

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Trident Estates p.l.c. (the “Company”) pursuant to Chapter 5 of the Listing Rules as issued by the Listing Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.

Quote

The Board of Directors of Trident Estates plc (the “Company”) has on Wednesday, 13 May 2020 met and approved the attached Annual Report and Consolidated Financial Statements for the financial year ended 31 January 2020 and resolved to propose the same for the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The Board of Directors has also authorised for publication the Annual Report and Consolidated Financial Statements for the financial year ended 31 January 2020, which is available to the public on <http://tridentestatesplc.com/financial-information/>.

For the reasons explained in the Directors’ report, the Board of Directors has resolved not to recommend the declaration of a dividend at the forthcoming Annual General Meeting.

As stated in the Company Announcement of 13 April 2020, the Annual General Meeting had provisionally been scheduled to be held on 24 June 2020. However, in view of the current COVID-19 restrictions it may not be possible to hold the meeting on that date. A further company announcement will be issued concerning the fixing of a date for the Annual General Meeting as soon as it is practicable to do so.

Unquote



Kenneth C. Pullicino
Company Secretary

13 May 2020

TRIDENT ESTATES plc

Annual Report and Consolidated Financial
Statements

31 January 2020

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Directors' report

The Directors present their report and the audited consolidated financial statements for the year ended 31 January 2020.

Principal activities

Trident Estates plc (the "Company") and its subsidiaries (the "Group") are property investment companies that own and manage property for rental and investment purposes. The present principal focus of the Group is the development of the Trident Park project.

Review of the business

Trading Performance

The Board of Directors is pleased to announce the Group's financial results for the year ended 31 January 2020.

The Group registered an improved operating profit of €484,000 as compared to €288,000 in the previous year arising from higher revenue and lower costs. The adoption of IFRS 16 as of 1 February 2019 resulted in a change in the way leases are accounted for. The amounts recognised in the profit and loss amount to €75,000 classified as amortisation of right-of-use-asset and €183,000 disclosed as interest expense as compared to the €196,000 in the comparative year disclosed as property rent and leases.

The Group posted a net profit of €74,000 for the financial year ending 31 January 2020, compared to €775,000 recorded for the previous financial year. No fair value gains on investment property were recorded during the financial year under review (2019: €803,000).

The Group's borrowings as at 31 January 2020 stood at €2.2 million, representing a partial drawdown of the secured long-term facility from a third party bank granted to part-finance the Trident Park project, of which €26.3 million remain available and unutilised. The Group's equity increased from €37.8 million to €52.5 million, mainly reflecting the €15 million increase in share capital resulting from the Rights Issue that took place in November 2019.

During the current year under review, an assessment of the investment property values was carried out by an independent architect for the purposes of the Rights Issue Prospectus dated 7 October 2019. There were no changes in the values compared to the position as at 31 January 2019 and such values were confirmed by the directors for the year ended 31 January 2020.

Investments and property interests

Trident Park

Works on the Trident Park project progressed significantly during the year. The process to regenerate one of Malta's finest 20th century industrial buildings continued at a good pace. Civil works are at an advanced stage while mechanical, electrical and plumbing (MEP) works commenced in earnest.

Directors' report - continued

Review of the business - continued

Outlook for financial year ending 31 January 2021 and events after the reporting period end

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus/COVID-19 outbreak to be a Pandemic. Around the world, many governments introduced unprecedented measures in efforts to contain and control the spread of the outbreak. In Malta, measures included the imposition of quarantine, self-isolation and travel restrictions, the closure of schools, universities and other academic/learning and care institutions, as well as ordering the shuttering of all bars, restaurants, clubs and gyms. Non-essential shops were also instructed to close and as of 21 March 2020 Malta International Airport was closed for all but a limited number of flights. Social distancing and stay-at home regulations have also been enacted.

Whereas the COVID-19 outbreak is, above all, a human tragedy of immense proportions impacting millions around the world, the unprecedented (but essential) measures taken by governments have also resulted in very significant disruption across a wide spectrum of business operations, causing a sudden and very sharp contraction in economic activity. What started as a public health emergency has with it the makings of an economic catastrophe.

In the face of the precipitous economic downturn and the threat of massive unemployment, governments have responded with co-ordinated stimulus measures, business support initiatives and employment protection programmes on a scale never witnessed before. Governments have also announced business loan and guarantee schemes and, given the exceptional nature of the crisis, are encouraging banks to grant temporary moratoria on interest and capital repayments on personal mortgages and business loans.

Notwithstanding these measures, the nature of COVID-19 and the consequent economic impact as governments struggled to combat the outbreak, is causing great uncertainty – particularly in terms of just how long it will be necessary to retain the current “lock-down” of large swathes of business and economic activity. There is also uncertainty as to the extent and duration of a more lasting impact once restrictive measures are lifted, particularly in the fields of hospitality, travel and tourism, all of which are so important to Malta's economy.

For financial reporting purposes, events relating to the COVID-19 pandemic are deemed to be non-adjusting subsequent events, and accordingly the financial results and financial position of the company and group reported within these financial statements for the year ended 31 January 2020 have not been impacted by these events.

At the time of the declaration by the WHO of the pandemic, the Trident Park development project was progressing largely in line with the projected completion timelines and in accordance with the allocated capital budgets. The project plan was targeting to allow Trident Park to welcome its first tenants during the first quarter of 2021. However, progress on the development is contingent on both the ready supply of construction labour and raw materials, as well as the timely delivery of plant, machinery and equipment that will be installed in the buildings. Construction progress on site has continued to be generally satisfactory since mid-March, and Management has asked the respective contractors to notify the Company immediately upon becoming aware of any circumstances that may give rise to a delay, in order to be able to assess what mitigating measures may be taken.

Directors' report - continued

Review of the business - continued

Outlook for financial year ending 31 January 2021 and events after the reporting period end - continued

There are signs emerging of a tighter supply of experienced construction workers (including those from overseas due to travel restrictions or self-quarantine measures), and certain suppliers have given notice of potential delivery delays because of government ordered lock-downs in their own home territories and/or logistical delays. Whilst the Project Management Team is constantly revising scheduling and work plans in order to contain certain delays, should these delays persist they would have the impact of causing a delay in the completion date for the development. Delays in completion dates and rescheduling of works may result in claims being submitted for an extension of time on the part of contractors involved on the project.

At this stage and based on the best information available, our revised project plan is that the project is targeted to be completed by the first half of 2021. However, this estimate is of course dependent on no further material deterioration in the situation in so far as the availability of labour, raw materials and equipment delivery dates are concerned, or as a result of any further restrictive measures that may be imposed by government. Any such further deterioration or restrictive measures would of course further delay the completion date of the project.

Once completed, the financial outcome of the development will be dependent on two key factors – the rate at which the property is let and the rental rates (and related charges) achieved on such leases. Given the outbreak of the pandemic, and the consequential impact on economic activity in Malta and on business confidence in general, Management has been reassessing the business plans for the Trident Park project, applying different assumptions and scenarios. The current expectation of Management and the Board is that the take up of space will be slower and the rental rates will be subject to downward pressure on those parameters originally anticipated. However, much will depend on the duration of the current restrictions both in Malta and elsewhere and the shape of the eventual economic recovery. It is appreciated that market rental rates and the economic climate prevailing at any particular time may have an influence on the carrying value of Trident Park.

In the current absence of any degree of clarity or forward visibility concerning the amelioration of the current crisis and the rate of recovery therefrom, for contingency planning purposes management and the Board will continue examining various scenarios, and these will be kept under close and constant review, taking account of any changes in circumstance. In the meantime, the Board believes that the quality of the design of the Trident Park project, not least its outstanding environmental credentials and the unique campus style offering will result in the finished development having competitive advantage as and when the market recovers. For these reasons, the Board has elected to proceed with the expeditious completion of the development.

Apart from the Trident Park Development, Trident Estates is also the owner of a portfolio of other properties. A number of these properties are let to tenants operating in the restaurant sector. These include a number of outlets on lease to Food Chain Limited, a subsidiary of the Farsons Group. As noted above, as of 18 March 2020, the authorities in Malta ordered the mandatory and indefinite closure of all food and beverage outlets. As a result of these regulations, the restaurant outlets concerned have seen a radical decline in turnover, with sales being restricted to take out or home delivery orders.

Directors' report - continued

Review of the business - continued

Outlook for financial year ending 31 January 2021 and events after the reporting period end - continued

The Trident Group has been approached by its tenants seeking a period of rental reductions and/or deferral. The Board has approved concessions up to the end of May (unless the mandatory closure is lifted before), in the interest of retaining good tenants, and, depending on circumstances, it may be necessary to extend the period of such concessions. Whereas the Board does not believe that any such rental abatements will have a material effect on the financial position of the Group (with particular reference to the value of its current rental property portfolio valued at €12.4 million), it will result in temporary reductions in rental income, and therefore in the reported financial results for such period that these concessions prevail.

At the conceptual stage of the Trident Park project careful attention was given to the funding model for the Project, so as to ensure a prudent gearing ratio in terms of borrowings. Accordingly, at the time of the spin off, three important measures were taken; (a) the Farsons Board endowed Trident with a cash injection amounting to €6.5 million, (b) arrangements were made for a Rights Issue in the sum of € 15 million to be undertaken in the fourth quarter of 2019 (which Rights Issue was fully subscribed) and (c) long term bank financing arrangements (with a capital moratorium period lasting till the third quarter of 2022) were concluded with our bankers. Furthermore, every effort was made to conclude the main components of the construction, mechanical, electrical, plant and finishing contracts on a negotiated fixed price basis. As a result of the above measures, the Board is satisfied that it has sufficient funding in place that will enable the construction of Trident Park to be completed, which as indicated above, is now targeted for mid-2021. The Board is therefore satisfied that it is entirely appropriate to draw up these accounts on a going concern basis.

In view of the current uncertainty as referred to above, it is too early to be able to reliably estimate the financial impact, if any, that the pandemic may have on the future carrying value of the Group's investment properties, in particular those held under development and held for development, which as at year end, amounted to €33.4 million. For this reason, the group's management shall continue to attentively monitor ongoing developments.

In the meantime, the Trident Group is committed to safeguarding the safety and well-being of our staff and of all those workers and professionals deployed on site. The Board is also committed to protect the financial strength and integrity of the Trident Group. It will continue to keep the situation under close review and will respond appropriately to any material change in circumstances.

Financial risk management

The Group's and Company's activities expose it to a variety of financial risks, including market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. Refer to Note 2 in these financial statements.

Property value risk and exposure to general market conditions

Property values, including the health of the commercial property rental market, are affected by changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. Other factors such as changes in planning and tax laws, and interest and inflation rate fluctuations would also have an impact on capital values and income streams of properties. The Company monitors all these factors, and seeks advice accordingly, as it manages its property portfolio.

