G3 PROPERTIES LIMITED
(formerly JAYS LIMITED)

Annual Report and Financial Statements
31 December 2019

Company Registration Number: C 9518

Independent auditor's report

To the Shareholders of G3 Properties Limited (formerly Jays Limited)

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of G3 Properties Limited (formerly Jays Limited) as at 31 December 2019, and of the company's financial performance for the year then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations (GAPSME); and
- the financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

G3 Properties Limited (formerly Jays Limited)'s financial statements, set out on pages 4 to 18, comprise:

- the statement of financial position as at 31 December 2019;
- the income statement 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 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 (Capt. 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.

Material Uncertainty Relating to Going Concern as a Result of COVID-19

We draw attention to Note 1.1 to these financial statements, which describes the company's assessment of the estimated impacts of COVID-19 on its projected financial results, cash flows and financial position, taking cognisance of the unprecedented nature of the adverse economic conditions currently being experienced. These events or conditions, along with other matters as set forth in the said Note, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Independent auditor's report - continued

To the Shareholders of G3 Properties Limited (formerly Jays Limited)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with GAPSME 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 judgment 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If 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 company's abitility 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 company's trade, customers and suppliers, and the disruption to its business and the overall economy.

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Independent auditor's report - continued

To the Shareholders of G3 Properties Limited (formerly Jays Limited)

Auditor's responsibilities for the audit of the financial statements - continued

- 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.

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

Report on other legal and regulatory requirements

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 which, to the best of our knowledge and belief, we require for our audit.

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

Other matter – use of this report

Our report, including the opinion, has been prepared for and only for the Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Stephen Mamo
Partner
17 May 2021

Statement of financial position

	Notes	As at 31 December 2019 €	2018 €
ASSETS			
Non-current assets			
Property, plant and equipment	2	**-**	-
Investment property	3	**12,749,904**	12,870,939
Investment in subsidiaries and jointly controlled entities	4	**1,162**	1,162
Trade and other receivables	5	**175,067**	794,067
Total non-current assets		**12,926,133**	13,666,168
Current assets			
Trade and other receivables	5	**619,120**	162,377
Total current assets		**619,120**	162,377
Total assets		**13,545,253**	13,828,545
EQUITY AND LIABILITIES			
Equity			
Share capital		**1,398**	1,398
Revaluation reserve		**7,496,892**	8,794,616
Retained earnings		**194,744**	220,393
Total equity		**7,693,034**	9,016,407

Statement of financial position - continued

	Notes	As at 31 December 2019 €	2018 €
LIABILITIES			
Non-current liabilities			
Borrowings	6	**576,884**	665,323
Deferred tax liabilities		**2,378,249**	1,080,525
Trade and other payables	7	**2,512,146**	2,753,209
Total non-current liabilities		**5,467,279**	4,499,057
Current liabilities			
Borrowings	6	**73,611**	56,130
Trade and other payables	7	**169,765**	158,293
Current tax liability		**141,564**	98,658
Total current liabilities		**384,940**	313,081
Total liabilities		**5,852,219**	4,812,138
Total equity and liabilities		**13,545,253**	13,828,545

The notes on pages 7 to 18 are an integral part of these financial statements.

The financial statements on pages 4 to 18 were authorised for issue by the board on 17 May 2021 and were signed on its behalf by:

John Grima
Director

Alex Grima
Director

Income statement

	Note	Year ended 31 December 2019 €	2018 €
Revenue		**139,113**	135,061
Cost of sales		**(121,035)**	(34,035)
Gross profit		**18,078**	101,026
Administrative expenses	8	**(12,091)**	(119,487)
Other income		**47,749**	4,359
Operating profit/(loss)		**53,736**	(14,102)
Finance costs		**(36,479)**	(40,988)
Profit/(loss) before tax		**17,257**	(55,090)
Tax expense		**(42,906)**	(32,454)
Loss for the year		**(25,649)**	(87,544)

The notes on pages 7 to 18 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these 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

A resolution was passed to change the name of the company from Jays Limited to G3 Properties Limited with effect from 11 March 2020.

The financial statements have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, Legal Notice 289 of 2015 (GAPSME), and the requirements of the Maltese Companies Act (Cap. 386). These financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property as disclosed in the accounting policies below.

G3 Properties Limited is exempt from the preparation of consolidated financial statements for the company and the subsidiary by virtue of Section 174(2) (a) of the Maltese Companies Act.

The company's operations principally relate to the renting out of the Solana Hotel to a related undertaking and hence rental streams are dependent on the performance of the operating entity.

During the calendar years 2020 and 2021, the COVID-19 pandemic has led to unprecedented adverse market conditions in the global economy, and given that the HORECA industry has been severely impacted, the related undertaking has been actively restructuring the business and looking into ways to refinance operations as restrictions imposed by governments continue to persist.

