MALTA FREEPORT CORPORATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31st December 2022

Company Registration Number: C 9353

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Registration

Malta Freeport Corporation Limited ("the Company") is registered in Malta as a limited liability company under the Companies Act, Cap. 386 of the laws of Malta. The Company's registration number is C9353.

Directors

The directors of the Company who held office during the year were:

Robert Sarsero (Chairman)

Carmelo Briffa

Claudette Abela Baldacchino

Claire Azzopardi

Aleander Balzan

Charles Giordimania

Ramon Deguara (appointed 25th September 2022)

Priscilla Muscat (appointed 25th September 2022)

Margaret Camilleri (appointed 25th September 2022)

Mark Aquilina (appointed 25th September 2022)

Fredrick Azzopardi (resigned 25th September 2022)

Joe Cilia (resigned 25th September 2022)

Graziella Chircop (resigned 25th September 2022)

Adrian Gatt (resigned 25th September 2022)

Company Secretary

Jolene Flask (appointed 25th September 2022)

Audrey Felice (resigned 25th September 2022)

Registered office

Freeport Centre
Port of Marsaxlokk
Kalafrana
Birzebbugia BBG05
Malta

COMPANY INFORMATION

Auditors

PKF Malta Limited
15, Level 3
Mannarino Road
Birkirkara, BKR 9080
Malta

Bankers

APS Bank Limited
APS Centre Tower Street
Birkirkara Malta

Bank of Valletta PLC
Corporate Centre
St, Venera, Malta

HSBC Bank Malta PLC
Mill Street,
Qormi Malta

Legal Advisors

Dr. C. Cilia LL.D.
IC Law, Masionette
Guatemala Court
Triq il-Ghenba
Attard
Malta

Dr. A. Mifsud Bonnici LL.D.
Mifsud Bonnici Advocates
40/1, Old Mint Street
Valletta
Malta

The directors present the report and the audited financial statements of Malta Freeport Corporation Limited ("the Company") for the year ended 31st December 2022.

Principal Activities

The Company's activity which remained unchanged from previous year, fulfils the role of landlord and authority over the Freeport Zone. The Company is the sole owner of the property situated at the Freeport Zone and has a mission to administer the area and maintain harmony within the Stakeholders that operate within the Zone. It is also the Regulator and Licensing Authority acting on behalf of the Government of Malta.

Financial and Operational Review

Total revenue for the year under review decreased to $12.7 million from $12.8 million last year, a decrease of 1%. In 2022, the Company is reporting in its Income Statement, an overall exchange gain of $185,731, compared to a loss on exchange of $5.2 million the year before. This positive movement in exchange difference is mainly related to the strengthening of the dollar over the euro during the year.

The increase in the fair value of the Company's investment property amounted to $5,112,128 during the year ended 31 December 2022 compared to an increase of $ 15,618,067 reported last year. In addition, in the year under review, the Company reported positive movements on its Malta Government stocks investments and cross-currency interest rate swaps.

As at 31st December 2022, the Company is reporting a profit before tax of $26,900,292 compared to $37,736,879 reported in 2021.

Results and Dividends

The results for the year ended 31 December 2022 are shown in the statement of comprehensive income on page 10. The profit for the year after taxation was USD 24,156,491 (2021: USD 32,742,057). The directors declared and paid a dividend amounting to USD 1,006,800 during the year (2021: USD 879,255).

Likely future developments

The directors consider that the year-end financial position was satisfactory and that the Company is well-placed to sustain the present level of activity in the foreseeable future.

Financial Risk Management

The successful management of risk is essential to enable the Company to achieve its objectives. The ultimate responsibility for risk management rests with the Company's directors, who evaluate the Company's risk appetite and formulate policies for identifying and managing such risks. There are a number of financial risks that could potentially impact the activities of the Company and include, not limited to, the following; credit risk, foreign currency risk, interest rate risk and liquidity risk. The Company's objective in managing such risks is the creation and protection of shareholder's value. In order to manage and mitigate such risks, the Company employs a number of risk management tools in day-to-day operation. Further detail can be found under Note 27 to the financial statements.

Post balance sheet events

On the 06th March 2023, the Company entered into a Fourth License Amendment Agreement with one of its present tenants. The lessee declared its wish to reclaim the Designated Site from the sea and to develop the reclaimed land to square-off and extend the terminal known as Terminal Two within the Port Site and thereby extend the North Quay of Terminal Two. The lowest bid that meets the specifications stipulated in the international tender issued by the lessee for the completion of the civil works component of the infrastructural works of the project is €55,400,000.