Directors' report - continued

Dividends and reserves

The statements of comprehensive income are set out on page 32.

Shareholders are one of the vitally important stakeholders in any business. They provide millions of euros of capital to corporations, without which it would not be possible for any business to continue to operate. Shareholders are compensated for the capital that they invest in a business through the periodic distribution of dividends. Any decision to defer or suspend the declaration of regular dividends is therefore only taken after the most careful consideration and with great reluctance. As can be seen from the commentary in the Directors' Report on the impact of the COVID-19 pandemic, this is a time of great uncertainty for the business and there is a lack of forward visibility concerning the timing of any amelioration of the current crisis and the rate of recovery therefrom. At such times, the Board of Directors believes that the prudent course of action is to conserve cash and capital, reduce costs and to be alert and agile in responding to any change in circumstances. The Board did not declare any interim dividends and, in this environment, it has reluctantly concluded that in the long term interest of the business it would not be prudent to declare a final dividend at this stage for the financial year ended 31 January 2020. The situation will be kept under careful review and Shareholders can rest assured that dividend distributions will be resumed immediately it is judged appropriate to do so.

Retained profits carried forward at the reporting date amounted to €4.8 million (2019: €4.9 million) for the Group and €4.3 million (2019: €4.6 million) for the Company.

Directors

The Directors who held office during the year were:

Louis A. Farrugia – *Chairman*
Vincent Curmi – *Vice Chairman*
Alberto Miceli Farrugia
Prof Avv. Alberto Stagno d'Alcontres
Charles Borg
Marquis Marcus John Scicluna Marshall
Michael Farrugia
Roderick Chalmers

Statement of Directors' responsibilities for the financial statements

The Directors are required by the Maltese Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent Company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business as a going concern.

Directors' report - continued

Statement of Directors' responsibilities for the financial statements - continued

The Directors are also responsible for designing, implementing and maintaining internal control as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act, 1995. They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Trident Estates plc for the year ended 31 January 2020 are included in the Annual Report 2020, which is published in hard-copy printed form and is available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

The Directors confirm that, to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the parent Company as at 31 January 2020, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group and the parent Company, together with a description of the principal risks and uncertainties that the Group and the parent Company face.

Going concern basis

After making enquiries, the Directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the Group and the parent Company have adequate resources to continue operating for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the financial statements. Reference is made to the commentary above relating to the outlook for financial year ending 31 January 2021 and events occurring after the period end.

Shareholder register information pursuant to Listing Rule 5.64

Share capital information of the Company is disclosed in Note 11 of the financial statements on page 60.

The issued share capital consists of one class of ordinary shares with equal voting rights attached and freely transferable.

The list of shareholders holding 5% or more of the equity share capital is disclosed in this Annual Report.

Every shareholder owning twelve (12%) of the ordinary issued share capital of the Company or more shall be entitled to appoint one director for each and every twelve per cent (12%) of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such director at any time. Any appointment, removal, withdrawal or replacement of a director to or from the Board shall take effect upon receipt by the Board or the Company secretary of a notice in writing to that effect from the shareholder owning twelve per cent (12%) of the ordinary issued share capital of the Company or more. Any remaining fractions will be disregarded in the appointment of the said directors but may be used in the election of further directors at an Annual General Meeting. The Chairman is appointed by the directors from amongst the directors appointed or elected to the Board.

Directors' report - continued

Shareholder register information pursuant to Listing Rule 5.64 - continued

The rules governing the appointment, election or removal of directors are contained in the Company's Articles of Association, Articles 93 to 101. An extraordinary resolution approved by the shareholders in the general meeting is required to amend the Articles of Association.

The powers and duties of directors are outlined in Articles 84 to 91 of the Company's Articles of Association. In terms of Article 12 of the said Articles of Association, the Company may, subject to the provisions of the Maltese Companies Act, 1995 acquire or hold any of its shares.

The Company does not have a Collective Agreement regulating redundancies, early retirement, resignation or termination of employment of employees. No employment contracts are in place between the Company and its directors, except as disclosed in the Remuneration report.

It is hereby declared that, as at 31 January 2020, the Company is not party to any significant agreement pursuant to Listing Rules 5.64.10.

Furthermore, the Board declares that the information required under Listing Rules 5.64.5 and 5.64.7 is not applicable to the Company.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

Louis A. Farrugia

Louis A. Farrugia
Chairman



Vincent Curmi
Vice Chairman

Registered address:

Trident Park
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Central Business District
Birkirkara CBD 2010
Malta

Telephone (+356) 2381 4293

Kenneth C. Pullicino
Company Secretary

13 May 2020

Corporate governance statement

A. Introduction

This statement is being made by Trident Estates plc (“TE”) pursuant to Listing Rules 5.94 and 5.97 issued by the Listing Authority of the Malta Financial Services Authority and sets out the measures taken to ensure compliance with the Code of Principles of Good Corporate Governance (the Code) contained in Appendix 5.1 to Chapter 5 of the said rules. In terms of Listing Rule 5.94, TE is obliged to prepare a report explaining how it has complied with the Code.

TE acknowledges that the Code does not prescribe mandatory rules but recommends principles so as to provide proper incentives for the Board and TE’s management to pursue objectives that are in the interests of the Company and its shareholders. TE adheres to generally accepted standards of good corporate governance encompassing the requirements for transparency, proper accountability and the fair treatment of shareholders. The Board has therefore endorsed the Code of principles and adopted it.

As demonstrated by the information set out in this statement, together with the information contained in the Remuneration report, TE believes that it has, save as indicated in the section entitled Non-compliance with the Code, applied the principles in compliance with the provisions of the Code. In the Non-compliance section, the Board indicates and explains the instances where it has departed from or where it has not applied the Code, as allowed by the Code.

B. Compliance with the Code

Principle 1: The Board

The Board’s role and responsibility is to provide the necessary leadership, to set strategy and to exercise good oversight and stewardship. In terms of the Memorandum of Association of TE, the affairs of the Company are managed and administered by a board composed of eight directors.

The Board is in regular contact with the Chief Executive Officer through the Chairman in order to ensure that the Board is in receipt of timely and appropriate information in relation to the business of TE and management performance. This enables the Board to contribute effectively to the decision-making process, whilst at the same time exercising prudent and effective controls.

Directors are provided prior to each meeting with the necessary information and explanatory data as may be required by the particular item on the agenda. Comprehensive financial statements are also provided as necessary. The Company uses the services of external legal advisors. The Directors are entitled to seek independent professional advice at any time at the Company’s expense where necessary for the proper performance of their duties and responsibilities.

The Board delegates specific responsibilities to a number of committees, notably the Related Party Transactions Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Board Performance Evaluation Committee, each of which operates under formal terms of reference approved by the Board. Further detail in relation to the committees and the responsibilities of the Board is found in Principles 4 and 5 of this statement.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 2: Chairman and Chief Executive Officer

The statute of TE provides for the Board to appoint from amongst its Directors a Chairman and a Vice-Chairman.

The Chairman is responsible to lead the Board and set its agenda, ensure that the Directors of the Board receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company, ensure effective communication with shareholders and encourage active engagement by all members of the Board for discussion of complex or contentious issues.

The role of the Chief Executive Officer is to ensure effective overall management and control of Group business and proper co-ordination of the activities undertaken by the Group, and is responsible:

1. for the formulation and implementation of policies as approved by the Board;
2. to achieve the objectives of the Group as determined by the Board;
3. to devise and put into effect such plans and to organise, manage, direct and utilise the human resources available and all physical and other assets of the Group so as to achieve the most economically efficient use of all resources and highest possible profitability in the interest of the shareholders and all other stakeholders.

The Chief Executive Officer reports regularly to the Board on the business and affairs of the Group and the commercial, economic and other challenges facing it. He is also responsible to ensure that all submissions made to the Board are timely, give a true and correct picture of the issue or issues under consideration, and are of high professional standards as may be required by the subject matter concerned.

The Chairman also chairs a weekly Executive Committee Meeting, during which operational issues are discussed.

The above arrangements provide sufficient delegation of powers to achieve effective management. The organisational structure ensures that decision making powers are spread wide enough to allow proper control and reporting systems to be in place and maintained in such a way that no one individual or small group of individuals actually has unfettered powers of decision.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 3: Composition of the Board

Each member of the Board offers core skills and experience that are relevant to the successful operation of the Company. Whilst relevance of skills is key, a balance between skills represented is sought through the work of the Nominations Committee to ensure that there is an appropriate mix of members with diverse backgrounds. This contributes to different viewpoints on key issues in line with the diversity policy implemented throughout the Company. Diversity is recognised as being more than a question of age, gender or educational and professional backgrounds.

The Board is composed of a Chairman, a Non-Executive Vice-Chairman and six other Non-Executive Directors.

EXECUTIVE DIRECTORS

Louis A. Farrugia – *Chairman*

NON-EXECUTIVE DIRECTORS

Vincent Curmi – *Vice Chairman*

Charles Borg

Roderick Chalmers

Michael Farrugia

Alberto Miceli Farrugia

Marquis Marcus John Scicluna Marshall

Prof Avv. Alberto Stagno d'Alcontres

The Chief Executive Officer attends all board meetings, albeit without a vote, in order to ensure his full understanding and appreciation of the Board's policy and strategy, and so that he can provide direct input to the Board's deliberations. The Board considers that the size of the Board, whilst not being large as to be unwieldy, is appropriate, taking into account the size of the Company and its operations. The combined and varied knowledge, experience and skills of the Board members provide a balance of competences that are required and add value to the functioning of the Board and its direction to the Company.

It is in the interest of each of the three major shareholders (who are the original promoters of the Company) to nominate as directors, knowledgeable, experienced and diligent persons. Apart from this, informal arrangements, which do not infringe on their rights as shareholders, exist for consultation prior to any changes in the membership of the Board, as well as to assist in the identification of suitable persons who can be nominated for election by the other shareholders at general meetings, and who can bring in an independent viewpoint and particular knowledge to the deliberations of the Board.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 3: Composition of the Board - continued

Family relationships among Directors, the Directors' interest in the share capital of the Company as disclosed in the Shareholder Information (page 68) and the commonality of Directors with Simonds Farsons Cisk plc with which the Company maintains contractual relationships, represent potential conflicts of interest. This notwithstanding, all Directors are considered to be independent in that they do not hold any relationship with the Company, a controlling shareholder or their management which creates a conflict of interest such as to impair their judgement. This has been ensured through the implementation of the following measures:

- i. Disclosure and Exclusion: a Director is obliged to disclose any matter that may give rise to a potential or actual conflict. Following this, the respective Director is excluded from any deliberations and voting in respect of such matter.
- ii. Related Party Transaction Committee: with regards to any transactions which may be determined to be related party transactions, such transactions are referred to and dealt by the Related Party Transaction Committee (the "Committee"). As with the situation at Board level, any Director who is a related party with respect to a particular transaction is not permitted to participate in the Committee's deliberation and decision on the transaction concerned. Furthermore, due to the fact that the most common of matters in which a related party transaction may arise would be in relation to a transaction with SFC, the Committee is made up of Directors who are not common directors on the boards of both SFC and the Company.
- iii. Continuing Conflict: a Director having a continuing material interest that conflicts with the interests of the Company is obliged to take effective steps to eliminate the grounds for conflict and should this not be possible, said Director is encouraged to consider resigning.
- iv. Separation of Family Interests: there are no ties or relationships between management and the Directors

Principles 4 and 5: The Responsibilities of the Board and Board Meetings

The Board meets regularly every month apart from other occasions as may be needed. Individual directors, apart from attendance at formal board meetings, participate in other ad hoc meetings during the year as may be required, and are also active in board sub-committees as mentioned further below, either to assure good corporate governance, or to contribute more effectively to the decision-making process.

