



C17886 | 77

Registration number C 17886

C.G.
15 DEC 2015

KASCO HOLDINGS LIMITED

Report and Consolidated financial statements
For the year ended 31 December 2014

KASCO HOLDINGS LIMITED

Contents

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Statements of profit or loss and other comprehensive income	5
Statements of financial position	6
Statements of changes in equity	7 - 8
Statements of cash flows	9
Notes to the financial statements	10 - 27

KASCO HOLDINGS LIMITED

Director's report for the year ended 31 December 2014

Director	Mr Alfio Schembri
Registered Address	2, St. John Elemosiner Street Cospicua BML 9051 Malta

The director presents his report and the audited financial statements of the group and the company for the year ended 31 December 2014.

Principal activities

The group's activities include the importation and wholesaling of paper products, sale and servicing of machinery, catering and sale of food and beverages and film making.

Business review

During the year, the group registered a loss after taxation of € 323,184 (2013 – € 131,801). The company registered a loss after taxation of € 431,419 (2013 – Profit of € 68,331). In the first quarter of 2014, the catering establishment of Kasco Foods Limited was closed and the shares of the company were transferred to third parties. In fact, the parent company's loss is mostly attributable to a provision passed against part of a balance receivable from the company. The activities of the group and the company are expected to remain consistent in the foreseeable future.

Dividends and reserves

The director does not recommend the payment of an ordinary dividend and proposes to transfer the loss for the year to reserves.

Events after the reporting period

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

Director

In accordance with the company's Articles of Association, the current director remains in office.

KASCO HOLDINGS LIMITED

Director's report for the year ended 31 December 2014

Director's responsibilities

The Companies Act, 1995 requires the director to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group and the company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. In preparing these financial statements, the director is required to:

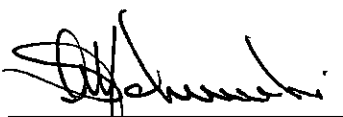
- adopts the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- accounts for income and charges relating to the accounting period on the accruals basis;
- values separately the components of asset and liability items; and
- reports comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable him to ensure that the financial statements comply with the Companies Act, 1995. He is also responsible for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Nexia BT have intimated their willingness to continue in office and a resolution proposing their reappointment will be put before the members at the next annual general meeting.

This report was approved and authorised for issue and signed by the Director on 31 October 2015.



Mr Alfio Schembri
Director

KASCO HOLDINGS LIMITED

Independent auditors' report To the members of Kasco Holdings Limited

We have audited the accompanying consolidated financial statements, which comprise the statement of financial position of the group and the company as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the group and the company for the year then ended, and a summary of significant accounting policies and explanatory notes.

Director's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial statements.

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

KASCO HOLDINGS LIMITED

Independent auditors' report To the members of Kasco Holdings Limited

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the group and the company as at 31 December 2014 and of their results, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the Maltese Companies Act, 1995.



Mr Brian Tonna

For and on behalf of
Nexia BT
Certified Public Accountants

The Penthouse, Suite 2
Capital Business Centre, Entrance C
Triq taz-Zwejt
San Gwann SGN 3000
Malta

Date: 31 October 2015

KASCO HOLDINGS LIMITED

Statements of profit or loss and other comprehensive income for the year ended 31 December 2014

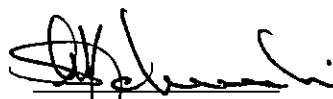
	Notes	Group		Company	
		2014	2013	2014	2013
		€	€	€	€
Revenue	2	8,678,140	8,874,527	-	-
Cost of sales		(7,716,668)	(7,926,916)	-	-
Gross profit		961,472	947,611	-	-
Administrative expenses		(1,225,120)	(931,411)	(397,271)	(4,223)
Other operating income	4	93,522	62,274	522	-
Operating (loss)/profit	5	(170,126)	78,474	(396,749)	(4,223)
Share of results of associated companies		65,609	38,197	-	-
Investment (loss)/income	6	-	-	(9,439)	126,196
Interest receivable	7	69,207	81,837	-	-
Finance costs	8	(252,535)	(288,482)	(25,048)	(84)
(Loss)/profit before taxation		(287,845)	(89,974)	(431,236)	121,889
Income tax	9	(35,339)	(41,827)	(183)	(53,558)
(Loss)/profit for the year		(323,184)	(131,801)	(431,419)	68,331
Attributable to:					
Owners of the parent		(323,184)	(52,089)		
Non-controlling interest		-	(79,712)		
		(323,184)	(131,801)		
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/income		(323,184)	(131,801)	(431,419)	68,331
Attributable to:					
Owners of the parent		(323,184)	(52,089)		
Non-controlling interest		-	(79,712)		
Total comprehensive expense		(323,184)	(131,801)		
Loss per share	10	(0.29)	(0.12)		