Post balance sheet events (continued)

By virtue of this deed, the Company agreed to contribute to the Infrastructural Cost through the Lessor's Contribution, which Lessor's Contribution is compliant with the European Union (EU) State Aid Rules. The Company's contribution amount to €28 million.

There were no other subsequent events which would require an adjustment or disclosure in the financial statements of the Company.

Directors

The Directors of the Company who held office during the year are set out on page 2.

In accordance with the Company's Memorandum and Articles of association, all the directors retire and, being eligible, offer themselves for re-election.

Director's Responsibilities

The Directors are required by the Companies Act (Cap, 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU, which give a true and fair view of the state affairs of the company at the end of each financial statements the directors should:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern;
- Account for income and charge relating to the accounting period on the accruals basis;
- Value separately the components of asset and liability items; and
- Report comparative figures corresponding to those of the preceding accounting period.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap 386). The responsibility includes designing, implementing and maintaining 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. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial Reporting Framework

The Board of Directors have resolved to prepare the Company's financial statements for the year ended 31 December 2022 in accordance with the International Financial Reporting Standards as adopted by the EU.

Auditors

PKF Malta Limited, Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Approved by the director and signed on 27th September 2023 by:

Robert Sarsero
Chairman

Carmelo Briffa
Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Malta Freeport Corporation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Malta Freeport Corporation Limited (the "Company"), set out on pages 15 to 43, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Companies Act, 1995 (Cap. 386, Laws of Malta) (the "Act").

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 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 that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report including in relation to these matters. Accordingly, our audit included in the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. These results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of Investment property

The investment property represents a significant part of the Company's total assets (75%) and is valued at fair value which amounted to $487 million as at 31 December 2022.

Management is determining fair value of its investment property on an annual basis. The fair value is determined on the basis of the present value of future net cash flows, this is the discounted value of future cash inflows from existing contractual agreements less the discounted value of future cash outflows, including operation costs and taxation, and the net present value of historic and contractual infrastructural and superstructure investments undertaken by operators for the benefit of the Company after the termination of the existing leases. The valuation is highly sensitive to key assumptions used in the valuation.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Malta Freeport Corporation Limited

Other Matter

The financial statements of the Company for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 17 October 2022.

Other Information

The director is responsible for the other information. The other information comprises the director's report. Our opinion on the financial statements does not cover this information, including the director's report.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 director's report, we also considered whether the director's 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's 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. We have nothing to report in this regard.

Responsibilities of the Director and Those Charged with Governance

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, are property prepared in accordance with the provision of the Act 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.

Responsibilities of the Director and Those Charged with Governance (continued)

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 has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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 judgment and maintain professional skepticism 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 director 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Report on Other Legal and Regulatory Requirements

Matters on which we are required to report by exception under the Companies Act

Pursuant to articles 179 (10) and 179 (11) of the Maltese Companies Act (Cap. 386) Act, we also have responsibilities to report to you if, in our opinion:

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Malta Freeport Corporation Limited

- Adequate accounting records have not been kept or that proper 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.

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

The principal in charge of the audit resulting in this independent auditor's report is Mr George Mangion for and on behalf of:

PKF Malta Limited
Registered Auditor
15, Level 3, Mannarino Road
Birkirkara BKR 9080
Malta

27th September 2023

Malta Freeport Corporation Limited
Statement of Comprehensive Income
For the Year Ended 31st December 2022

	Notes	2022	2021
		USD	USD
Revenue	5.	**12,680,817**	12,765,482
Staff costs	9.	**(3,025,283)**	(3,392,274)
Other administrative costs		**(668,228)**	(934,939)
Decrease / (increase) in the provision for retirement benefits and financial obligations		**398,442**	(33,004)
Gain / (loss) on exchange		**185,731**	(5,231,507)
Fair value movement in investment property	12.	**5,112,128**	15,618,067
Fair value movement in MG stocks	10.	**1,604,994**	1,453,959
Gain / loss on cross-currency interest rate swap	15.	**7,872,682**	9,858,607
Movement in expected credit losses of financial assets	13. 14. 21.	**295,131**	321,399
Interest income	6.	**2,325,887**	2,240,326
Other income	10.	**118,055**	5,071,102
Finance costs	7.	**(64)**	(339)
Profit before Taxation	8.	**26,900,292**	37,736,879
Income tax expense	23.	**(2,743,801)**	(4,994,822)
Profit for the year		**24,156,491**	32,742,057
Other comprehensive income		**-**	-
Total comprehensive income for the year		**24,156,491**	32,742,057

The accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

Malta Freeport Corporation Limited
Statement of Financial Position
As at 31st December 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11.	**2,998,133**	1,251,460
Investment property	12.	**487,445,156**	482,333,029
Derivative instruments at fair value	15.	**7,221,969**	-
Financial investments	22.	**34,131,200**	-
Loans and receivables	13.	**35,986,176**	38,845,953
Total Non-Current Assets		**567,782,634**	522,430,442
Current Assets			
Loans and receivables	13.	**2,888,652**	2,777,551
Trade and other receivables	14.	**1,011,618**	1,548,166
Cash and Cash Equivalents	21.	**89,825,707**	113,374,712
Total Current Assets		**93,725,977**	117,700,429
TOTAL ASSETS		**661,508,611**	640,130,871

Malta Freeport Corporation Limited
Statement of Financial Position
As at 31st December 2022

	Notes	2022 USD	2021 USD
EQUITY & LIABILITIES			
Equity			
Share Capital	20.	**2,976,128**	2,976,128
Foreign exchange translation reserve		**759,547**	759,548
Retained Earnings		**351,689,965**	328,540,274
Total Equity		**355,425,640**	332,275,950
Non-current liabilities			
Other financial liabilities	18.	**250,000,000**	250,000,000
Post-employment benefits	19.	**381,134**	877,201
Derivative instruments at fair value	15.	**-**	650,713
Deferred income tax liabilities	24.	**51,705,233**	50,920,380
Total Non-Current Liabilities		**302,086,367**	302,448,294
Current Liabilities			
Trade and Other Payables	16.	**3,130,276**	3,101,649
Income tax payable	23.	**866,328**	2,304,978
Total Current Liabilities		**3,996,604**	5,406,627
Total Liabilities		**306,082,971**	307,854,921
TOTAL EQUITY & LIABILITIES		**661,508,611**	640,130,871

Rate of exchange as at 31 December 2022: EURO 1 = USD1.0666 (31 Dec 2021: EURO 1 = USD 1.1326).

The accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

The financial statements set out on pages 10 to 43 were approved and authorised for issue by the Board of Directors on 27th September 2023 and signed on its behalf by:

Robert Sarsero
Chairman

Carmelo Briffa
Director

Malta Freeport Corporation Limited
Statement of Changes in Equity
For the Year Ended 31st December 2022

	Share Capital USD	Foreign Exchange Translation Reserve USD	Retained Earnings USD	Total Equity USD
Financial year ended 31 December 2021				
Balance at 1 January 2021	2,976,128	759,548	296,677,472	300,413,148
Dividend distribution	-	-	(879,255)	(879,255)
Total comprehensive income for the year	-	-	32,742,057	32,742,057
Equity as at 31st December 2021	2,976,128	759,548	328,540,274	332,275,950
Financial year ended 31 December 2022				
Balance at 1 January 2022	2,976,128	759,548	328,540,274	332,275,950
Dividend distribution	-	-	(1,006,800)	(1,006,800)
Total comprehensive income for the year	-	-	24,156,491	24,115,173
Equity as at 31st December 2022	2,976,128	759,548	351,689,965	355,425,640

The accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

Malta Freeport Corporation Limited
Statement of Cash Flows
For the year ended 31st December 2022