Meetings held:	13
Members Attended	
Mr. Louis A. Farrugia – <i>Chairman</i>	13
Vincent Curmi – <i>Vice Chairman</i>	11
Charles Borg	12
Roderick Chalmers	12
Michael Farrugia	13
Alberto Miceli Farrugia	10
Marquis Marcus John Scicluna Marshall	7
Prof Avv. Alberto Stagno d'Alcontres	6

Corporate governance statement - continued

B. Compliance with the Code - continued

Principles - 4 and 5: The Responsibilities of the Board and Board Meetings – continued

The Board, in fulfilling its mandate within the terms of the Company's Memorandum and Articles of Association, and discharging its duty of stewardship of the Company and the Group, assumes responsibility for the following:

- reviewing and approving the business plan and targets that are submitted by management, and working with management in the implementation of the business plan;
- identifying the principal business risks for the Group and overseeing the implementation and monitoring of appropriate risk management systems;
- ensuring that effective internal control and management information systems for the Group are in place;
- assessing the performance of the Group's executive officers, including monitoring the establishment of appropriate systems for succession planning, and for approving the compensation levels of such executive officers; and
- ensuring that the Group has in place a policy to enable it to communicate effectively with shareholders, other stakeholders and the public generally.

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material error, losses or fraud. Through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls.

In fulfilling its responsibilities, the Board regularly reviews and approves various management reports as well as annual financial plans, including capital budgets. The strategy, processes and policies adopted for implementation are regularly reviewed by the Board using key performance indicators. To assist it in fulfilling its obligations, the Board has delegated responsibility to the Chief Executive Officer.

Principle 6: Information and Professional Development

The Chief Executive Officer is appointed by the Board and enjoys the full confidence of the Board. The Chief Executive Officer, although responsible for the recruitment and selection of senior management, consults with the Board on the appointment of, and on a succession plan for, senior management.

Training (both internal and external) of management and employees is a priority, coordinated through the office of the Chief Executive Officer.

On joining the Board, a director is provided with briefings by the Chairman and the Chief Executive Officer on the activities of the Company's business areas. Furthermore, all new directors are offered a tailored induction programme.

Directors may, where they judge it necessary to discharge their duties as directors, take independent professional advice on any matter at the Company's expense.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 6: Information and Professional Development

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required.

Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring adherence to board procedures, as well as good information flows within the Board and its committees.

The Chairman ensures that board members continually update their skills and the knowledge and familiarity with the Company required to fulfil their role both on the Board and on Board committees. The Company provides the necessary resources for developing and updating its directors' knowledge and capabilities.

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters.

Principle 7: Evaluation of the Board's Performance

The role of the *Board Performance Evaluation Committee* chaired by a Non-Executive Director, is to deal with the Board's performance evaluation and identify ways how to improve the Board's effectiveness.

The evaluation exercise is conducted annually through a Board Effectiveness Questionnaire prepared by the Company Secretary in liaison with the Chairman of the Committee. The Company Secretary discusses the results with the Chairman of the Committee who then presents the same to the Board together with initiatives undertaken to improve the Board's performance.

The latest review has not resulted in any material changes in the Company's internal organisation or in its governance structures. The Non-Executive Directors are responsible for the evaluation of the Chairman of the Board.

Principle 8: Committees

Board Committees

The Board has set up the following sub-committees to assist it in the decision-making process and for the purposes of good corporate governance. The actual composition of these committees is provided in the Annual Report, but as stated earlier, each of the three major shareholders and the public shareholders are represented as far as possible.

The **Audit Committee's** primary objective is to protect the interests of the Company's shareholders and assist the directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Audit Committee is composed of four members – Mr Roderick Chalmers (Chairman), Mr Vincent Curmi, Mr Alberto Miceli Farrugia and Mr Charles Borg – all being Non-Executive Directors.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 8: Committees - continued

Board Committees - continued

All directors on the Audit Committee are independent and, in the opinion of the Board, are free from any significant business, family or other relationship with the Company, its shareholders or its management that would create a conflict of interest such as to impair their judgement. Mr Chalmers is a professional, qualified accountant with competence in matters relating to accounting and auditing. The Audit Committee as a whole has extensive experience in matters relating to the Company's area of operations, and therefore has the relevant competence required under Listing Rule 5.118.

The Audit Committee oversees the conduct of the external audits and acts to facilitate communication between the Board, Management and the external auditors.

The external auditors are invited to attend specific meetings of the Audit Committee and are also entitled to convene a meeting of the Committee if they consider that it is necessary so to do. The Chairman, the Chief Executive Officer and the Financial Controller are also invited to attend Audit Committee meetings. Members of management may be asked to attend specific meetings at the discretion of the Audit Committee.

During the year ended 31 January 2020, the Audit Committee held four meetings.

Related Party Transactions Committee is presided over by the Non-Executive Vice-Chairman and deals with and reports to the Board on all transactions with related parties. In the case of any director who is a related party with respect to a particular transaction, such director does not participate in the Committee's deliberation and decision on the transaction concerned.

Control mechanisms relevant to the reporting of related party transactions are in place to ensure that information is vetted and collated on a timely basis, before reporting to the Related Party Transactions Committee for independent and final review of the transactions concerned.

The Remuneration Committee is dealt with under the Remuneration report which also includes the Remuneration Statement in terms of Code Provisions 8.A.3 and 8.A.4.

The Nomination Committee chaired by Chairman is entrusted with leading the process for board appointments and to make recommendations to it. Any proposal for the appointment of a Director whether by the three major shareholders or by the general meeting of shareholders should be accompanied by a recommendation from the Board, based on the advice of the Nomination Committee.

Every shareholder owning twelve percent (12%) ordinary issued share capital or more, is entitled to appoint and replace a director for each and every twelve (12%) of such shares, and the remaining ordinary shares not so utilised are entitled to fill the remaining unfilled posts of directors. Thus, each of the three major shareholders who are named and whose holdings are listed in the notes to the financial statements (page 68), normally each appoint two directors for a total of six, the remaining two directors then being elected by the general public shareholders. Accordingly, no individual or small group of individuals will be in a position to dominate the Board. The interests of the directors in the shares of the Company are disclosed in this Annual Report.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principles 9 and 10: Relations with Shareholders and with the Market, and Institutional Shareholders

The Company recognises the importance of maintaining a dialogue with its shareholders and of keeping the market informed to ensure that its strategies and performance are well understood. The Board is of the view that during the period under review the Company has communicated effectively with the market through a number of Company announcements and press releases.

The Board endeavours to protect and enhance the interests of both the Company and its shareholders, present and future. The Chairman ensures that the views of shareholders are communicated to the Board as a whole.

The Board always ensures that all holders of each class of capital are treated fairly and equally. The Board also acts in the context that its shareholders are constantly changing and, consequently, decisions take into account the interests of future shareholders as well.

Shareholders appreciate the significance of participation in the general meetings of the Company and particularly in the election of directors. They hold directors to account for their actions, their stewardship of the Company's assets and the performance of the Company.

The agenda for general meetings of shareholders and the conduct of such meetings is arranged in such a manner to encourage valid discussion and decision-taking.

The Chairman and the Chief Executive Officer also ensure that sufficient contact is maintained with major shareholders to understand issues and concerns.

The Company also communicates with its shareholders through the Company's Annual General Meeting ("AGM") (further detail is provided under the section entitled General Meetings).

The Chairman makes arrangements for the chairmen of the Audit and Remuneration Committees to be available to answer questions, if necessary.

Apart from the AGM, TE communicates with its shareholders by way of the Annual Report and Financial Statements, by publishing and sending to the shareholders its results on an annual basis.

The Company's website (www.tridentestatesplc.com) also contains information about the Company and its business, including an Investor Relations section.

In addition, the Company holds a meeting for stockbrokers and financial intermediaries once a year to coincide with the publication of its financial statements.

The Company Secretary maintains two-way communication between the Company and its investors. Individual shareholders can raise matters relating to their shareholdings and the business of the Group at any time throughout the year and are given the opportunity to ask questions at the AGM or submit written questions in advance.

In terms of article 51 of the Articles of Association of the Company and article 129 of the Maltese Companies Act, the Board may call an extraordinary general meeting on the requisition of shareholders holding not less than one tenth (1/10) of the paid-up share capital of the Company. Minority shareholders are allowed to formally present an issue to the Board.

In the event of conflicts arising between minority shareholders and the three major shareholders, who are also the original promoters of the Company, every effort shall be made to seek mediation.

Corporate governance statement - continued

B. Compliance with the Code - continued

Principle 11: Conflicts of Interest

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole and of their obligation to avoid conflicts of interest. The latter may arise on specific matters. In such instances:

- a director is obliged to make full and frank disclosure with respect to any matter where there is a potential or actual conflict, whether such conflict arises from personal interests or the interests of the companies in which such person is a director or officer;
- the said director is excused from the meeting and accordingly is not involved in the Company's board discussion on the matter; and
- the said director does not vote on any such matter.

A director having a continuing material interest that conflicts with the interests of the Company, is obliged to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict then the director should consider resigning.

On joining the Board and regularly thereafter, the directors are informed of their obligations on dealing in securities of the Company within the parameters of law, including the Listing Rules.

The directors' interests in the share capital of the Company as at 31 January 2020 and as at 13 May 2020 are disclosed in the Shareholder Information.

Principle 12: Corporate Social Responsibility

The principle objective of the Company's commitment to Corporate Social Responsibility (CSR) is to provide support where possible in aspects that include social, occupational, financial, cultural and historical values.

C. Non-compliance with the Code

Principle 4 (Code Provision 4.2.7):

This Code Provision recommends "the development of a succession policy for the future composition of the Board and particularly the executive component thereof, for which the Chairman should hold key responsibility".

In the context of the appointment of directors being a matter reserved exclusively to TE's shareholders (except where the need arises to fill a casual vacancy) as explained under Principle 3 in Section B, and on the basis of the Directors' non-executive role, the Company does not consider it feasible to have in place such a succession policy.

