Total EUR**
At 1 May 2012	1,809,447	619,639	2,429,086
Revaluations	27,139	(65)	27,074
At 30 April 2013	1,836,586	619,574	2,456,160
Adjustments	-	106	106
At 31 October 2013	**1,836,586**	**619,680**	**2,456,266**

Investment properties are carried at their fair value. The value of land and building is based on market valuations performed by independent professional architects every two years with the last valuation performed in April 2013. There is no rental income from land and buildings.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

11. INVESTMENT PROPERTIES – continued

Ground rents on property are received annually into perpetuity. Property, on which ground rent is receivable, may also have ground rent payable. These ground rents are redeemable and the ground rent capitalisation represents the redemption amount which is determined by reference to local legislation.

Ground rent income relates to ground rent capitalisation. No redemption took place during the period.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and improvements EUR	Fixtures fittings & equipment EUR	Total EUR
Cost or valuation			
At 1 May 2012	102,481	35,479	137,960
Revaluation	10,483	-	10,483
Transfer (*)	(3,921)	-	(3,921)
At 30 April 2013	109,043	35,479	144,522
Additions	-	-	-
At 31 October 2013	**109,043**	**35,479**	**144,522**
Depreciation			
At 1 May 2012	9,168	35,479	44,647
Charge for the year	4,638	-	4,638
Transfer (*)	(3,921)	-	(3,921)
At 30 April 2013	9,885	35,479	45,364
Charge for the period	2,319	-	2,319
At 30 October 2013	**12,204**	**35,479**	**47,683**
Net book value			
At 30 October 2013	**96,839**	-	**96,839**
At 30 April 2013	99,158	-	99,158

*This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Leasehold buildings were acquired in the financial year ended 30 April 1993 at a cost of EUR34,097. Subsequently these leasehold buildings were revalued in April 2013 at EUR99,158, based on market valuations performed by independent professional architects. The remaining life of the lease is 39.5 years.

Had leasehold buildings not been included in the financial statements at revaluation less accumulated depreciation, the carrying amount at 31 October 2013, based on cost less accumulated depreciation charged on cost, would have been EUR21,885 (30 April 2013: EUR22,169).

Fully depreciated fixtures, fittings and equipment are still in use.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition as at fair value through profit or loss. This designation results in more relevant information because this group of financial assets is managed and its performance is evaluated on a fair value basis.

	31 October 2013 **EUR**	30 April 2013 EUR
Non-current	**3,840,434**	3,635,626

The table below analyses the nature of the financial assets:

	31 October 2013 **EUR**	30 April 2013 EUR
Equity securities	**1,986,038**	1,908,088
Bonds	**462,000**	353,413
Managed funds	**1,392,396**	1,374,125
	3,840,434	3,635,626

a. Fair values

	31 October 2013 **EUR**	30 April 2013 EUR
Local		
Quoted on the Malta Stock Exchange	**3,811,582**	3,606,774
Unquoted	**28,852**	28,852
	3,840,434	3,635,626

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	Level 1 EUR	Level 2 EUR
Fair value as at 31 October 2013	**3,840,434**	**3,811,582**	**28,852**
Fair value as at 30 April 2013	3,635,626	3,606,774	28,852

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - continued

b. Acquisition costs

	31 October 2013 EUR	30 April 2013 EUR
Local		
Quoted on the Malta Stock Exchange	3,853,695	3,748,966
Unquoted	16,894	16,894
	3,870,589	3,765,860

c. Fair value movements:

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
Local		
Quoted on the Malta Stock Exchange	100,079	297,623
Unquoted	-	(809)
	100,079	296,814

The management of the Company's investments is regulated by the Company's Investment Policy as laid down in the Company's memorandum and articles of association.

14. RECEIVABLES

	31 October 2013 EUR	30 April 2013 EUR
Ground rent receivable (Note i)	28,230	25,944
Dividends receivable	-	16,518
Accrued income	6,364	6,007
Other receivables	10,706	10,706
	45,300	59,175

i. Ground rents are received annually and are non-interest bearing. Ground rents receivable are past due but not impaired. The ageing analysis is as follows:

		Past due but not impaired			
	Total	<1 year	1-2 years	2-5 years	>5 years
31 October 2013	28,230	3,632	6,462	10,597	7,539
30 April 2013	25,944	7,821	4,671	5,608	7,844

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	31 October 2013 EUR	30 April 2013 EUR
Cash at bank	**965,301**	1,026,829
Bank overdraft (note 19)	**(14,833)**	(21,790)
	950,468	1,005,039

16. SHARE CAPITAL

	31 October 2013 EUR	30 April 2013 EUR
Authorised		
4,000,000 ordinary shares of EUR0.582343 each	**2,329,372**	2,329,372
Issued, called up and fully paid		
1,665,176 ordinary shares of EUR0.582343 each	**969,704**	969,704

17. RESERVES

Share premium

The share premium account represents the excess over the nominal value of proceeds from the issue of shares in the Company's capital at a value above nominal value. This reserve is not available for distribution.