KASCO HOLDINGS LIMITED

Statements of financial position for the year ended 31 December 2014

	Notes	Group		Company	
		2014 €	2013 €	2014 €	2013 €
ASSETS					
Non-current assets					
Intangible assets	11	36,500	13,027	-	-
Property, plant and equipment	12	831,534	979,647	-	-
Investments in subsidiaries	13	-	-	256,399	265,838
Investments in associates	13	183,176	117,567	1,165	1,165
Deferred taxation	14	4,278	5,371	-	-
Loans receivable	15	356,695	690,034	-	-
		<u>1,412,183</u>	<u>1,805,646</u>	<u>257,564</u>	<u>267,003</u>
Current assets					
Inventories	16	2,169,024	2,573,090	-	-
Trade and other receivables	17	6,026,441	4,876,017	1,959,246	1,342,337
Loans receivable	15	360,675	388,010	-	-
Current tax recoverable	18	-	92,678	-	-
Cash at bank and in hand	19	173,573	47,724	15	31
		<u>8,729,713</u>	<u>7,977,519</u>	<u>1,959,261</u>	<u>1,342,368</u>
Total assets		<u>10,141,896</u>	<u>9,783,165</u>	<u>2,216,825</u>	<u>1,609,371</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Called-up issued share capital	20	1,115,281	1,115,281	1,115,281	1,115,281
Retained earnings		660,424	581,646	41,213	472,632
Non-controlling interest		-	(267,969)	-	-
Total equity		<u>1,775,705</u>	<u>1,428,958</u>	<u>1,156,494</u>	<u>1,587,913</u>
Non-current liabilities					
Long-term borrowings	21	1,785,259	1,532,965	998,785	5,868
Current liabilities					
Short-term borrowings	21	4,655,618	4,984,576	43,109	2,201
Trade and other payables	22	1,910,549	1,836,666	18,254	13,389
Current tax payable	18	14,765	-	183	-
		<u>6,580,932</u>	<u>6,821,242</u>	<u>61,546</u>	<u>15,590</u>
Total liabilities		<u>8,366,191</u>	<u>8,354,207</u>	<u>1,060,331</u>	<u>21,458</u>
Total equity and liabilities		<u>10,141,896</u>	<u>9,783,165</u>	<u>2,216,825</u>	<u>1,609,371</u>

The consolidated financial statements on pages 5 to 27 were approved, and signed by the Director on 31 October 2015.


Mr Alfio Schembri
Director

KASCO HOLDINGS LIMITED

Statements of changes in equity for the year ended 31 December 2014

Group

	Called-up issued share capital €	Retained earnings €	Non- controlling interest €	Total €
At 1 January 2013	1,115,281	633,735	(188,257)	1,560,759
Loss for the year	-	(52,089)	(79,712)	(131,801)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(52,089)	(79,712)	(131,801)
At 31 December 2013	1,115,281	581,646	(267,969)	1,428,958
Loss for the year	-	(323,184)	-	(323,184)
On loss of control	-	401,962	267,969	669,931
Other comprehensive income	-	-	-	-
Total comprehensive income	-	78,778	267,969	346,747
At 31 December 2014	1,115,281	660,424	-	1,775,705

KASCO HOLDINGS LIMITED

Statements of changes in equity for the year ended 31 December 2014

Company

	Called-up issued share capital €	Retained earnings €	Total €
At 1 January 2013	1,115,281	404,301	1,519,582
Loss for the year	-	68,331	68,331
Other comprehensive income	-	-	-
Total comprehensive income	-	68,331	68,331
At 31 December 2013	1,115,281	472,632	1,587,913
Loss for the year	-	(431,419)	(431,419)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(431,419)	(431,419)
At 31 December 2014	1,115,281	41,213	1,156,494