However, the recommendation to have in place such a policy will be kept under review. An active succession policy is however in place for senior executive positions in the Company including that of the Chief Executive Officer.

Corporate governance statement - continued

D. Internal control and risk management Internal Control

The key features of the Group's system of internal control are as follows:

Organisation:

The Company and subsidiaries have the same directors and the respective Company issues are discussed during Board meetings of the Company.

Control Environment:

The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Group policies and employee procedures are in place for the reporting and resolution of fraudulent activities. The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Group objectives.

Risk Identification:

Group management is responsible together with each Company's management, for the identification, evaluation, control and reporting of major risks applicable to their areas of business.

Reporting:

The Group has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include physical controls, segregation of duties and reviews by management.

On a monthly basis the Board receives a comprehensive analysis of financial and business performance, including reports comparing actual performance with budgets as well as analysis of any variances.

E. General meetings

The manner in which the general meeting is conducted is outlined in Articles 49 to 52 of the Company's Articles of Association, subject to the provisions of the Maltese Companies Act, 1995.

Within seven months of the end of the financial year, an Annual General Meeting of shareholders is convened to consider the annual consolidated financial statements, the directors' and auditor's report for the year, to decide on dividends recommended by the Board, to elect the directors and appoint the auditors. Prior to the commencement of the Annual General Meeting, a presentation is made to shareholders on the progress made and strategies adopted during the year in the light of prevailing market and economic conditions and the objectives set by the Board, and an assessment on future prospects is given. The Group's presence on the worldwide web (www.tridentestatesplc.com) contains a corporate information section.

Apart from the above, the Group publishes its financial results every six months, and from time to time issues public notices regarding matters which may be of general interest or of material importance to shareholders and the market in general, or which may concern price sensitive issues.

At the time of the Annual General Meeting, the publication of the six-monthly report or significant events affecting the Group, public meetings are held to which institutional investors, financial intermediaries and brokers are invited to attend. Press releases are also issued from time to time on the business activities of the Group.

Corporate governance statement - continued

E. General meetings - continued

All shareholders in the Shareholders' Register on the Record Date as defined in the Listing Rules, have the right to attend, participate and vote at general meeting. A shareholder or shareholders holding not less than 5% of the voting issued share capital may request the Company to include items on the agenda of a general meeting and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty-six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the Directors or such persons as the Directors may delegate for that purpose.

Approved by the Board of Directors on 13 May 2020 and signed on its behalf by:

Louis Farrugia

Louis A. Farrugia
Chairman



Vincent Curmi
Vice-Chairman

Remuneration report

1. Terms of Reference and Membership

The Remuneration and Nomination Committee was presided over by the Chairman of the Company up to 8 May 2019, and by a Non-Executive Director since that date when it was re-appointed as a Remuneration Committee. Its terms of reference are to review from time to time and to report and make recommendations on the Non-Executive Directors' remuneration generally as well as the conditions of service of the Chairman, Chief Executive Officer and senior management. In the case of the Chairman and/or of any remuneration to an individual director for extra services, the interested director concerned (including the Chairman), does not attend the meeting during the discussion at Committee or Board level and decisions are therefore taken in his/her absence.

2. Meetings

The Remuneration Committee did not meet during the financial year ended 31 January 2020. During this period all relevant remuneration related matters were dealt with by the Board of Directors.

3. Remuneration Statement

3.1 SENIOR MANAGEMENT

For the purposes of this Remuneration Statement, references to 'Senior Management' shall mean the Chief Executive Officer, the Chief Operations Officer and the Financial Controller.

The Chief Executive Officer is responsible to carry out regular reviews of the compensation structure pertaining to senior management in the light of the Group's performance, economic situation and market trends. One of the main objectives is to recruit and retain executives of high professional standards and competence who can enhance the Group's performance and assure the best operational and administrative practices.

The Chief Executive Officer reports and makes recommendations periodically to the Board on the remuneration packages for senior management, including bonus arrangements for achieving pre-determined targets.

The Remuneration Committee is required to evaluate, recommend and report on any proposals made by the Chief Executive Officer relating to management remuneration and conditions of service. The Committee considers that the current executive management remuneration packages are based upon the appropriate local market equivalents and are fair and reasonable for the responsibilities involved. The Committee also believes that the remuneration packages are such as to enable the Company to attract, retain and motivate executives having the appropriate skills and qualities to ensure the proper management of the organisation.

The Committee is also charged with considering and determining any recommendations from the Chief Executive Officer on requests for early retirement.

The terms and conditions of employment of senior executives are set out in their respective contracts of employment with the Company. As a general rule, such contracts do not contain provisions for termination payments and other payments linked to early termination.

Senior management is eligible for an annual performance bonus which is linked to the achievement of agreed performance targets.

Remuneration report - continued

3. Remuneration Statement - continued

3.1 SENIOR MANAGEMENT - continued

In the case of the Chief Executive Officer, the Remuneration Committee is of the view that the linkage between fixed remuneration and performance bonus is reasonable and appropriate.

There are no profit-sharing, share options or pension benefit arrangements in place at this time.

The Chief Executive Officer is eligible for an annual bonus entitlement by reference to the attainment of pre-established objectives and targets as approved by the Remuneration and Nomination Committee.

Senior executives are entitled to normally available non-cash benefits comprising principally the use of a company car and executive health insurance and life assurance cover.

3.2 DIRECTORS

The Board is composed of the Chairman and Non-Executive Directors. The determination of remuneration arrangements for board members is a reserved matter for the Board as a whole, following the submission of recommendations by the Committee.

The Chairman and Directors are not employed under any service contract with the Company or any of its subsidiaries.

The remuneration of the Chairman and other directors is determined on the basis of their responsibilities, time committed to the Group's affairs, including attendance at regular board meetings, serving on boards of subsidiaries and jointly-controlled entities and work done in connection with the various sub-committees of which they are members.

No Director (including the Chairman) is entitled to profit sharing, share options, performance or pension benefits, and there are no outstanding loans or guarantees provided by the Company or any of its subsidiaries to any director.

No Director is entitled to any non-cash benefits.

Remuneration report - continued

3. Remuneration Statement - continued

3.3 Total Emoluments

The maximum annual aggregate emoluments that may be paid to the Directors is approved by the shareholders at the Annual General Meeting in terms of Article 81.1 of the Company's Articles of Association. This amount was fixed at an aggregate sum of €300,000 per annum at the 18th Annual General Meeting held on 27 June 2018.

None of the Directors have a service contract providing for benefits upon termination of employment with the Company or any of its subsidiaries.

Variable and Non Variable Emoluments of Directors and Senior Management

	Fixed Remuneration	Variable Remuneration	Share Options	Others
Senior Management	€249,980	€46,833	None	Non-cash benefits referred to above under 3.1
Directors' fees	€197,000	None	None	Non-cash benefits referred to above under 3.2

Directors' Remuneration Policy

Pursuant to the requirements of Listing Rule 12.26A, a Remuneration Policy for Directors will be submitted to the forthcoming Annual General Meeting for consideration and (if thought fit) approval by a vote of the Shareholders. For the purposes of this Remuneration Policy and pursuant to Listing Rule 12.2A, the Chief Executive Officer is considered to be an Executive Director of the Company. In subsequent years (with effect from Financial Year 2021), pursuant to the requirements of Listing Rule 12.26K to 12.26N, a Remuneration Report providing full details of all remuneration paid to all Directors will be included as part of the Annual Report and will be subjected to a vote by the Shareholders at each Annual General Meeting. The contents of the Remuneration Report will be in full conformity with the requirements set out in Listing Rule Appendix 12.1.



Independent auditor's report

To the Shareholders of Trident Estates plc

Report on the audit of the financial statements

Our opinion

In our opinion:

- Trident Estates plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the Group's and the Parent Company's financial position as at 31 January 2020, and of the Group's and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Trident Estates plc's financial statements, set out on pages 30 to 70, comprise:

- the Consolidated and Parent Company statements of financial position as at 31 January 2020;
- the Consolidated and Parent Company statements of comprehensive income for the year then ended;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

Independent auditor's report - continued

To the Shareholders of Trident Estates plc

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Parent Company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

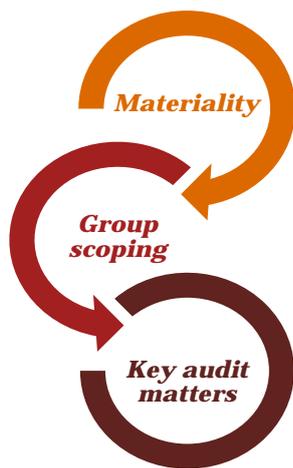
The non-audit services that we have provided to the Group and its subsidiaries, in the period from 1 February 2019 to 31 January 2020, are disclosed in Note 17 to the financial statements.

Emphasis of matter

We draw attention to Note 27 to these financial statements in which management has described the uncertainties associated with the impact of the COVID-19 pandemic on the Group's operations and financial position. This matter is considered to be of fundamental importance to the understanding of the financial statements due to its nature and significance. Our opinion is not modified in respect of this matter.

Our audit approach

Overview



- Overall Group materiality: €319,700, which represents 0.5% of Total Assets
- The Group is composed of 5 reporting units all located in Malta.
- The Group engagement team carried out the audit of the financial statements of the Parent Company as well as the audit of the financial statements of all the subsidiaries of the Company.
- Valuation of investment property.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Group materiality	€319,700
How we determined it	0.5% of Total Assets
Rationale for the materiality benchmark applied	<p>We chose total assets as the benchmark because, in our view, it is the benchmark against which the underlying value of real estate companies is most commonly measured by users, and is a generally accepted benchmark.</p> <p>We chose 0.5%, which is within the range of asset-based materiality thresholds that we consider acceptable.</p>

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €32,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of Investment property for Group and Company</i> Refer to note 6</p> <p>The Group's and Company's investment property portfolio has a carrying amount of €45.8 million and €20.4 million respectively as at 31 January 2020.</p> <p>The valuation of the Group's and Company's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and, where applicable, the expected future rentals for that particular investment property. For investment property being developed, factors taken into account include projected costs to completion, timing thereof and expected rental income.</p> <p>As disclosed in note 6 to the financial statements, the external valuations have been performed using the discounted cashflow approach.</p> <p>The board of directors considered the valuation report as part of its overall responsibilities.</p> <p>The significance of the estimates and judgements involved, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warrants specific audit focus in this area.</p>	<p>We evaluated the competence of the external valuers, which included due consideration of their qualifications and expertise.</p> <p>We discussed with the external valuers the valuation approach adopted, the key valuation assumptions and other judgements made in arriving at their conclusions with respect to the property valuations.</p> <p>We engaged our own in-house experts to review the valuation approach adopted and underlying assumptions applied in the property valuations in order to assess the reasonableness of the fair value assigned to the properties.</p> <p>We reviewed the key parameters provided by the Group/Company to the external valuers including reconciling this data to underlying current lease agreements.</p> <p>For investment property under development we analysed costs incurred to date with related supporting documentation and assessed that the carrying value as at year end is supported by the projected cash flows to the completion of the said development.</p> <p>We discussed the valuations with Group/Company management and the external valuers and concluded, based on our work, that the Group's and Company's property valuations were within an acceptable range of values.</p> <p>In addition, we evaluated the adequacy of the disclosures in Note 6 to the financial statements, including those regarding the key valuation assumptions applied in the property valuations.</p>



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

How we tailored our Group audit scope

The Group is composed of five reporting units all located in Malta. We tailored the scope of our audit in order to perform sufficient work on all components to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group audit team performed all of this work by applying the overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's Statement, the Chief Executive Officer's Review, the Directors' Report, the Remuneration Report and Shareholder Information (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the Directors' Report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' Report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and the company's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the group's and the company's business and the overall economy.