	Note	2022 USD	2021 USD
Cash flows from Operating Activities			
Profit before taxation		26,900,292	37,736,882
Adjustments for:			
Depreciation		61,623	64,682
Fair value movement in cross-currency swap		(7,872,682)	(9,858,607)
Fair value movement in investment property		(5,112,128)	(15,618,067)
Difference on exchange		(185,731)	1,928,914
Movement in post-employment benefits		(398,442)	33,004
Movement in provision for ECL's		(295,131)	(325,429)
Gain on sale of investments		(1,604,994)	(1,453,959)
Accrued income		75,534	75,534
Interest income		(2,325,887)	(2,240,326)
Net interest expense		64	339
Operating profit before working capital movements		9,242,518	10,342,967
Movement in trade and other receivables		536,548	2,335,620
Movement in trade and other payables		28,628	(551,570)
Cash generated from operations		9,807,694	12,127,017
Interest paid		(64)	(339)
Taxation paid		(3,353,928)	(1,925,492)
Taxation refunded		-	1,226,871
Retirement benefits fund		(40,855)	(12,484)
Net cash flow from Financing Activities		**6,412,847**	**11,415,573**
Investing activities			
Payments to acquire property, plant and equipment		(1,808,298)	(644,581)
Movement in loans and receivables		2,748,676	2,670,721
Acquisition of investments		(136,759,740)	(307,761,344)
Proceeds received from disposal of investments		104,538,423	347,588,020
Interest received		2,325,887	2,240,326
Net cash flow from investing activities		**(28,955,052)**	**44,093,142**
Financing activities			
Payments of dividends		**(1,006,800)**	(879,255)
Net cash flows from financing activities		**(1,006,800)**	**(879,255)**
Net movement in cash and cash equivalents		**(23,549,005)**	**54,629,460**
Cash and cash equivalents at beginning of the year		**113,374,712**	58,745,252
Cash and cash equivalents at end of the year (note 21)		**89,825,707**	113,374,712

The accounting policies and explanatory notes on pages 15 to 43 form an integral part of the financial statements.

1. General Information

Malta Freeport Corporation Limited ("the Company") is registered in Malta as a limited liability company under the Companies Act, Cap 386 of the Laws of Malta. Its registered office is provided on page 2. The Company's principal activity, which remained unchanged from prior year, fulfils the role of landlord and authority over the Freeport Zone. The Company is the sole owner of the property situated at Freeport Zone and hence is the sole lessor. The Company is also responsible for providing security services within the Freeport Zone and has a mission to administer the area and maintain harmony with the Stakeholders that operate within the Zone. It is also the Regulator and Licensing Authority acting on behalf of the Government of Malta.

2. Basis of Preparation

The financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate for the foreseeable future. The validity of this assumption is contingent upon the parent (the Government of Malta) continuing to meet the interest obligation in respect of the Company's debenture loan stock, which, together with certain other borrowings, are secured by the Government of Malta. The Government of Malta also indemnified the Company for any losses that could arise from the interest differential on the cross-currency interest rate swap.

The financial statements have been prepared on the historical cost basis, except for investment property and certain financial instruments, which are stated at the fair values, and are presented in United States Dollars (USD), being the Company's presentation and functional currency.

a. Statement of Compliance

The financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 enacted in Malta, which requires adherence to International Financial Reporting Standards (IFRSs) as adopted by the European Union. The significant accounting policies adopted are set out below.

b. Functional and presentation currency

The financial statements are presented in the US Dollar (USD), which is the Company's functional currency.

Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are retranslated to the functional currency at the exchange rate ruling at year-end.

Exchange differences arising on the settlement and on the retranslation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are retranslated using the exchange rate running on the date the fair value was remeasured. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not retranslated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains, and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income

2. Basis of Preparation (continued)

c. Use of estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

d. Changes in Accounting Policies and Disclosures

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

In the current year, the Company has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily affective in the EU for an accounting period that begins on or after 1 January 2022. The adoption of new and amended standards did not have a material impact on the Company's financial statements.

- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle; and
- Amendments to IFRS 3 Reference to the Conceptual Framework.

New and revised IFRS Accounting Standards in issue but not yet effective

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant Accounting Policies

The principal accounting policies in the preparation of these financial statements are set out below.

a. Property, Plant and Equipment

The Company's property, plant and equipment is classified into the following classes – plant and machinery and motor vehicles.

Property, plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount 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. Expenditure on repairs and maintenance of property, plant and equipment is recognized as an expense when incurred

Property, plant and equipment are derecognized 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 profit or loss in the period of derecognition.

3. Significant Accounting Policies (continued)

a. Property, Plant and Equipment (continued)

Depreciation

Depreciation is charged to the statement of comprehensive income and is calculated using the straight-line method to write off the value of property, plant and equipment to their anticipated residual values over their estimated useful lives. Residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Plant and Machinery	5% - 25% per annum
Motor Vehicles	25% per annum

b. Investment Property

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognized as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value at the end of each reporting period. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the period in which they arise.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognized in profit and loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

c. Government grants

Government grants are recognised where there is reasonable assurance that the grant received, and all attached conditions will be complied with. Then the grant related to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

d. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and its value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. Significant Accounting Policies (continued)

d. Impairment of non-financial assets (continued)

Impairment losses are recognized in the statement of comprehensive income.