Management prepared forecast profit and loss and cash flow projections for the group for the period to June 2022 and also high level forecasts up to 2031. Considering the various measures being taken globally to restrict the transmission of the pandemic as well as the roll out of several vaccinations against COVID-19 virus, forecasts are assuming a soft pick up in business in the local tourism industry in Quarter 3 of 2021, gradually increasing momentum after summer of 2022. Management expects revenue for 2021 and 2022 to still remain significantly below pre-COVID-19 levels. Forecasts prepared by management and approved by the board of directors factor prudent base case assumptions as well as stress scenarios. Projections consider rental streams payable to the company in line with contracted rental rates.

Failure to achieve projected results and liquidity by the related undertaking may lead to rental streams not flowing to the Company. As an alternative measure, the group is pursuing additional financing to bridge liquidity gaps, however if this is not forthcoming, the group and the board of directors are committed to explore alternative measures. Furthermore, should the need arise, the shareholders have expressed their willingness to support the company in honouring its commitments as and when they fall due and to continue operating as a going concern. Support by the shareholders has also been common practice in the past and as at year end shareholder's equity for the group amounts to €19 million.

On the basis of the above, the directors have concluded that at the time of approving these financial statements, the company's business is considered to be a going concern and the Company is able to continue meeting its liabilities as and when they fall due.

1. **Summary of significant accounting policies** - continued

1.1 Basis of preparation – continued

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 reported within these financial statements for the year ended 31 December 2019 have not been adjusted to capture implications driven by such events.

1.2 Foreign currency translation

(a) Functional and presentation currency

The company's financial results and financial position are measured in the functional currency, i.e. euro ("€"), which is the currency of the primary economic environment in which the company operates. These financial statements are presented in euro ("€"), i.e. the presentation currency, which is the currency in which the company's share capital is denominated.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other income/(expense)'.

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at cost. All property, plant and equipment is subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs are recognised in profit or loss as incurred, in accordance with accounting policy 1.12.

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 company 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.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	%
Plant & equipment	16.67
Office equipment	20
Motor vehicles	20
Furniture & fittings	10

1. **Summary of significant accounting policies** - continued

1.3 Property, plant and equipment - continued

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 (note 1.6).

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

1.4 Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the company. Property that is being constructed or developed for future use as investment property is also classified as investment property during its construction.

Investment property is measured initially at its historical cost, including related transaction costs. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing costs are recognised in profit or loss, in accordance with accounting policy 1.12.

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 company 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.

After initial recognition, investment property is carried at historical cost, less subsequent depreciation for buildings, and impairment.

Land is not depreciated as it is deemed to have an indefinite life. The capitalised cost of buildings is amortised using the straight-line method over a maximum of 45 years, in accordance with their useful lives. Useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

A property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.5).

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

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

1. Summary of significant accounting policies – continued

1.4 Investment property – continued

If an item of property, plant and equipment becomes an investment property because its use has changed, its cost and accumulated depreciation at the date of the reclassification becomes its cost and accumulated depreciation for subsequent accounting purposes.

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 carrying amount at the date of change in use.

1.5 Impairment of non-financial assets

Non-financial assets that are subject to amortisation 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 that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.6 Financial assets

1.6.1 Classification

The company classifies its financial assets, other than investments in associates in the loans and receivables category. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position (note 1.7 and 1.8).

1.6.2 Recognition and measurement

The company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

1. **Summary of significant accounting policies** – continued

1.6 Financial assets - continued

1.6.3 Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The company first assesses whether objective evidence of impairment exists. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; and
- observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment loss. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For financial assets carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 1.7.

1.7 Trade and other receivables

Trade receivables comprise amounts due from customers for merchandise sold or 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.

1. Summary of significant accounting policies - continued

1.7 Trade and other receivables - continued

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 1.6.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.10 Financial liabilities

The company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost. The company 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.

1.11 Trade and other payables

Trade payables are 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.

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

1.12 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, and subsequently measured in accordance with the policy described in note 1.10. On derecognition, any difference between the carrying amount and the redemption or settlement amount is recognised in profit or loss.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1. Summary of significant accounting policies - continued

1.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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.

1.14 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

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 income 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 income 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 income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit 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 taxes 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.

1.15 Revenue recognition

Revenue comprises income from rents receivable from activities carried out in Malta. The income is recognised as accrued as per contract.

Other revenues earned by the company are recognised on the following basis:
Other income – as it accrues, unless collectability is in doubt.

1.16 Borrowing costs

Borrowing costs are recognised in profit or loss as incurred.