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the statement of compliance with the Principles of Good Corporate Governance

The Listing Rules issued by the Malta Listing Authority require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.



Independent auditor's report - continued

To the Shareholders of Trident Estates plc

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 8 to 18 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

Other matters on which we are required to report by exception

We also have responsibilities:

- under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:
 - Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
 - The financial statements are not in agreement with the accounting records and returns.
 - We have not received all the information and explanations we require for our audit.
- under the Listing Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.

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

Appointment

We were first appointed as auditors of the Company on 25 October 2000. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 19 years. The Company became listed on a regulated market on 30 January 2018.

PricewaterhouseCoopers

78, Mill Street
Qormi
Malta

A handwritten signature in blue ink, appearing to read 'D. Valenzia', is written over a light blue horizontal line.

David Valenzia
Partner

13 May 2020

Statements of financial position

		As at 31 January			
		Group		Company	
Notes	2020	2019	2020	2019	
	€000	€000	€000	€000	
ASSETS					
Non-current assets					
Property, plant and equipment	4	68	21	68	21
Right-of-use assets	5	3,751	-	664	-
Investment property:					
- held under development	6	22,714	15,214	-	-
- held as commercial property	6	12,387	12,387	9,696	9,696
- held for future development	6	10,695	10,695	10,695	10,695
Investment in subsidiaries	7	-	-	520	520
Total non-current assets		49,615	38,317	21,643	20,932
Current assets					
Trade and other receivables	8	433	431	19,830	17,728
Advance payment	7	-	-	951	951
Cash and cash equivalents	9	13,892	4,004	12,582	1
Total current assets		14,325	4,435	33,363	18,680
Total assets		63,940	42,752	55,006	39,612

Statements of financial position - continued

		As at 31 January			
		Group		Company	
Notes	2020 €000	2019 €000	2020 €000	2019 €000	
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	42,000	30,000	42,000	30,000
Share premium	11	2,833	-	2,833	-
Fair value gains reserve	12	2,936	2,936	935	935
Retained earnings		4,767	4,893	4,323	4,566
Total equity		52,536	37,829	50,091	35,501
Non-current liabilities					
Borrowings		2,207	-	-	-
Lease liabilities	5	3,769	-	682	-
Deferred tax liabilities	13	2,308	2,308	2,039	2,039
Other payables	14	216	216	-	-
Total non-current liabilities		8,500	2,524	2,721	2,039
Current liabilities					
Trade and other payables	14	2,733	2,111	2,106	1,844
Lease liabilities	5	19	-	3	-
Borrowings	15	-	166	-	166
Current tax liabilities		152	122	85	62
Total current liabilities		2,904	2,399	2,194	2,072
Total liabilities		11,404	4,923	4,915	4,111
Total equity and liabilities		63,940	42,752	55,006	39,612

The Notes on pages 36 to 70 are an integral part of these consolidated financial statements.

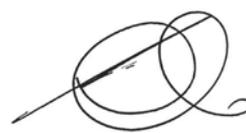
The financial statements on pages 30 to 70 were authorised for issue by the Board on 13 May 2020 and were signed on its behalf by:

Luis Farrugia

Louis A. Farrugia
Chairman



Vincent Curmi
Vice Chairman



Charles Xuereb
Chief Executive Officer

Statements of comprehensive income

		Year ended 31 January			
		Group		Company	
	Notes	2020 €000	2019 €000	2020 €000	2019 €000
Revenue	16	1,152	1,076	755	710
Operating and administrative expenses	17	(668)	(788)	(573)	(595)
Operating profit		484	288	182	115
Fair value gains on investment property	6	-	803	-	1,011
Finance costs	20	(183)	-	(34)	-
Finance income		27	-	-	-
Profit before tax		328	1,091	148	1,126
Tax expense	21	(254)	(316)	(191)	(284)
Profit/(loss) for the year		74	775	(43)	842
Basic and diluted earnings per share for the year attributable to shareholders¹	23	€0.002	€0.023		

The Notes on pages 36 to 70 are an integral part of these consolidated financial statements.

¹ Earnings per share for financial year 2019 have been restated for the effect of the rights issue as disclosed in Note 11.

Statements of changes in equity

Group

	Notes	Share capital €000	Share premium €000	Fair value gains reserve €000	Retained earnings €000	Total equity €000
Balance at 1 February 2018		30,000	-	2,213	4,841	37,054
Comprehensive income						
Profit for the year		-	-	-	775	775
Other comprehensive income:						
Net transfers of fair value movements on investment property, net of deferred tax	12	-	-	723	(723)	-
Total comprehensive income		-	-	723	52	775
Balance at 31 January 2019		30,000	-	2,936	4,893	37,829
Comprehensive income						
Profit for the year		-	-	-	74	74
Total comprehensive income		-	-	-	74	74
Transaction with owners in their capacity as owners:						
Contributions of equity through rights issue, net of transaction costs	11	12,000	2,833	-	-	14,833
Dividends paid	25	-	-	-	(200)	(200)
		12,000	2,833	-	(200)	14,633
Balance at 31 January 2020		42,000	2,833	2,936	4,767	52,536

Statements of changes in equity - continued

Company

	Notes	Share Capital €000	Share premium €000	Fair value gains reserve €000	Retained earnings €000	Total equity €000
Balance at 1 February 2018		30,000	-	25	4,634	34,659
Comprehensive income						
Profit for the year		-	-	-	842	842
Other comprehensive income:						
Transfer of fair value gains, net of deferred tax on disposal of investment property	12	-	-	910	(910)	-
Total comprehensive income		-	-	910	(68)	842
Balance at 31 January 2019		30,000	-	935	4,566	35,501
Comprehensive income						
Loss for the year		-	-	-	(43)	(43)
Transaction with owners in their capacity as owners:						
Contributions of equity through rights issue, net of transaction costs	11	12,000	2,833	-	-	14,833
Dividends paid	25	-	-	-	(200)	(200)
		12,000	2,833	-	(200)	14,633
Balance at 31 January 2020		42,000	2,833	935	4,323	50,091

The Notes on pages 36 to 70 are an integral part of these consolidated financial statements.

Statements of cash flows

	Notes	Year ended 31 January			
		Group		Company	
		2020 €000	2019 €000	2020 €000	2019 €000
Cash flows from operating activities					
Cash generated from operations	22	644	1,078	453	781
Interest received		27	-	-	-
Interest paid		(177)	-	(28)	-
Net income tax paid		(224)	(166)	(168)	(138)
Net cash generated from operating		270	912	257	643
Cash flows from investing activities					
Purchase of property, plant and equipment		(58)	(13)	(58)	(13)
Purchase of investment property including advanced payments		(6,962)	(3,289)	-	-
Increase in advances to subsidiary		-	-	(2,093)	(7,000)
Net cash used in investing activities		(7,020)	(3,302)	(2,151)	(7,013)
Cash flows from financing activities					
Increase in equity through rights issue	11	15,000	-	15,000	-
Transaction costs on rights issue	11	(167)	-	(167)	-
Dividends paid		(192)	-	(192)	-
Drawdown of bank loan		2,207	-	-	-
Principal payment of lease liability		(44)	-	-	-
Net cash generated from financing activities		16,804	-	14,641	-
Net movement in cash and cash equivalents		10,054	(2,390)	12,747	(6,370)
Cash and cash equivalents at beginning of year		3,838	6,228	(165)	6,205
Cash and cash equivalents at end of year	9	13,892	3,838	12,582	(165)

The Notes on pages 36 to 70 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These consolidated financial statements include the financial statements of Trident Estates plc and its subsidiaries. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, (Cap. 386). They have been prepared under the historical cost convention, as modified by the fair valuation of investment property and except as disclosed in the accounting policies below. Unless otherwise stated, all financial information presented has been rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies (see Note 3 - Critical accounting estimates and judgements).

The directors have concluded that at the time of approving these financial statements the group's business is considered to be a going concern and the group is able to finance its operations in the coming year (refer to Note 27).

Standards, interpretations and amendments to published standards effective in 2020

In 2020, the Group and the company adopted amendments and interpretations to existing standards that are mandatory to the company's accounting period beginning on 1 February 2019.

On 1 February 2019, the Group and the Company applied for the first time IFRS 16 - *Leases*. IFRS 16 - *Leases* was issued in January 2016 and effective starting 1 January 2019. It resulted in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group and the Company had to change its accounting policies as a result of adopting IFRS 16. The Group and the Company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 February 2019. The impact of the adoption of this standard is disclosed below.

Other standards, amendments and interpretations effective 1 February 2019 did not have any impact on the Group and the company's accounting policies and did not require retrospective adjustments.

Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 *Leases* on the Group and the Company's financial statements and discloses the new accounting policy that have been applied from 1 February 2019.

1. Summary of significant accounting policies

1.1 Basis of preparation - continued

Changes in accounting policies - continued

The Group and the Company has adopted IFRS 16 retrospectively from 1 February 2019 but has not restated comparatives for the 31 January 2019 reporting period, as permitted under the specific transitional provisions in the standard.

The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 February 2019.

(i) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group and the Company recognised lease liability in relation to leases and ground rents which had previously been classified as “operating lease” under the principles of IAS 17 - *Leases*. The liability was measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 February 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liability on 1 February 2019 was 5.0%.

The associated right-of-use asset for property lease was measured at the amount equal to the lease liability. There were no onerous lease contracts that would require adjustment to the right-of-use asset at the date of initial application.