An assessment is made at its reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

e. Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

Subsequent measurement

For purposes of subsequent measurement. Financial assets are classified in four categories:
- Financial assets at amortised cost *(debt instruments)*
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon recognition (equity instruments)
- Financial assets at fair value through profit or loss

*Financial assets at amortised cost (*debt *instruments)*

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met.

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

3. Significant Accounting Policies (continued)

e. Financial instruments (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (ETR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met.

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Company holds no financial assets classified under this category.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income on the statement of profit or loss when the right of payment has been established, except when the Company benefits from such protocols as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income. The Company holds no financial assets classified under this category.

3. Significant Accounting Policies (continued)

e. Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement.

f. Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECDs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime of ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses ("ECLs") at each reporting date. The 12-month ECL is calculated by multiplying a 12-month probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD"). Lifetime ECL is calculated on a similar basis for the residual life of the exposure.

g. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

3. Significant Accounting Policies (continued)

g. Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. Loans and borrowings include other financial liabilities, bank overdraft and trade and other payables.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the expenditure required to settle the present obligation at the end of each reporting period.

3. Significant Accounting Policies (continued)

g. Financial liabilities (continued)

Provisions (continued)

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognized for future operating losses.

h. Revenue recognition

Revenue is measured based on the consideration specified in contracts with customers and is recognised as the related performance obligation is satisfied.

Provision of services

Revenue from the provision of security services is recognised over the period in which the services are rendered. The Company enters into contracts with customers to provide security services at rates established in the contract. The provision of security services is one performance obligation which is satisfied over time and accordingly revenue is recognised over the period of the contract. The Company elects to apply the practical expedient to not disclose the amount of remaining performance obligations for contract that meet the requirements of the right to invoice.

Royalty income

Royalty income relates to fees charged to customers based on the quantity of oil dispensed from storage tanks by the customer ("throughput"). The identified performance obligation is the right of access for the dispensing of the oil, which is deemed to be one performance obligation satisfied over time and accordingly, revenue is recognised over the period of the contract. The Company considers that there is no variable consideration. The Company elects to apply the practical expedient to not disclose the amount of the remaining performance obligations for contracts that meet the requirements of the right to invoice.

Other income

Other income related to ad-hoc income earned by the Company. Payment for such goods or services is received concurrently with the transfer of these goods or services to customers and accordingly revenue is recognised at the point of transfer which is recognised at the point in time in which the customer obtains control of the good or service. The Company considers that there is no carriable consideration. None of the consideration is conditional, and accordingly no contract asset is recognised.

Disaggregated revenue

The Company discloses disaggregate revenue information, taking into consideration how information about the Company's revenue is generally presented.

3. Significant Accounting Policies (continued)

i. Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress.

Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

j. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and Machinery	5% - 25% per annum
Motor Vehicles and other Equipment	25% per annum

If the ownership of the leased asset transfers to the Company at the end of the lease term or the asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use are also subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees.

3. Significant Accounting Policies (continued)

j. Leases (continued)

Lease liabilities (continued)

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payment (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

k. Taxes

Current income tax

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

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, the tax basis od assets and liabilities and their carrying values for financial reporting purposes.

3. Significant Accounting Policies (continued)

k. Taxes (continued)

Deferred income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right to exist to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value asses tax except:

- Where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the asset or the part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables that are stated with the amount of value added tax included.

l. Employee benefits

The Company contributes towards the state pension in accordance with the local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

m. Post-employment benefits

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with estimations being carried out at the end of each reporting period. Past service cost is recognised as an expense at the earlier of the following dates (a) when the plan amendment or curtailment occurs and (b) when the entity recognises relating restructuring costs or termination benefits. The amount recognised in the statement of financial position represents the present value of the expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The service cost and the net interest on the net defined benefit liability are recognised in profit or loss.

3. Significant Accounting Policies (continued)

m. Post-employment benefits (continued)

Remeasurements of the net defined liability, comprising actuarial gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss in a subsequent period.