KASCO HOLDINGS LIMITED

Statements of cash flows for the year ended 31 December 2014

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Cash flows from/(used in) operating activities				
(Loss)/profit before taxation	(287,845)	(89,974)	(431,236)	121,889
Adjustments for:				
Depreciation	94,314	153,163	-	-
Amortisation	13,027	13,028	-	-
Dividends receivable	-	-	-	(153,558)
Share of results of associated companies	(65,609)	(38,197)	-	-
Interest receivable	(69,207)	(81,837)	-	-
Interest expense	247,915	291,163	25,048	84
Loss of control of subsidiary	669,931	-	-	-
Loss on disposal of property, plant and equipment	270,725	-	-	-
Impairment loss on financial assets	-	-	8,239	27,362
Loss on disposal of financial assets	-	-	1,200	-
	<u>873,251</u>	<u>247,346</u>	<u>(396,749)</u>	<u>(4,223)</u>
Working capital changes:				
Movement in inventories	404,066	553,845	-	-
Movement in trade and other receivables	(1,150,424)	(227,043)	(616,909)	117,200
Movement in trade and other payables	73,883	(582,456)	(7,793)	(122,849)
	<u>200,776</u>	<u>(8,308)</u>	<u>(1,021,451)</u>	<u>(9,872)</u>
Cash flows generated from operations	200,776	(8,308)	(1,021,451)	(9,872)
Dividends received	-	153,558	-	153,558
Interest received	69,207	81,837	-	-
Interest paid	(247,915)	(275,326)	(12,390)	-
Net taxation refunded/(paid)	73,197	(64,232)	-	(53,558)
	<u>95,265</u>	<u>(112,471)</u>	<u>(1,033,841)</u>	<u>90,128</u>
Cash flows used in investing activities				
Payments to acquire property, plant and equipment	(216,926)	(62,303)	-	-
Payments to acquire intangible assets	(36,500)	-	-	-
Payments to acquire financial assets	-	(10,310)	-	(10,310)
Proceeds from disposal of property, plant and equipment	-	39,183	-	-
	<u>(253,426)</u>	<u>(33,430)</u>	<u>-</u>	<u>(10,310)</u>
Net cash used in investing activities	(253,426)	(33,430)	-	(10,310)
Cash flows from/(used in) financing activities				
Movement in shareholders' balance	(89,030)	101,962	33,423	(77,824)
Movement in bank loans	744,214	(750,028)	1,000,000	-
Movement in other loans	360,674	383,195	-	-
	<u>1,015,858</u>	<u>(264,871)</u>	<u>1,033,243</u>	<u>(77,824)</u>
Net cash from/(used in) financing activities	1,015,858	(264,871)	1,033,243	(77,824)
Reconciliation of net cash flow to movement in net debt				
Movement in cash and cash equivalents	857,697	(410,772)	(598)	1,994
Cash and cash equivalents at beginning of year	(4,581,236)	(4,170,464)	(2,170)	(4,164)
	<u>(3,723,539)</u>	<u>(4,581,236)</u>	<u>(2,768)</u>	<u>(2,170)</u>
Cash and cash equivalents at end of year	(3,723,539)	(4,581,236)	(2,768)	(2,170)
Cash and cash equivalents at 31 December				
Cash at bank and in hand	173,573	47,724	15	31
Bank overdrafts	(3,897,112)	(4,628,960)	(2,783)	(2,201)
	<u>(3,723,539)</u>	<u>(4,581,236)</u>	<u>(2,768)</u>	<u>(2,170)</u>

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

1 General Information

Kasco Holdings Limited is a limited liability company incorporated in Malta. The group's activities include the importation and wholesaling of all kinds of paper products, and operate a printing press. Its registered office is at 2, St. John Elemosiner Street, Cospicua BML 9051, Malta.