The change in accounting policy affected the following items in the statement of financial position on 1 February 2019:

Group	Group €000	Company €000
- Increase in right-of-use assets	3,826	679
- Increase in lease liability	3,801	683
	<hr/>	<hr/>

Measurement of lease liabilities

	Group €000	Company €000
Operating lease commitments disclosed as at 31 January 2019	919	96
Discounted using the incremental borrowing rate at the date of initial application	(126)	(9)
Add: adjustments as a result of different treatment of extensions	3,008	596
	<hr/>	<hr/>
Lease liabilities recognised as at 1 February 2019	3,801	683
	<hr/>	<hr/>
Of which are:		
Current lease liabilities	16	2
Non-current lease liabilities	3,785	681
	<hr/>	<hr/>
	3,801	683
	<hr/>	<hr/>

1. Summary of significant accounting policies

1.1 Basis of preparation - continued

(i) Adjustments recognised on adoption of IFRS 16 - continued

The statement of comprehensive income includes the following amounts relating to leases:

	As at 31 January 2020	
	Group €000	Company €000
Finance costs	183	34
Amortisation charge of right-of-use assets	75	15
	258	49

The amortisation charge of the right-of-use assets is recorded under 'Operating and administrative costs' while finance costs are presented as a separate line item in the statement of comprehensive income.

(ii) The Group and Company's leasing activities and how these are accounted for

The Group and the Company have existing agreements in relation to ground rents. These contracts are long term in nature. The lease agreements do not impose any covenants.

Until the 31 January 2019 financial year, such agreements were classified as operating leases. Payments made were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 February 2019, the above agreements were recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group and the company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liability includes the net present value of the following lease payments:

- fixed payments;
- variable lease payments that are based on an index or a rate.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

1. Summary of significant accounting policies

1.2 Basis of preparation - continued

(ii) The Group and company's leasing activities and how these are accounted for - continued

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, where there is no third party financing; and
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate);
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

1. Summary of significant accounting policies

1.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements, that are mandatory for the company's accounting policies beginning after 1 February 2019. The Group and the Company have not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group and the Company's directors are of the opinion that there are no requirements that will have possible significant impact on the Group and the Company's financial statements in the period of initial application.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 1.6).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A listing of the subsidiaries is set out in Note 29 to the financial statements.

1. Summary of significant accounting policies

1.2 Consolidation - continued

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment loss. See Note 1.6 for the impairment of non-financial assets including goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1. Summary of significant accounting policies - continued

1.4 Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost and is subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- | | |
|----------------------|-----|
| • Motor vehicles | 20% |
| • Computer equipment | 25% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 1.6).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

1.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group, is classified as investment property. Investment property comprises freehold and leasehold property.

Investment property is measured initially at its historical cost, including related transaction costs and borrowing costs. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended annually. After initial recognition, investment property is carried at fair value representing open market value determined annually. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections.

These valuations are reviewed annually. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

1. Summary of significant accounting policies - continued

1.5 Investment property - continued

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when 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.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of the reclassification becomes its cost for subsequent accounting purposes. When the Group decides to dispose of an investment property without development, the Group continues to treat the property as an investment property. Similarly, if the Group begins to redevelop an existing investment property for continued future use as investment property, it remains an investment property during the redevelopment.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss; with any remaining increase recognised in other comprehensive income, directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged to other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

1.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1. Summary of significant accounting policies - continued

1.7 Financial instruments

Classification

The Group and Company classifies their financial assets as financial assets measured at amortised costs. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group and Company classifies their financial assets as at amortised cost only if both the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Interest income on debt instruments measured at amortised cost from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition of these instruments is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statements of comprehensive income.

Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

1. Summary of significant accounting policies - continued

1.7 Financial instruments - continued

Impairment - continued

Expected credit loss model

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data such as significant financial difficulty of the borrower or issuer, or a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

1.8 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss allowance (Note 1.7).

Details about the Group's impairment policies and the calculation of loss allowance are provided in Note 1.7.

1. Summary of significant accounting policies - continued

1.9 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statements of comprehensive income except to the extent that it relates to items recognised directly in other comprehensive income. In this case the tax is also recognised in other comprehensive income.

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

Deferred tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Under this method the Group is required to make a provision for deferred taxes on the fair valuation of certain non-current assets. Such deferred tax is charged or credited directly to profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statements of financial position at face value. In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the statements of financial position.

1.11 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale/disposal transaction, not through continuing use. These assets may be a component of an entity, a disposal group or an individual non-current asset. Non-current assets (classified as assets held for sale) are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

1. Summary of significant accounting policies - continued

1.12 Share capital and share premium

Ordinary shares are classified as equity. Amounts received in excess of par value are credited to share premium. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1.13 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.14 Provisions

Provisions are recognised when the Group 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 amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

1.15 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.16 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Group's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities'). These financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.17 Offsetting 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.

1. Summary of significant accounting policies - continued

1.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax or other sales taxes, returns, rebates and discounts. Revenue is recognised as follows:

(a) Property related income

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(b) Finance income

Finance income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income.

1.19 Leases

The Group is the lessor

Assets leased out under operating leases are included in investment property in the statement of financial position and are accounted for in accordance with accounting policy (note 1.3). These assets are fair valued annually on a basis consistent with similarly owned investment property. Rental income from operating leases recognised in profit or loss on a straight-line basis over the lease term. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of the adoption of the new leasing standard.

The Group is a lessee

Until 31 January 2019, leases of assets in which a significant portion of the risks and rewards of ownership were effectively retained by the lessor were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 February 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Changes in accounting policies effected by the company from 1 February 2019 in relation to the adoption of IFRS 16 are discussed in Note 1.1.

1.20 Borrowing costs

Borrowing costs which are incurred for the purpose of acquiring or constructing qualifying property, plant and equipment or investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway, during the period of time that is required to complete and prepare the asset for its intended use. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended. All other borrowing costs are expensed. Borrowing costs are recognised for all interest-bearing instruments on an accrual basis using the effective interest method. Interest costs include the effect of amortising any difference between initial net proceeds and redemption value in respect of the Group's interest-bearing borrowings.

1. Summary of significant accounting policies - continued

1.21 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding at the end of the period. Where the company increases its share capital through a rights issue, comparative EPS is restated to reflect the situation as if the discount embedded within the rights issue had been in place at the beginning of the comparative period.

2. Financial risk management

2.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's Board provides principles for overall Group risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's income and operating cashflows are substantially independent of changes in market international rates. The Group's interest rate risk arises from borrowings. The Group has bank borrowings issued at fixed rates for the short and medium term (Note 15). These bank loans do not expose the Group to cash flow interest rate risk. The Group also has considerable cash balances derived from the right's issue held for the financing of Trident Park project that do not carry interest rate risk.

(b) Credit risk

The Group and Company measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss.

The Group's and Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below. The Group and Company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	Group		Company	
	2020	2019	2020	2019
	€000	€000	€000	€000
Financial assets measured at amortised cost				
Trade and other receivables (Note 8)	8	66	19,801	17,719
Cash and cash equivalents (Note 9)	13,892	4,004	12,582	1
	13,900	4,070	32,383	17,720

2. Financial risk management - continued

2.1 Financial risk factors - continued

To measure the expected credit losses, trade receivables, other receivables and accrued income have been grouped based on shared credit risk characteristics and the days past due.

The Company monitors the performance of its receivables on a regular basis to identify expected collection losses, which are inherent in the Group's receivables, taking into account historical experience.

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group holds collateral in the form of cash deposits and other guarantees received from tenants totalling to €216,000 (2019: €296,000) as security for rents and leases due.

The Group's and the Company's operations are principally carried out in Malta and their revenues originate from clients based in Malta. The Group and Company assess the credit quality of its customers taking into account financial position, past experience and other factors. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The Group presently has a small number of clients as tenants, these mainly relate to companies within the Farsons Group. The Group assessed the respective credit risk and concluded that despite this concentration, these tenants are able to honor their contractual commitments. No loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group and Company.

The Company's receivables comprise amounts due from subsidiaries which are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for instruments which have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. This assessment takes into consideration the financial position, performance and other factors of the counterparty. Management monitors intra-group credit exposures on a regular basis and ensures timely performance of these assets in the context of overall Group liquidity management. The Group and Company take cognisance of the related party relationship with these entities and management does not expect any losses from non-performance or default.

At 31 January 2020 and 31 January 2019, cash and short-term deposits are held with reputable European financial institutions. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Group.

(c) Liquidity risk

The Group and Company are exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally lease liabilities trade and other payables, amounts owed to related parties and subsidiaries respectively (refer to Notes 5 and 14). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Group's and Company's obligations.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows over a twelve month period and ensures that adequate financing facilities are in place for the coming year. The Group ensures that it has enough cash on demand, within pre-established benchmarks, to meet expected operational expenses and servicing of financial obligations over specific short-term periods, excluding the potential impact of extreme circumstances that cannot reasonably be predicted. The Group's liquidity risk is actively managed taking cognisance of the matching of cash inflows and outflows arising from expected maturities of financial instruments, together with the Group's committed borrowing facilities and other financing that it can access to meet liquidity needs.

The following table analyses the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of the statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

Group	Carrying amount €,000	Contractual cash flows €,000	Within one year €,000	Between one to five years €,000	More than five years €,000
31 January 2020					
Lease liabilities	3,788	11,991	198	793	11,000
Trade and other payables	2,949	2,949	2,733	-	216
Borrowings	2,207	2,444	65	2,379	-
	8,944	17,384	2,996	3,172	11,216
31 January 2019					
Trade and other payables	2,327	2,327	2,111	-	216
Borrowings	166	166	166	-	-
	2,493	2,493	2,277	-	216
Company					
	Carrying amount €,000	Contractual cash flows €,000	Within one year €,000	Between one to five years €,000	More than five years €,000
31 January 2020					
Lease liabilities	685	2,251	34	135	2,082
Trade and other payables	2,106	2,106	2,106	-	-
	2,791	4,357	2,140	135	2,082
31 January 2019					
Trade and other payables	1,844	1,844	1,844	-	-

2. Financial risk management - continued

2.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. In effect, during 2020, the Company increased its equity through a rights issue of €15million.

Up until last year, the Group was not managed with a view of maintaining a controlled relationship between capital and borrowings since as at 31 January 2019 the Group did not have long-term borrowings and it was the directors' view that the equity is considered to be the capital of the Company.

During the current financial year, following its initial drawdown of its banking facilities, the Group monitored the level of capital on the basis of the ratio of aggregated net debt to total capital. Total debt is calculated as total borrowings (as shown in the statement of financial position) plus lease liabilities. Total capital is calculated as equity, as shown in the statement of financial position, plus total debt. The aggregated figures in respect of the group's equity and borrowings are reflected below:

	Group €000
Total borrowings (note 15)	2,207
Lease liabilities (note 5)	3,788
	6,495
Total debt	6,495
Total equity	52,536
	59,031
Total capital	59,031
	11.0%
Gearing	11.0%

The group manages the relationship between equity injections and borrowings, being the constituent elements of capital as reflected above from period to period, with a view to managing the cost of capital. The level of capital of the group, as reflected in the statement of financial position, is maintained by reference to its respective financial obligations and commitments arising from operational requirements. In view of the nature of the group's activities and the extent of borrowings or debt, the capital level at the end of the reporting period is deemed adequate by management.