1.17 Dividend distribution

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

2. Property, plant and equipment

	Motor Vehicles €	Plant & Equipment €	Furniture & Fittings €	Total €
At 31 December 2019 and 2018				
Cost	5,823	144,303	38,751	188,877
Accumulated depreciation	(5,823)	(144,303)	(38,751)	(188,877)
Net book amount	-	-	-	-

3. Investment property

	€
At 1 January 2018	
Cost	10,995,341
Revaluation surplus	2,064,122
Accumulated depreciation	(188,524)
Net book amount	12,870,939
Year ended 31 December 2019	
Opening net book amount	12,870,939
Depreciation charge	(121,035)
Closing net book amount	**12,749,904**
At 31 December 2019	
Cost	10,995,341
Revaluation surplus	2,064,122
Accumulated depreciation	(309,559)
Net book amount	**12,749,904**

The company's investment property principally comprises of the Solana Hotel in Mellieha, Malta which it leases out to a related undertaking.

The company have assets of €12,836,904 pledged as security for bank loans as at 31 December 2019.

4. Investments in subsidiaries and jointly controlled entities

(a) Investment in subsidiaries

	2019 €	2018 €
At 31 December		
Opening and closing net book amount	**1,162**	1,162

(b) Investment in jointly controlled entities

	2019 €	2018 €
At 31 December		
Cost	**58,350**	58,350
Accumulated impairment	**(58,350)**	(58,350)
Opening and closing net book amount	**-**	-

5. Trade and other receivables

	2019 €	2018 €
Non-current		
Amounts owed by related parties	**175,067**	175,067
Advances on investment property	**-**	619,000
	175,067	794,067
Current		
Other debtors	**120**	169
Accrued income	**-**	162,208
Advances on investment property	**619,000**	-
	619,120	162,377

6. Borrowings

	2019 €	2018 €
Non-current		
Bank loans	**576,884**	665,323
Current		
Bank loans	**73,611**	56,130
	650,495	721,453

6. Borrowings - continued

An amount of €222,319 (2018: €409,849) on bank loans representing long-term borrowings, are payable after more than 5 years.

In 2020, the company has secured a 12-month moratoria over capital and interest payments

7. Trade and other payables

	2019 €	2018 €
Non-current		
Amounts due to related parties	**2,512,146**	2,753,209
Current		
Trade payables	**24,163**	47,506
Indirect taxation	**116,579**	104,229
Accruals	**29,023**	6,558
	169,765	158,293

8. Loss

Loss is stated after charging the following:

	2019 €	2018 €
Impairment of investment in jointly controlled entities	-	58,350
Impairment of amounts owed by related parties	-	52,984
Employee benefit expense	**283,299**	228,040
Recharge of employee benefit expense to related parties	**(283,299)**	(228,040)
Write-off of other payables	**47,749**	-
Annual statutory audit fees	**5,000**	1,500

9. Employee benefit expense

The average number of persons employed by the company during the year was 25 (2018: 26).

10. Contingent liabilities

	2019 €	2018 €
Guarantees given in relation to related company	**5,136,770**	5,136,770

11. Events after the reporting period

COVID-19 implications on going concern

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 reported within these financial statements for the year ended 31 December 2019 have not been impacted by these events.

In March 2020, Malta suffered the outbreak of the COVID-19 pandemic. This global pandemic disrupted the economies worldwide and had a devastating impact on the global hospitality industry. Inbound tourism came to practically a complete halt during the second quarter of 2020. As the local authorities declared a public health emergency, several restrictions including the closure of hospitality and catering establishments were enforced across the Maltese Islands.

The directors have considered the impact that COVID-19 may have on the values of the company's investment property during 2021 and beyond. The directors are comfortable that projected revenues and profitability of the company adequately support the carrying amount of investment property as at 31 December 2019. The carrying amount of investment property, considering strains driven by COVID-19, does not materially differ from fair values determined using value-in-use calculations.

For further details please refer to Note 1.1.

12. Related party transactions

G3 Properties Limited (formerly Jays Limited) forms part of the G3 Group. All companies forming part of the G3 Group are related parties since these companies all have common ultimate controllers. Trading transactions between these companies typically include company interest charges, management fees and other such items which are normally encountered in a group context.

The following transactions were entered into with related parties during the financial reporting period:

	2019	2018
	€	€
Sale of services:		
- Rent receivable	**139,113**	135,061
- Staff Secondment	**283,299**	228,040
- Gross commissions receivable	-	130,964

The transactions disclosed above were carried out on commercial terms. Year-end balances with related parties, arising principally from the transactions referred to previously, are set out below:

	2019	2018
	€	€
Receivables:		
- Amounts due from related parties	**175,067**	175,067
Payables:		
- Amounts due to related parties	**2,512,146**	2,753,209

The above balances are unsecured, interest free and have no fixed date of repayment.

13. Statutory information

G3 Properties Limited (formerly Jays Limited) is a limited liability company and is incorporated in Malta. The registered office is 'The Pergola', Adenau Street, Mellieha, Malta.

14. Comparative information

Certain comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.