Revaluation reserve

This reserve arises from the revaluation of leasehold property. This reserve is not available for distribution.

Other reserves

Other reserves represent unrealised gains on investment properties, and increase in fair values of financial assets that are not available for distribution.

Dividend reserve

The dividend reserve represents dividends proposed which have not been recognised as a liability at the reporting date. During the period ended 31 October 2013, the Company had distributed total dividend of EUR100,000.

Retained earnings

In accordance with the Company's articles of association, unclaimed dividends shall be forfeited in favour of the Company after the lapse of twelve years. Unclaimed dividends that have been forfeited are being transferred to retained earnings.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

18. DEFERRED TAX LIABILITY

The liability for deferred tax for the period/year is analysed as follows:

	31 October 2013 EUR	30 April 2013 EUR
At beginning of the period/year	**323,275**	318,825
Charged to statement of comprehensive income (note 8)	**67**	3,442
Charged to statement of changes in equity	-	1,008
At end of period/year	**323,342**	323,275

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% and capital gains tax of 12%. Deferred income tax as at period/year end relates to the following:

	31 October 2013 EUR	30 April 2013 EUR
Revaluation of leasehold property	**10,026**	10,026
Revaluation of investment properties	**312,361**	312,348
Interest receivable	**955**	901
	323,342	323,275

19. INTEREST-BEARING BORROWINGS

	31 October 2013 EUR	30 April 2013 EUR
Bank overdraft (note 15)	**14,833**	21,790

At the period end, the Company had a bank overdraft facility amounting to EUR444,470 (April 2012:EUR444,470) for the purposes of working capital finance, including portfolio investment, and small autonomous disbursements. The bank finance is secured by a cash pledge of EUR444,580 held with the same bank.

Interest is charged at the rate of 1.25% per annum over the banks' base rate. The average rates of interest on the Company's borrowings were as follows:

	31 October 2013 %	30 April 2013 %
Bank overdraft	**4.0**	4.0

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

20. PAYABLES

	31 October 2013 EUR	30 April 2013 EUR
Ground rent's payables (note i)	**85,875**	83,073
Accruals and deferred income	**14,576**	12,656
Other payables	**62,988**	53,807
	163,439	149,536

i. Ground rents are paid annually and are non-interest bearing. Ground rents are settled upon receipt of claim.

21. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue. During the period under review, the net asset value per share has increased from EUR4.097 to EUR4.132.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities are composed of interest-bearing borrowings and payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as financial assets at fair value through profit and loss, receivables and cash at bank, which arise directly from its operations.

The Company did not enter into derivative transactions. It is, and has been throughout the year, the Company's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (which is composed of foreign exchange currency risk, interest rate risk and equity price risk). The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from investments classified as fair value through profit or loss, receivables and deposits with banks.

The Company trades only with recognised, creditworthy third parties. Credit risk relating to financial assets is addressed through careful selection of the issuers of securities bought by the Company. The Company obtains expert technical advice from its stockbrokers and monitors the markets for changes in the credit status of companies in which securities are held.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 13, 14 and 15. The directors are of the opinion that these amounts are recoverable in full. Cash at bank are placed with quality financial institutions. Other than ground rents receivable, mentioned in the following paragraph, none of the financial assets are neither past due nor impaired. Therefore, the Company has no significant concentration of credit risk.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Credit risk - continued

No provisions have been made against ground rent receivables since the Company is entitled to enforce these amounts on the basis of contracts on which the property giving rise to the ground rents is available as a security.

The Company's exposure to concentration of risk as at 30 April 2013, arising from financial instruments exceeding 10% of the Net Asset Value of the Company with the same counterparty, amounted to EUR1,405,091 (20.4% of NAV), EUR1,392,396 (20.2% of NAV), and EUR1,082,267 (15.7% of NAV). As at 30 April 2013 these exposures amounted to EUR1,374,125 (20.1% of NAV), EUR1,293,784 (19.0% of NAV), and EUR1,158,470 (17.0% of NAV).

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial liabilities and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings and payables.

Market risk

Market risk is the risk that the fair value of financial assets will fluctuate due to changes in the market variables such as exchange rates, interest rates and equity prices.