2.3 Fair values of instruments not carried at fair value

At 31 January 2020 and 2019, the carrying amounts of cash at bank, trade and other receivables and trade and other payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of amounts owed by subsidiaries which are current or repayable on demand is equivalent to their carrying amount.

The fair value of non-current financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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, except as disclosed in Note 6, are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Property, plant and equipment

	Group and Company	
	2020	2019
	€000	€000
Year ended 31 January		
Opening net book amount	21	18
Additions	58	13
Depreciation	(11)	(10)
	68	21
At 31 January		
Cost or valuation	105	47
Accumulated depreciation and impairment	(37)	(26)
	68	21

Depreciation charge for the financial year is included in operating and administrative expenses.

5. Leases

The Group and the Company have various lease agreements for ground rent which are all long-term in nature. As disclosed in note 1.1, the Group and the Company had to recognize right-of-use asset and the related liability in line with the adoption of IFRS 16 beginning 1 February 2019.

i.) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating leases:

	Group		Company	
	2020	1 February 2019	2020	1 February 2019
	€000	€000	€000	€000
Right-of-use-assets				
Land	3,751	3,826	664	679
Lease Liabilities				
Current	19	16	3	2
Non-current	3,769	3,785	682	681
	3,788	3,801	685	6831

5. Leases - continued

ii.) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group		Company	
	2020	1 February 2019	2020	1 February 2019
	€000	€000	€000	€000
Amortisation of right-of-use-assets	75	-	15	-
Interest expense	183	-	34	-

The total cash outflow of the Group and company for leases in 2020 is €196,000 and €31,000 respectively (2019: €nil).

6. Investment property

Group	2020	2019
	€000	€000
Year ended 31 January		
Opening net book amount	38,296	33,043
Additions	7,500	4,450
Fair value gains	-	803
Closing net book value	45,796	38,296
At 31 January		
Cost	29,162	21,662
Fair value gains	16,634	16,634
Net book amount	45,796	38,296

In 2018, property additions related to the façade property from Simonds Farsons Cisk plc to the Group as part of the Group restructuring and the spin-off process of the Group. This property forms part of the development known as the Trident Park project which commenced in 2019. Additions for both 2020 and 2019 relate to the respective assets in the course of construction.

6. Investment property - continued

Company	2020	2019
	€000	€000
Year ended 31 January		
Opening carrying amount	20,391	9,180
Fair value gains	-	1,011
Transfer from assets held for sale (Note 10)	-	10,200
	20,391	20,391
At 31 January		
Cost	5,421	5,421
Fair value gains	14,970	14,970
	20,391	20,391

Fair value of property

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

On 31 January 2020, the Directors approved the valuations of the Group's and Company's investment property after assessing the valuations made during 2020 by a duly appointed independent chartered architectural firm. These valuations were determined on the basis of open market values after considering the intrinsic value of the property and net potential returns. In 2020, these valuations did not result in an increase or decrease in the value of property classified under investment property (2019: €803,000 increase) in the case of the Group and the Company (2019: €1,011,000 increase).

All the recurring property fair value measurements at 31 January 2020 use significant unobservable inputs and are accordingly categorised within level 3 of the fair valuation hierarchy. The Group's policy is to recognise transfers in and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the year ended 31 January 2020.

A reconciliation from the opening balance to the closing balance of investment property for recurring fair value measurements categorised within level 3 of the fair value hierarchy, is reflected in the table above. Besides the above noted fair value adjustments, the only movements in investment property reflect additions, disposals and transfers, from/to non-current assets held for sale categories (Note 10).

6. Investment property - continued

Valuation processes

The valuations of the properties are performed regularly on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the Group's financial systems and is subject to the Group's overall control environment; and
- assumptions and valuation models used by the valuers - the assumptions are typically market related. These are based on professional judgement and market observation.

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Executive Officer. This includes a review of fair value movements over the period. When the Chief Executive Officer considers that the valuation report is appropriate, the valuation report is recommended to the Board. The Board considers the valuation report as part of its overall responsibilities.

Valuation techniques

The external valuations of the level 3 property have been performed the discounted cash flow approach. Each property was valued using the method considered by the external valuers to be the most appropriate valuation method for that type of property; the method, together with the fair value measurements, was approved by the Board as described above.

In the case of the discounted cashflow approach the significant unobservable inputs include a rental rate per square meter (also in respect of comparable properties as described in the case of the sales comparison approach) and a capitalisation rate (applied at 5.5% - 6.8%).

In the case of the façade property, the discounted projected cash flows approach was applied taking into consideration the development plan and projected time frames. The significant unobservable inputs include annualised net cash inflows per square meter (driven by premium market rentable rates), an expected occupancy rate, a capitalisation rate (applied at 6.5%), and development costs (based on high quality finishes). The resulting gross development return has been split between development return (assumed at 13%) with the residual value attributed to the Company land value.

6. Investment property - continued

Valuation techniques - continued

Information about fair value measurements using significant unobservable inputs (level 3)

Group

Description by class	Fair value €000	Valuation technique	Significant unobservable input	Range of unobservable Inputs €
As at 31 January 2020				
Property under development	22,714	Discounted cash flow approach	Rental rate per square meter	60 - 280
Current use as commercial premises	12,387	Discounted cash flow approach	Rental rate per square meter	102 – 357
Held for future development	10,695	Discounted cash flow approach	Rental rate per square meter	105 – 130

Description by class	Fair value €000	Valuation technique	Significant unobservable input	Range of unobservable Inputs €
As at 31 January 2019				
Property under development	15,214	Discounted cash flow approach	Rental rate per square meter	60 - 280
Current use as commercial premises	12,387	Discounted cash flow approach	Rental rate per square meter	102 – 357
Held for future development	10,695	Discounted cash flow approach	Rental rate per square meter	105 – 130

In respect of the discounted cash flow approach, the higher the annualized net cash inflows, and growth rate, the higher the fair value. Conversely, the lower the discount rate, the estimated development costs, and capitalisation rate used in calculating the annualized net cash inflows, the higher the fair value.

6. Investment property - continued

Valuation techniques - continued

The following amounts have been recognised in the statements of comprehensive income:

	Group		Company	
	2020	2019	2020	2019
	€000	€000	€000	€000
Rental income	1,152	1,076	755	710
Direct operating expenses arising from rental of investment property	(75)	(196)	(15)	(29)

In 2020 direct operating expenses above relate to the amortisation of the right-of-use asset. In addition to the above, the Group has incurred interest costs on the lease liabilities of €183,000 classified under finance costs as disclosed in Note 5.

7. Investment in subsidiaries

	Company	
	2020	2019
	€000	€000
Year ended 31 January		
Opening and closing net book amount	520	520
At 31 January		
Cost and carrying amount	520	520

During the financial year ended 31 January 2018, the Company entered into a promise of sale agreement to acquire the remaining 50% shareholding in Sliema Fort Company Limited from Food Chain Limited (a related party). This agreement is subject to approval by the Lands Authority as landlord of the leasehold property owned by this associate. In terms of the share acquisition agreement, the management and control of this associate is effectively held by the Company and accordingly this investment is being treated as an investment in subsidiary in the books of the Company and consolidated on a line by line basis in the Group accounts. The Company has made an advance payment amounting to €951,000 with respect to this acquisition. This amount is disclosed as an advanced payment under current assets in the statement of financial position.

The principal subsidiaries at 31 January 2020, all of which are unlisted, are disclosed in note 29 to these financial statements.

8. Trade and other receivables

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Current				
Amounts due from subsidiaries	-	-	19,799	17,704
Amounts due from related parties	8	66	-	15
Other receivables	-	-	2	-
Indirect taxation	111	34	1	-
Advance payments to suppliers	277	320	-	-
Prepayments and accrued income	37	11	28	9
	433	431	19,830	17,728

Amounts due from subsidiaries and related parties are unsecured, interest free and are repayable on demand. As of 31 January 2020 and 2019 amounts owed by subsidiaries and related parties were fully performing and hence do not contain impaired assets. The Group's exposure to credit risk relating to trade and other receivables is disclosed in Note 2.

The Group and the Company assessed the impairment for all classes of assets under IFRS 9 and the identified expected loss to be provided for was not deemed material and thus it was not reflected in the Group's and Company's financial statements.

9. Cash and cash equivalents

For the purposes of the statements of cash flows, the cash and cash equivalents at the end of the reporting period comprise the following:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Cash at bank and in hand	13,892	4,004	12,582	1
Overdrawn bank balance (Note 15)	-	(166)	-	(166)
	13,892	3,838	12,582	(165)

The Group and the Company assessed the impairment for all classes of assets under IFRS 9 and the identified expected loss on cash and cash equivalents to be provided for was not deemed material and thus it was not reflected in the Group's and Company's financial statements.

10. Non-current assets (and related liabilities) held for sale

For the year ended 31 January 2019, the Company transferred one of its non-current assets from held for sale to investment property. And as such, the related liability was also reclassified. No similar instance occurred for the year ended 31 January 2020.

	Company	
	2020	2019
	€000	€000
Non-current assets		
At beginning of the year	-	10,200
Transfer to investment property (Note 6)	-	(10,200)
Closing net book value	-	-
<hr/>		
Liabilities classified as held for sale		
At beginning of the year	-	1,020
Transfer to deferred taxation (Note 13)	-	(1,020)
Closing net book value	-	-
<hr/>		

11. Share capital and share premium

	Company	
	2020	2019
	€000	€000
Authorised:		
50,000,000 ordinary shares of €1 each	50,000	50,000
<hr/>		
Issued and fully paid:		
42,000,003 ordinary shares of €1 each	42,000	-
30,000,000 ordinary shares of €1 each	-	30,000
	42,000	30,000
<hr/>		
Share premium	2,833	-
<hr/>		

On 12 November 2019, the Company invited its shareholders to subscribe to a rights issue of 12,000,000 shares at an issue price of €1.25 per share on the basis of 2 shares for every 5 shares held.

As stated in the prospectus, the main intention was to obtain additional funds to primarily finance the Trident Park project. The issue was fully subscribed. The difference between the issue price of €1.25 per share and the nominal value of each share was accounted for in the Share Premium account. The related transaction costs amounting to €166,960 have been netted off against the share premium account.

12. Fair value gains reserve

Group	2020	2019
	€000	€000
Non-current assets		
At beginning of year, net of deferred tax	2,936	2,213
Fair value movements on investment property, net of deferred tax	-	723
At 31 January	2,936	2,936
<hr/>		
Company	2020	2019
	€000	€000
Non-current assets		
At beginning of the year, net of deferred tax	935	25
Fair value movements on investment property, net of deferred tax	-	910
At 31 January	935	935

The fair value gains reserve was created on the fair valuation of the Group's and Company's investment property and property classified as held for sale. Related deferred tax was debited to this reserve.

This reserve is a non-distributable reserve.