2 Accounting policies

Accounting convention and basis of preparation

These consolidated financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the company. They are prepared under the historical cost convention as modified by the fair valuation convention where required by International Financial Reporting Standards, in accordance with the provisions of the Companies Act, 1995 enacted in Malta, and the requirements of International Financial Reporting Standards issued by the International Accounting Standards Board. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

The financial information has been prepared from the audited financial statements of the following companies comprising the Group:

Parent company

Kasco Holdings Limited

Subsidiaries

Kasco Recycling Limited
Kasco Trading Limited
Kasco Limited
FSV Limited
Graphic Supplies Limited

Associates

Kasco Engineering Company Limited
3City Designs Limited
Grigal Films Limited
Tekhne Industrial Limited
Berner Malta Limited

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

2 Accounting policies (continued)

Basis of consolidation

These financial statements include all subsidiaries that are controlled by the parent company, Kasco Holdings Limited.

Control is presumed to exist where more than one half of the subsidiary's voting power is controlled by the parent company, or the parent company is able to govern the financial and operating policies of the subsidiary, or control the removal or appointment of a majority of the subsidiary's board of directors.

The results of subsidiary companies acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from or to the effective date of acquisition or disposal.

Investments in associated companies are accounted for in the consolidated financial statements under the equity method. Investments in subsidiary and associated companies classified as non-current financial assets are stated in the parent company's statement of financial position at cost, less any permanent diminution in the value of the investment.

Non controlling interest in the results and net assets of subsidiary companies is disclosed separately.

All intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated in full on consolidation.

Intangible assets

Goodwill is initially measured as the difference between the aggregate of the acquisition date fair value of the consideration transferred, the amount of non-controlling interest and in business combinations achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree; and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. They are subsequently amortised over the estimated useful life. The annual rate used is 20% straight line.

Other intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rate used for representation rights is 4% straight line, chargeable as from 2015.

Property, plant and equipment

Property, plant and equipment are initially recorded at cost. They are subsequently stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the statement of profit or loss and other comprehensive income in the period of derecognition.

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

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

2 Accounting policies (continued)

Property, plant and equipment (continued)

Improvements	2% Straight Line
Office equipment	15 - 25% Straight Line
Plant and machinery	15 - 20% Straight Line
Furniture and fittings	10% Straight Line

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the entity becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through the statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The terms of financial instruments that are issued, the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument are evaluated to determine whether the financial instruments are financial liabilities or equity instruments or whether they contain both a liability and an equity component, in which case such components are classified separately as financial liabilities and equity instruments.

Trade and other receivables

Trade and other short-term receivables are stated at cost less specific impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are stated at nominal value.

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

2 Accounting policies (continued)

Financial instruments (continued)

Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are stated at amortised cost using the effective interest method.

Subsequent to initial recognition, interest-bearing bank overdrafts are stated at face value in view of their short-term maturities.

Other borrowings

Subsequent to initial recognition, other borrowings are stated at amortised cost using the effective interest method unless the effect of discounting is immaterial.

Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Share capital

Ordinary shares are classified as equity.

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

Impairment

The carrying amount of the group's and company's assets, other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. The tax expense is calculated on net income, adjusted for non-temporary differences between taxable and accounting income. The tax effect of temporary differences, arising from items brought into account in different periods for income tax and accounting purposes, is carried in the balance sheet as deferred tax debits or credits. Such deferred tax balances are calculated on the liability method taking into account the estimated tax that will be paid or recovered when the temporary differences reverse.

Deferred tax debits are only carried forward if there is a reasonable expectation of realisation. Deferred tax debits, arising from tax losses yet to be recovered, are only carried forward if there is a reasonable assurance and to the extent that future taxable income will be sufficient to allow the benefit of the tax loss to be realised or to the extent of the net credits in the deferred tax balance.

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

2 Accounting policies (continued)

Foreign currencies

The financial statements are presented in Euro, being the currency of the primary economic environment in which the group and the company operate. Transactions denominated in foreign currencies are translated into Euro at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into Euro at the rates of exchange prevailing at the statement of financial position date. Translation differences are dealt with through the statement of profit or loss and other comprehensive income in the period in which they arise.

Revenue

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

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks less bank overdrafts. Bank overdrafts that are repayable on demand and form part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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 director, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1 (revised).