Foreign exchange currency risk

The Company has sterling denominated cash in bank equivalent to EUR2,259 (30 April 2013: EUR2,300) and transactional currency exposures arising from its US dollar denominated financial assets at fair value through profit or loss with a carrying amount equivalent to EUR54,434 (30 April 2013: EUR38,600). The Company monitors movements in the currencies in which these assets are held although they do not significantly affect the Company's statement of financial position.

Interest rate risk

The bank overdrafts are subject to rates of interest determined by the banks, which may be revised at the banks' discretion depending on movements in banks' base rates. The Company's favourable bank balances earn interest at rates determined by the banks. In view of the Company's marginal net cash and cash equivalents, the amount of interest rates risk is not considered to be significant.

The Company's financial assets are not significantly influenced by changes in interest rates since most holdings are equity and managed funds. A reasonably possible change in interest rates is not expected to have a significant effect on the fair value of fixed interest rate bnds.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

The effect on the statement of comprehensive income (as a result of a change in the fair value of equity instruments held at fair value through profit or loss at 31 October and 30 April) due to a reasonably possible change in the Malta Stock Exchange index, with all other variables held constant is as follows:

	Change in equity price %	Effect on profit before tax EUR'000
30 April 2013	**3/-3**	**123/(123)**
31 October 2012	10/-10	297/(297)

Fair values

At 31 October 2013 and 30 April 2013, the carrying amounts of financial assets at fair value through profit or loss, cash at bank, receivables, interest-bearing borrowings and payables approximated their fair values.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended 31 October 2013 and year ended 30 April 2013.

The Malta Financial Services Authority supervises the Company and, as such, the operations of the Company are subject to regulatory requirements. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions. The Company is compliant with the regulatory requirements.

23. SHAREHOLDINGS AS AT 31 OCTOBER 2013

Substantial direct interests

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury Plc	590,633	343,951	35.5
Mr Ivan J Burridge (deceased)	109,860	63,976	6.6
One Sixth (Investments) Limited	96,665	56,292	5.8
Dr Rene Frendo Randon	86,348	50,284	5.2
	883,506	514,503	53.1

Size of shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	83	33.9	19,214	1.2
501 - 1,000	43	17.5	33,263	2.0
1,001 - 5,000	82	33.5	187,982	11.3
5,001 and over	37	15.1	1,424,717	85.5
	245	100.0	1,665,176	100.0

NOTES TO THE INTERIM FINANCIAL STATEMENTS - continued

23. SHAREHOLDINGS AS AT 31 OCTOBER 2013 – continued

As at 30 April 2012

Substantial direct interests

Shareholder	Number of shares	Nominal value of shareholding EUR	Percentage shareholding %
Mercury Plc	590,633	343,951	35.5
Mr Ivan J Burridge (deceased)	109,860	63,976	6.6
One Sixth (Investments) Limited	96,665	56,292	5.8
Dr Rene Frendo Randon	86,348	50,284	5.2
	883,506	514,503	53.1

Size of shareholding	Shareholders number	Shareholders percentage	Shares number	Shares percentage
1 - 500	83	34.7	18,345	1.1
501 - 1,000	36	15.1	28,337	1.7
1,001 - 5,000	80	33.5	190,592	11.4
5,001 and over	40	16.7	1,427,902	85.8
	239	100.0	1,665,176	100.0

24. RELATED PARTY TRANSACTIONS

The Company did not enter into any transactions with related parties.

25. CONTINGENT LIABILITY

The Company has received a notice from the Commissioner of Inland Revenue pursuant to the exemption order of 4 September 2010, in which notice it is allegedly indicated that a tax balance of EUR155,516 is due. According to the Company's records, the amount claimed is under dispute in its entirety.

26. ADDITIONAL INFORMATION

In terms of the Company's memorandum and articles of association, the instructions of the Board of Directors or its authorised representative, in particular those relating to, but not limited to, the Company's Investment Policy as laid down in the Company's memorandum and articles of association, shall be carried out by the Company's Custodian. The Custodian is entrusted with the safekeeping of all the Company's assets. No purchase, acquisition, transfer, sale or hypothecation of immovable property of the Company can take place without the consent of the Custodian. During the period, the Company's custodian remains to be HSBC Bank Malta plc.