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from experience adjustments and the effects of changes in actuarial assumptions. Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing postemployment benefits. Due to the non-complex nature of the actuarial assumptions, the Company did not involve an independent actuary in the measurement of its post-employment benefit obligations.

n. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral 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 and are presented in current liabilities on the statement of financial position.

o. Operating segments

For management purposes, the Company is organised and managed under a single business segment that is leasing of land and administration of the Freeport Zone, which is the basis upon which the Company reports its segment information.

Revenue generated by the Company are from external customers which are companies situated in Malta. Furthermore, the Company recognised revenue from lease and security services from one customer amounting to USD 10,017,903 (2021: USD 10,180,705). Likewise, non-current assets, other than financial instruments, are also situated in Malta.

p. Share capital

Ordinary shares are classified as equity incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

q. Dividends

Dividends payable on ordinary shares are recognised in the period in which they are approved by the Board of Directors.

r. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. Significant Accounting Policies (continued)

r. Fair values (continued)

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting period.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Company's financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

Functional currency

The Company has determined that its functional currency is the USD. It is the currency of the primary economic environment in which the Company operates given that it is the currency that mainly influences sales prices for goods and services and the currency in which funds from operating and financing activities are kept.

Government subvention or interest expense on debenture loan stock

The Government of Malta reimburses the Company on the interest expense on the debenture loan stock. The accounting for such government subvention requires significant judgement due to the fact that the Government of Malta is also the Parent company, and grants provided by the Government in the capacity of a shareholder should not be considered to constitute as a government grant. The Company determined that the subvention from the Government of Malta qualifies as a government grant after considering the facts and circumstances attached to it. Accordingly, the Company recognises the subvention when received, net of the interest expense as disclosed in Note 7.

4. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of investment property

The determination of the fair value of investment property at the end of each reporting period required the use of significant management estimates. Details of key assumptions are disclosed in Note 12 to the financial statements. Other than as disclosed above, in the process of applying the Company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of each reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Revenue

Revenue represents the amount received or receivable for services rendered during the year, net of any indirect taxes as disclosed below:

	2022 USD	2021 USD
Rental income (i)	10,253,529	10,225,358
Security service fees (ii)	1,531,187	1,755,106
Royalties (ii)	492,683	474,088
Other income (iii)	403,418	310,930
	12,680,817	12,765,482

Disaggregated revenue information

i. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operation nature.
ii. Revenue from security service fees and royalties is generation from one geographical region, being Malta, and has the same timing of revenue recognition – being recognised over time.
iii. Revenue from other income is generated from one geographical region being Malta, and has the same timing of revenue recognition – being recognised at the point in time when control is passed to the customer.

6. Interest income

	2022 USD	2021 USD
Interest income on bank deposits	655,437	27,404
Interest on loans and receivables	1,670,450	2,212,922
	2,325,887	2,240,326

7. Finance costs

	2022 USD	2021 USD
Interest payable on debenture stock	18,225,694	18,090,751
Interest on bank balance	64	339
	18,225,758	18,091,090
Less: government subvention (Note 4)	(18,225,694)	(18,090,751)
	64	339

Interest payable on debenture loan stock is charged to the Government of Malta as per government subvention, also referred to in Note 2 and 18.

8. Profit before tax

	2022 USD	2021 USD
This is stated after charging:		
Depreciation of property, plant and equipment	61,623	64,682
Fees paid to the auditors for audit services and tax compliance	4,597	9,462

9. Staff costs and employee information

	2022 USD	2021 USD
Wages and salaries	2,697,551	3,041,200
Social Security costs	204,437	221,081
Directors' remuneration	123,295	129,993
	3,025,283	3,392,274

9. Staff costs and employee information (continued)

The average number of persons employed during the year including all board members, was made up as follows:

	2022 Number	2021 Number
Administration and finance	15	15
Operational	103	96
	118	111

10. Other income and fair value movement in financial investments

	2022 USD	2021 USD
Capital gains on financial investments	1,604,994	1,453,959
Realised (losses) / gains on currency SWAP agreements	118,055	5,040,351
Funds received for the corporate social responsibility projects	-	30,751
	1,723,049	6,525,061