4 Other operating income

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Management fees receivable	75,000	42,833	-	-
Other fees receivable	18,522	19,441	522	-
	<u>93,522</u>	<u>62,274</u>	<u>522</u>	<u>-</u>

KASCO HOLDINGS LIMITED

Notes to the financial statements
for the year ended 31 December 2014

5 Operating (loss)/profit

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Operating (loss)/profit is stated after charging:				
Staff costs	<i>Note</i> 475,856	664,010	-	-
Director's remuneration	<i>Note</i> 95,251	37,153	-	-
Depreciation	94,314	153,163	-	-
Operating lease rentals - Motor vehicles	36,073	25,561	-	-
Auditors' remuneration	10,519	13,063	3,204	3,203
Unrealised difference on exchange	13,518	2,454	-	-
Realised difference on exchange	-	227	-	-
Gain on disposal of property, plant and equipment	-	1,450	-	-
and after crediting:				
Realised difference on exchange	8,898	-	-	-

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
<i>Staff costs</i>				
Wages and salaries (including director's remuneration)	531,708	653,956	-	-
Social security costs	39,399	47,207	-	-
	571,107	701,163	-	-

	Group		Company	
	2014	2013	2014	2013
Number of employees				
The average numbers of employees (including the director) during the year were:				
Operations	16	23	-	-
Administration	15	23	-	-
	31	46	-	-

KASCO HOLDINGS LIMITED

Notes to the financial statements
for the year ended 31 December 2014

6 Investment (loss)/income

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Impairment loss on financial assets	-	-	(8,239)	(27,362)
Loss on disposal of financial assets	-	-	(1,200)	-
Dividends received	-	-	-	153,558
	<u>-</u>	<u>-</u>	<u>(9,439)</u>	<u>126,196</u>

7 Interest receivable

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Other interest receivable	69,207	81,837	-	-
	<u>69,207</u>	<u>81,837</u>	<u>-</u>	<u>-</u>

8 Finance costs

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Interest on bank overdrafts	122,851	141,541	-	84
Interest on bank loans	108,553	124,663	25,048	-
Interest on other loans	16,511	24,959	-	-
Unrealised difference on exchange	13,518	(2,454)	-	-
Realised difference on exchange	(8,898)	(227)	-	-
	<u>252,535</u>	<u>288,482</u>	<u>25,048</u>	<u>84</u>

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

9 Income tax

As at year-end temporary differences for which no deferred tax asset is recognized amounted to € 447,138 (2013: € 47,352).

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Malta Income Tax:				
Current - for the year	34,246	53,558	183	53,558
Deferred	(1,093)	(11,731)	-	-
Tax charge for the year	<u>35,339</u>	<u>41,827</u>	<u>183</u>	<u>53,558</u>

The accounting profit/(loss) and the tax charge for the year are reconciled as follows:

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
(Loss)/profit before taxation	(287,845)	(89,974)	(431,236)	121,889
Tax thereon at 35%	(100,746)	(31,491)	(150,933)	42,661
Tax effect of permanent differences	(3,840)	63,741	11,191	1,320
Tax effect of unrecognised temporary differences	139,925	9,577	139,925	9,577
Tax charge for the year	<u>35,339</u>	<u>41,827</u>	<u>183</u>	<u>53,558</u>

10 Loss per share

The loss per share has been calculated on the losses attributable to shareholders as recognised in the Statement of profit or loss and other comprehensive income divided by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares outstanding during the year amounted to 1,115,281 (2013 – 1,115,281). There is no difference between basic and diluted loss per share.

KASCO HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 December 2014

11 Intangible assets

Group	Goodwill	Representation rights	Total
Cost	€	€	€
At 1 January 2013/ 1 January 2014	65,139	-	65,139
Additions	-	36,500	36,500
At 31 December 2014	<u>65,139</u>	<u>36,500</u>	<u>101,639</u>
Amortisation			
At 1 January 2013	39,084	-	39,084
Charge for the year	13,028	-	13,028
At 31 December 2014	<u>52,112</u>	<u>-</u>	<u>52,112</u>
At 1 January 2014	52,112	-	52,112
Charge for the year	13,027	-	13,027
At 31 December 2014	<u>65,139</u>	<u>-</u>	<u>65,139</u>
Net book value			
At 31 December 2014	-	36,500	36,500
At 31 December 2013	<u>13,027</u>	<u>-</u>	<u>13,027</u>
At 31 December 2012	<u>26,055</u>	<u>-</u>	<u>26,055</u>