13. Deferred taxation

Deferred taxes are calculated on all temporary differences under the liability method and are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted by the end of the reporting period. The principal tax rate used is 35% (2019: 35%), with the exception of deferred taxation on the fair valuation of non-depreciable property which is computed on the basis applicable to disposals of immovable property, that is, a tax effect of 10% (2019: 10%) of the transfer value.

The movement in the deferred tax account is as follows:

	Group		Company	
	2020	2019	2020	2019
	€000	€000	€000	€000
At the beginning of the year	2,308	2,228	2,039	918
Debited to profit or loss (Note 21)	-	80	-	101
Transferred from liabilities - classified as held for sale (Note 10)	-	-	-	1,020
At end of year	2,308	2,308	2,039	2,039

The balance at 31 January represents temporary differences on fair valuation of investment property.

14. Trade and other payables

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Non-current				
Other payables	216	216	-	-
Current				
Trade payables	929	430	12	11
Amounts owed to related parties	29	6	23	6
Amounts owed to subsidiaries	-	-	1,856	1,659
Indirect taxes and social security	10	10	-	-
Accruals and deferred income	1,765	1,665	215	168
	2,733	2,111	2,106	1,844
Total trade and other payables	2,949	2,327	2,106	1,844

Amounts owed to subsidiaries and related parties are unsecured, interest free and are repayable on demand. Other payables amounting to €216,000 (2019: €216,000) represent security deposits paid by tenants which will be refunded upon termination of lease agreement.

The Group accruals include €1,550,000 (2019: €1,500,000) development costs accrued for in relation to the Trident Park project.

The Group exposure to liquidity risk related to trade and other payables is disclosed in Note 2.

15. Borrowings

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Non-current				
Bank loan	2,207	-	-	-
Current				
Overdrawn bank balance	-	166	-	166

The Group secured long-term borrowings from a third party bank during the year to finance the Trident Park project. The balance of the loan as at 31 January 2020 is €2,207,252 (2019: nil).

The Group's banking facilities as at 31 January 2020 amounted to €28,500,000 (2019: €28,500,000). As at year end, the Group has an unutilised banking facility in relation to the Trident Park project amounting to €26,292,748 (2019: €28,500,000).

The company's borrowings are secured by a general hypothec over the company's assets and a special hypothec over its property, as well as a pledge over insurance policies.

15. Borrowings - continued

The interest rate exposure of the borrowings of the Group was as follows:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
At fixed rate	2,207	-	-	-
At variable rate	-	166	-	166

The effective interest rate as at the end of the reporting period on the Group's bank loan was 2.95% (2019: NIL%).

16. Revenue

All the Group's revenue, which arises solely in Malta, is derived from rents receivable on properties rented out.

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Rental income	1,152	1,076	755	710

17. Expenses by nature

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Depreciation of property, plant and equipment	11	10	11	10
Amortisation charge of right-of-use assets	75	-	15	-
Directors remuneration	197	197	197	197
Employee benefit expense (Note 18)	153	145	153	145
Property rent and leases	-	196	-	29
Other expenses	232	240	197	214
Total operating and administrative expenses	668	788	573	595

Included in the above analysis are expenses amounting to €77,000 (2019: €91,000) recharged from a related party in respect of payroll and other expenses.

17. Expenses by nature - continued

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 January 2020 and 2019 relate to the following:

	Group	
	2020 €000	2019 €000
Annual statutory audit	37	33
Tax advisory and compliance services	13	18
Other assurance services	12	14
	62	65
Classified under:		
Statement of comprehensive income -		
Operating and administrative expenses	50	65
Equity - transaction costs netted off from share premium	12	-
	12	-

18. Employee benefit expense

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Wages and salaries	233	157	233	157
Social security costs	5	4	5	4
	238	161	238	161
Recharged from related parties	249	286	35	51
Recharged to related parties	-	(21)	-	-
Recharged to subsidiaries	-	-	(120)	(67)
	487	426	153	145
Classified under:				
Statement of comprehensive income -				
Operating and administrative expenses	153	145	153	145
Statement of financial position -				
Investment property	334	281	-	-
	487	426	153	145

The average number of full time employees employed/recharged during the year.

	Group		Company	
	2020	2019	2020	2019
Administration	7	7	4	4

19. Directors' remuneration

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Amounts paid				
Fees	197	197	197	197

20. Finance costs

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Interest charge on lease liability	183	-	34	-

Finance costs of €51,000 (2019: €58,000) were capitalised as part of Investment Property (Note 6).

21. Tax expense

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Current tax expense	254	236	191	183
Deferred tax expense (Note 13)	-	80	-	101
	254	316	191	284

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Profit before tax	328	1,091	148	1,126
Tax on profit at 35%	115	381	52	394
Tax effect of:				
Expenses not allowable for tax purposes	242	220	208	203
Maintenance allowance on rental income	(56)	(53)	(43)	(42)
Income taxed at reduced rates	(47)	(32)	(26)	(19)
Tax rules applicable to property values	-	(200)	-	(252)
Tax expense	254	316	191	284

22. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Operating profit	484	288	182	115
Adjustments for:				
Depreciation of property, plant and equipment	11	10	11	10
Amortisation charge of right-of-use asset	75	-	15	-
Changes in working capital:				
Trade and other receivables	(2)	379	(9)	851
Trade and other payables	76	401	254	(195)
Cash generated from operations	644	1,078	453	781

23. Earnings per share

Earnings per share is based on the profit for the financial year attributable to the shareholders of Trident Estates plc divided by the weighted average number of ordinary shares in issue during the year and ranking for dividend.

	Group	
	2020	2019 (restated)
Profit from operations excluding fair value movements (€000)	74	52
Profit from fair value movements (€000)	-	723
Profit attributable to shareholders (€000)	74	775
Weighted average number of ordinary shares in issue (thousands)	35,510	33,322
Earnings per share attributable to profits excluding fair value movements	€0.002	€0.002
Earnings per share attributable to fair value movements	-	€0.022
Earnings per share for the year attributable to shareholders	€0.002	€0.023

Weighted average number of shares in issue and earnings per share for financial year 2019 have been restated for the effect of the rights issue as disclosed in Note 11.

Basic and diluted EPS equates to the same amount as there are no potentially diluted shares in issue.

24. Commitments

Capital commitments

Commitments for capital expenditure related to investment property not provided for in these financial statements are as follows:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Authorised and contracted	28,232	14,413	-	-
Authorised but not contracted	5,025	30,825	-	-

The above amount relates to the 'Trident Park' project which is budgeted to cost in the region of €50million. This project is being financed partly through bank funding amounting to €28.5million which has been secured in prior year and partly through a share capital rights issue that took place towards the end of this financial year year.

Operating lease commitments - where Group and Company are a lessor

These leases principally relate to property rentals. The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Not later than 1 year	1,137	1,125	746	737
Between 1 and 2 years	828	1,137	492	746
Between 2 and 3 years	373	828	129	492
Between 3 and 4 years	324	373	76	129
Between 4 and 5 years	243	324	77	76
Later than 5 years	263	506	264	341
	3,168	4,293	1,784	2,521

Operating lease commitments - where Group and Company are a lessee

These leases principally relate to temporary leasehold property. The future minimum lease payments payable in relation to properties covered by a non-cancellable operating lease receivables are as follows:

	Group		Company	
	2020 €000	2019 €000	2020 €000	2019 €000
Not later than 1 year	-	196	-	32
Later than 1 year and not later than 5 years	-	631	-	64
Later than 5 years	-	92	-	-
	-	919	-	96

With effect from 1 February 2019, the Group has recognised right-of-use assets for leases, except for short-term and low-value leases in accordance with the requirements of IFRS 16.

25. Dividends

During the year, the Group paid out a final net dividend of €200,000 (€0.007 per share) in respect of the financial year ended 31 January 2019.

The Board of Directors (the "Board") did not declare an interim dividend and, in view of the current uncertainty caused by the COVID-19 pandemic, do not believe that it would be appropriate or prudent to recommend the declaration of a final dividend to the forthcoming Annual General Meeting.

26. Related party transactions

The following companies (and their respective subsidiaries and jointly-controlled entities) are considered to be related parties by virtue of their shareholding in the Company:

	Percentage of shares held	
	2020	2019
Farrugia Investments Limited	24.93	24.93
M.S.M. Investments Limited	25.06	25.06
Sciclunas Estates Limited	24.89	24.89

The remaining 25.12% of the shares are widely held. The shareholdings of the above-mentioned companies remain the same despite the rights issue which took place during the year.

The directors make particular reference to the fact that Simonds Farsons Cisk plc and its subsidiaries are considered to be related parties due to common directors and the common shareholding.

The following operational transactions were carried out with related parties:

	Group		Company	
	2020	2019	2020	2019
	€000	€000	€000	€000
Income from goods and services				
<i>From fellow subsidiaries</i>				
- Recharged expenses	24	-	7	51
<i>From related parties</i>				
- Rental income	721	687	622	612
<hr/>				
Expenditure for goods and services				
<i>From parent and related parties</i>				
- Recharged payroll expenses	249	286	35	51
- other recharged expenses	76	40	74	40

26. Related party transactions - continued

Key management personnel compensation for 2020 and 2019, consisting of directors' and senior management remuneration which was recharged from the Group's previous parent, is disclosed as follows:

	Group	
	2020	2019
	€000	€000
Directors	197	197
Senior Management	297	298
	494	495

Amounts due from/to fellow subsidiaries, are disclosed in Notes 8 and 14 of these financial statements.

27. Events after the end of the reporting period

Reference is made to that part of the Directors' Report under the heading "Outlook for financial year ending 31 January 2021 and events after the reporting period end", which sets out details of the impact of the COVID-19 pandemic in early 2020 on the operations of and prospects for the Group, and the mitigating measures being taken in connection therewith. Following these measures and considerations and a review carried out by the Board, the Directors expect that the Group will be able to sustain its operations over the next twelve months, and to meet its obligations as and when they fall due. Accordingly, for these reasons, the Board is of the opinion that it is appropriate to adopt the going concern basis in the preparation of these financial statements.

28. Statutory information

Trident Estates plc is a public limited liability company incorporated in Malta.

29. Subsidiaries

The principal subsidiaries at 31 January 2020 are shown below:

	Registered office	Principal activities	Percentage of shares held	
			2020	2019
Mensija Catering Company Limited	Trident Park Mdina Road, Zone 2, Central Business District, Birkirkara	Property leasing	100	100
Neptune Properties Limited	Trident Park Mdina Road, Zone 2, Central Business District, Birkirkara	Non-operating	100	100
Trident Park Limited	Trident Park Mdina Road, Zone 2, Central Business District, Birkirkara	Property development and leasing	100	100
Sliema Fort Company Limited	Trident Park Mdina Road, Zone 2, Central Business District, Birkirkara	Property leasing	100	100