SUPPLEMENTARY STATEMENTS

OPERATING ACCOUNT

	Six months to 31 October 2013 EUR	Six months to 31 October 2012 EUR
INVESTMENT INCOME		
Dividends	**101,377**	49,037
Interest income	**18,320**	21,552
Ground rents	**17,415**	17,027
Other interest and income	**19,670**	-
	156,782	87,616
ADMINISTRATIVE EXPENSES		
Salaries and NI contributions	**18,967**	18,513
MFSA Collective Investment Scheme fees	**2,500**	2,500
Custodian fees	**3,494**	3,484
Malta Stock Exchange costs	**278**	51
Advertising and promotional expenses	**4,489**	4,522
Telecommunications	**1,138**	821
Water and electricity	**502**	760
Stationery and postages	**1,085**	708
Insurances	**316**	316
Professional and legal fees	**8,440**	5,422
Auditors' remuneration	**6,496**	4,136
Travelling expenses	**3,584**	3,584
Computer operating and leasing expenses	**1,165**	1,470
Annual registration fee	**1,200**	1,200
Sundry expenses	**2,363**	2,853
Depreciation of property, plant and equipment	**2,319**	2,190
Loss/(gain) on exchange	**(708)**	382
	57,628	52,912
FINANCE COSTS	**362**	2,146
OPERATING PROFIT	**98,792**	32,558

INVESTMENTS

LOCAL QUOTED

Banks
Bank of Valletta Plc
HSBC Bank Malta Plc
FIMBank Plc

Investment funds
Amalgamated Investments Sicav Plc

Government
Malta Government Stocks

Telecommunications
Loqus Holdings Plc
GO Plc

Breweries and beverages
Simonds Farsons Cisk Plc

Insurance
Middlesea Insurance Plc

Marina services
Grand Harbour Marina Plc

Airlines and airports
Malta Int. Airport Plc

Postal services
MaltaPost Plc

LOCAL UNQUOTED

Investment funds
The Malta Development Fund Limited

Insurance
Citadel Insurance Plc

ANALYSIS OF COMPANY PORTFOLIO

	31 October 2013 Market value EUR	31 October 2013 % of total	30 April 2013 Market value EUR	30 April 2013 % of total	30 April 2012 Market value EUR	30 April 2012 % of total
FINANCIAL ASSETS						
Included under Financial assets at fair value through profit and loss						
Banks	**1,591,324**	**24.89**	1,507,325	24.35	944,973	19.13
Investment funds	**1,408,149**	**22.03**	1,389,878	22.45	1,183,955	23.97
Government stocks	**258,500**	**4.04**	156,550	2.53	50,920	1.03
Telecommunication services	**185,550**	**2.90**	196,867	3.18	75,662	1.53
Breweries and beverages	**93,423**	**1.46**	84,224	1.36	62,031	1.27
Insurance	**127,849**	**2.00**	133,924	2.16	55,307	1.12
Marine Services	**12,593**	**0.20**	13,020	0.21	13,230	0.27
Airlines and airports	**121,200**	**1.90**	115,200	1.86	16,500	0.33
Postal services	**41,846**	**0.65**	38,638	0.62	13,488	0.27
Total financial assets	**3,840,434**	**60.07**	3,635,626	58.72	2,416,066	48.92
PROPERTY						
Included under Investment Properties and Property, plant and equipment						
Development land	**1,361,928**	**21.30**	1,361,928	22.00	1,341,803	27.17
Land	**417,205**	**6.53**	417,205	6.74	411,040	8.32
Leasehold properties	**57,453**	**0.90**	57,453	0.93	56,604	1.15
Ground rents	**619,680**	**9.69**	619,574	10.01	619,639	12.55
Office	**96,839**	**1.51**	99,158	1.60	93,313	1.89
Total property	**2,553,105**	**39.93**	2,555,318	41.28	2,522,399	51.08
TOTAL PORTFOLIO	**6,393,539**	**100.00**	6,190,944	100.00	4,938,465	100.00

	31 October 2013 % of total	31 October 2012 % of total	30 April 2013 % of total
GEOGRAPHICAL DISTRIBUTION OF FINANCIAL ASSETS			
Malta	**100.00**	100.00	100.00

KEY FIGURES AND RATIOS

	Six months to 31 October 2013	30 April 2013	30 April 2012
Average number of shares in issue[1]	**1,665,176**	1,665,176	1,665,176
Earnings per share (cents)[2]	**9.39**	30.93	(17.5)
Return on capital employed (%)[3]	**2.27**	7.55	(4.62)
Dividend cover (times)[4]	**1.57**	-	-
Dividend per EUR0.582343 ordinary share (cents)[5]	**0.06**	-	-
Net asset value per share (EUR)[6]	**4.13**	4.10	3.78

Notes

1. Actual number of shares in issue.
2. Earnings per share are computed by dividing the profit/loss for the period/year by the average number of shares in issue.
3. Return on capital employed is calculated by dividing the profit/loss for the period/year by the shareholders' funds at the end of the year.
4. Dividend cover is calculated by dividing the profit for the period/year by the dividends for the year.
5. Dividend per share is computed by dividing the dividend paid during for the period/year by the average number of shares in issue.
6. Net asset value per share is computed by dividing the net assets by the average number of shares in issue.