KASCO HOLDINGS LIMITED

Notes to the financial statements
for the year ended 31 December 2014

12 Property, plant and equipment

Group	Improvements €	Motor vehicles €	Office equipment €	Plant and machinery €	Furniture and fittings €	Total €
Cost						
At 1 January 2013	407,655	51,600	256,666	767,534	311,717	1,795,172
Additions	8,108	19,092	16,699	5,769	12,635	62,303
Disposals	-	(65,158)	-	-	-	(65,158)
At 31 December 2013	415,763	5,534	273,365	773,303	324,352	1,792,317
At 1 January 2014	415,763	5,534	273,365	773,303	324,352	1,792,317
Additions	206,605	-	83,72	-	1,949	216,926
Disposals	-	(5,534)	(181,494)	-	(202,258)	(389,286)
At 31 December 2014	622,368	-	100,243	773,303	124,043	1,619,957
Depreciation						
At 1 January 2013	34,327	27,082	79,669	485,311	59,093	685,482
Charge for the year	10,759	1,108	52,711	56,333	32,252	153,163
On disposals	-	(25,975)	-	-	-	(25,975)
At 31 December 2013	45,086	2,215	132,380	541,644	91,345	812,670
At 1 January 2014	45,086	2,215	132,380	541,644	91,345	812,670
Charge for the year	13,314	-	22,031	46,747	12,222	94,314
On disposals	-	(2,215)	(71,913)	-	(44,433)	(118,561)
At 31 December 2014	58,400	-	82,498	588,391	59,134	788,423
Net book value						
At 31 December 2014	563,968	-	17,745	184,912	64,909	831,534
At 31 December 2013	370,677	3,319	140,985	231,659	233,007	979,647
At 31 December 2012	373,328	24,518	176,997	282,223	252,624	1,109,690

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

13 Financial assets

	Group		Company	
	2014 €	2013 €	2014 €	2013 €
Investments in subsidiaries				
At 1 January	-	-	298,280	298,280
Disposals	-	-	(1,200)	-
At 31 December	-	-	297,080	298,280
Impairment loss				
At 1 January	-	-	32,442	19,990
Movement	-	-	9,439	12,452
Disposals	-	-	(1,200)	-
At 31 December	-	-	40,681	32,442
	-	-	256,399	265,838
Investments in associates				
At 1 January	117,567	222,618	16,075	5,765
Additions	-	10,310	-	10,310
Share of results	65,609	38,197	-	-
Dividends paid by associate	-	(153,158)	-	-
At 31 December	183,176	117,567	16,075	16,075
Impairment loss				
At 1 January	-	-	14,910	-
Movement	-	-	-	14,910
At 31 December	-	-	14,910	14,910
	183,176	117,567	1,165	1,165

KASCO HOLDINGS LIMITED

Notes to the Financial Statements
for the year ended 31 December 2014

13 Financial assets (continued)

Subsidiaries undertakings

Name of subsidiary Undertakings	Registered address	Shares held	
		Class	%age
Kasco Limited	Kasco, B3A, Bulebel Industrial Estate, Bulebel, Zejtun ZTN 3000, Malta	Ordinary	99.99
Kasco Recycling Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	99.99
FSV Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	100
Kasco Trading Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary 'A' and 'B'	99.98
Graphic Supplies Limited	Office 2, Suite 2, The Penthouse Capital Business Centre Entrance C, Triq taz-Zwejt San Gwann SGN 3000, Malta	Ordinary	100

Participating interest undertakings

Participating interest	Registered address	Shares held	
		Class	%age
Kasco Engineering Company Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	50
3City Designs Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	50
Tekhne Industrial Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	33.3
Berner Malta Limited	2, St. John Elemosiner Street Cospicua BML 9051, Malta	Ordinary	42.5
Grigal Films Limited (in liquidation)	149/151, Eucharistic Congress Street, Mosta MST 9037, Malta	Ordinary	50

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

14 Deferred taxation

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Deferred tax is analysed over the following temporary differences:				
Excess of capital allowances over depreciation	(24,743)	(22,429)	-	-
Provision for doubtful debts	3,887	8,164	-	-
Unabsorbed tax losses and capital allowances	13,521	12,744	-	-
Unrealised difference on exchange	11,623	6,892	-	-
	<u>4,278</u>	<u>5,371</u>	<u>-</u>	<u>-</u>

15 Loans receivable

		Group		Company	
		2014	2013	2014	2013
		€	€	€	€
Amounts falling due within one year:					
Third party loans	<i>Note</i>	356,695	690,034	-	-
Amounts falling due between two and five years:					
Third party loans	<i>Note</i>	360,675	388,010	-	-
		<u>717,370</u>	<u>1,078,044</u>	<u>-</u>	<u>-</u>

Third party loans

An amount of € 580,694 (2013 - €941,368) is repayable over a five year term bearing an annual interest rate of 6%, while an amount of € 136,676 (2013 - €136,676) is interest-free and is repayable over a two year term. Both loans are secured by the issue of monthly bills of exchange.

16 Inventories

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Goods held for resale	2,014,977	2,414,849	-	-
Spare parts of machinery	-	4,194	-	-
Property for development	154,047	154,047	-	-
	<u>2,169,024</u>	<u>2,573,090</u>	<u>-</u>	<u>-</u>

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

17 Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Trade receivables	4,956,657	4,513,756	-	-
Shareholders' current accounts	<i>Note</i> 3,617	8,526	-	-
Amounts owed by related parties	<i>Note</i> 275,545	220,078	1,353,656	1,289,783
Other receivables	1,020,103	55,101	997,137	52,554
Provision for doubtful debts	(402,623)	(23,325)	(391,547)	-
Accrued income	25,506	12,714	-	-
Financial assets	5,878,805	4,786,850	1,959,246	1,342,337
Advance payments to suppliers	103,425	40,590	-	-
Prepayments	44,211	48,577	-	-
	<u>6,026,441</u>	<u>4,876,017</u>	<u>1,959,246</u>	<u>1,342,337</u>

Shareholders' current accounts

The shareholders' current accounts are unsecured, interest-free and are repayable on demand.

Amounts owed by related parties

Amounts owed by related parties are unsecured, interest-free and are repayable on demand.

18 Current tax payable/(recoverable)

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
The tax provision is made up of:				
Balance at beginning of year	(92,678)	(82,004)	-	-
Provision for the year	34,246	53,558	183	53,558
Provisional tax paid	-	(19,937)	-	-
Tax paid at source	-	(53,558)	-	(53,558)
Tax refunded	73,197	9,263	-	-
Balance at end of year	<u>14,765</u>	<u>(92,678)</u>	<u>183</u>	<u>-</u>

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

19 Cash at bank and in hand

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

20 Called up issued share capital

	2014	2013
	€	€
Authorised		
2 Ordinary A shares of €1 each	2	2
1,115,279 Ordinary B shares of €1 each	1,115,279	1,115,279
	<u>1,115,281</u>	<u>1,115,281</u>
Called up issued and fully paid up		
2 Ordinary A shares of €1 each	2	2
1,115,279 Ordinary B shares of €1 each	1,115,279	1,115,279
	<u>1,115,281</u>	<u>1,115,281</u>

Each ordinary share gives the right to one vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up. However, the holders of 'A' shares are not entitled to vote to any changes in the company's Memorandum and Articles of Association.

21 Borrowings

		Group		Company	
		2014	2013	2014	2013
		€	€	€	€
Amounts falling due within one year:					
Bank overdrafts	<i>Note</i>	3,897,112	4,628,960	2,783	2,201
Bank loans	<i>Note</i>	758,506	355,616	40,326	-
Short-term borrowings		<u>4,655,618</u>	<u>4,984,576</u>	<u>43,109</u>	<u>2,201</u>
Amounts falling due between two and five years:					
Bank loans	<i>Note</i>	968,133	1,119,302	309,795	-
Shareholders' loans	<i>Note</i>	167,247	256,277	39,111	5,868
		<u>1,135,380</u>	<u>1,375,579</u>	<u>348,906</u>	<u>5,868</u>
Amounts falling due in five years or more:					
Bank loan	<i>Note</i>	649,879	157,386	649,879	-
Long-term borrowings		<u>1,785,259</u>	<u>1,532,965</u>	<u>998,785</u>	<u>5,868</u>
		<u>6,440,877</u>	<u>6,517,541</u>	<u>1,041,894</u>	<u>8,069</u>

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

21 Borrowings (continued)

Bank overdrafts

At year end, the group had bank overdraft facilities of € 3,100,000 (2013 - € 1,942,950) and invoice finance facility of € 2,400,000 (2013 - € 3,050,000). These facilities are secured by a general hypothec over the company's assets, by pledges taken over various insurance policies, and by personal guarantees of the main beneficial owner. They bear interest at a rate varying between 4.5% and 4.9% per annum.

Bank loans

At year end, the group had bank loans facilities of € 2,376,518 (2013 - € 1,632,304). These loans are secured by pledges taken over various bank accounts and over various insurance policies. They bear interest at a rate varying between 4.75% and 6.3% per annum.

Shareholders' loans

The shareholders' loans are unsecured, interest-free and have no fixed date of repayment.

22 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
Trade payables	1,406,487	1,355,037	-	-
Amounts owed to related parties	<i>Note</i> 113,188	78,084	400	8,193
Indirect taxes and social security	280,940	273,172	-	-
Other payables	49,657	63,192	2,096	2,096
Accruals and deferred income	60,277	67,001	15,758	3,100
	<u>1,910,549</u>	<u>1,836,666</u>	<u>18,254</u>	<u>13,389</u>

Amounts owed to related parties

Amounts owed to related parties are unsecured, interest-free and have no fixed date of repayment.

23 Risk management objectives and policies

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

The most significant financial risks to which the group and company are exposed to are described below.

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

23 Risk management objectives and policies (continued)

Credit risk

The group's and company's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position, which are disclosed in notes 13, 15, 17 and 19.

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

Liquidity risk

The group's and company's exposure to liquidity risk arises from their obligations to meet financial liabilities, which comprise borrowings and trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

At 31 December 2014 and 31 December 2013, the contractual maturities on the financial liabilities of the group and company were as summarized below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Financial Position.

Group

	Less than 6 months 2014 €	From 6 to 12 months 2014 €	From 1 to 5 years 2014 €	More than 5 years 2014 €	Less than 6 months 2013 €	From 6 to 12 months 2013 €	From 1 to 5 years 2013 €	More than 5 years 2013 €
Bank borrowings	217,618	627,063	1,157,629	759,788	185,529	1,256,984	219,744	219,744

Company

	Less than 6 months 2014 €	From 6 to 12 months 2014 €	From 1 to 5 years 2014 €	More than 5 years 2014 €
Bank borrowings	9,774	58,644	469,152	759,788

Foreign currency risk

Most of the group's and company's transactions are carried out in Euro and GB Pounds. Exposure to currency exchange rates arise from the group's and company's transactions in foreign currencies.

KASCO HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2014

23 Risk management objectives and policies (continued)

Interest rate risk

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

24 Contingent liabilities

The company is a guarantor to related companies in respect of their overdrafts and loans up to the amount of € 2,510,000 (2013 - € 12,316,646). The group is a guarantor in respect of bank loans taken by related parties amounting to € 446,000 (2013 - € 766,000), and had a guarantee amounting to € 2,500 in favour of a third party (2013 - € 2,500). As at year-end, there were no open letters of credit or blocked funds. (As at 31 December 2013, the group also had open letters of credit amounting to € 101,892 and blocked funds amounting to € 2,731).

25 Related parties

During the year under review, the group had the following related party transactions.

	Group		Company	
	2014	2013	2014	2013
	€	€	€	€
<i>Transactions with associates:</i>				
Sales	22,596	7,740	-	-
Purchases	5,386	15,819	-	-
Management fees receivable	75,000	42,833	-	-
Wages recharged to related parties	81,875	4,076	-	-
Wages recharged from related parties	448	2,816	-	-
Interest recharged from related parties	-	14,721	-	-
Rent received from related parties	18,000	12,000	-	-

26 Ultimate controlling party

The group is controlled by Mr Keith Allen Schembri, who owns 99.9% of Kasco Holdings Limited.