11. Property, plant and equipment

	Plant & Machinery USD	Motor Vehicles USD	Assets under Construction USD	Total USD
Cost				
As at 01 January 2021	3,150,233	227,663	-	3,377,866
Additions	120,426	-	524,160	644,586
As at 31 December 2021	3,270,659	227,633	524,160	4,022,452
Depreciation				
As at 01 January 2021	2,478,677	227,633	-	2,706,310
Depreciation charge	64,682	-	-	64,682
As at 31 December 2021	2,543,359	227,633	-	2,770,992
Net Book Value				
As at 31 December 2021	727,300	-	524,160	1,251,460

	Plant & Machinery USD	Motor Vehicles USD	Assets under Construction USD	Total USD
Cost				
As at 01 January 2022	3,270,659	227,633	524,160	4,022,452
Additions	531,924	-	1,276,374	1,808,298
As at 31 December 2022	3,802,583	227,633	1,800,534	5,830,750
Depreciation				
As at 01 January 2022	(2,543,359)	(227,633)	-	(2,770,992)
Depreciation charge	(61,625)	-	-	(61,625)
As at 31 December 2022	(2,604,984)	(227,633)	-	(2,832,617)
Net Book Value				
As at 31 December 2022	1,197,599	-	1,800,534	2,998,133

As at 31 December 2022, the Company had an asset under construction amounting to USD 1,800,534 (2021: USD 524,160). This pertains to the construction costs incurred by the Company for a project being built on its land, which is expected to be transferred to a lessee after completion as part of the lease agreement existing among both parties.

12. Investment property

The fair value of the Company's investment property comprises of two components as follows:

	As at 1 January 2022 USD	Movement USD	As at 31 December 2022 USD
Investment property	422,390,420	5,187,661	427,578,081
Accrued income (i)	59,942,609	(75,534)	59,867,075
As at 31 December 2022	482,333,029	5,112,127	487,445,156

i. The accrued income component relates to the difference between the rental income for the period as agreed between the parties and the recognition of such rental income on a straight-line basis.

	Investment Properties USD
Fair value	
As at 1 January 2021	466,790,496
Increase in fair value	15,618,067
Movement in accrued income	(75,534)
As at 1 January 2022	482,333,029
Increase in fair value	5,187,661
Movement in accrued income	(75,534)
As at 31 December 2022	487,445,156

In October 2004, the Company leased out most of its investment property for a 30-year period. At that date a concession to operate both container terminals was granted for the same period. On 4 February 2008, the above agreement was amended, and the lease was subsequently extended to 35 years. By virtue of a deed of amendment the lease was revised for the five years commencing 5 October 2011. Furthermore, subject to certain irrevocable obligations, the lessee has the option to extend the lease by an additional period of 30 years, at rates already determined, at any time on/or before the date falling four years prior to expiry of the thirty-fifth year. On 19 August 2015, the lessee gave notice to the Company that it has satisfied the required obligations as per license agreement and therefore wanted to exercise the option to extend the lease for another 30 years and on 14 August 2017, the Company and the lessee signed an agreement to officially formalize the extension of the license and the lease for another 30 years.

The Company has other lease agreements for the remaining of its investment property as well as other revenue streams including revenue based on volume through-put income and security fees. The other lease agreements will expire between years 2035 to 2060. The effectivity of the leases is subject to the licenses granted by the Company to operate in the Freeport Zone.

12. Investment property (continued)

The fair value of the Company's investment property was determined by management on the basis of:

- The present value of future net cash flows, that is the discounted value of future cash inflows from existing contractual agreements less the discounted value of future cash outflows, including operating cost and taxation; and
- The net present value of historic and contractual infrastructural and superstructure investments undertaken by operators for the benefit of the Company after the termination of the existing leases.

A key assumption underlying the valuation is the determination of an appropriate discount rate. A rate that ranges between 5.5% and 9.5% (2021: same) has been used in the valuation.

On the basis of these assessment, and after having taken account of any changes to future cash flows, the Company reported an increase in the value of the investment property of USD 5,187,661 (2021: increase of USD 15,618,067).

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Company's fair value measurements are categorised as Level 3 since they are based on significant unobservable inputs. As described above the values were arrived at using discounted cash flows. The most significant unobservable data related to the discount rate factor used. The higher the discount rate the lower the fair value.

During the current year the Company has made no transfers between fair value levels.

Company as a lessor

Operating leases relating to the investment property owned by the Company are for varying lease terms. The lessees do not have the option to purchase the property at the expiry of the lease period. The income earned under the operation leases amounted to USD 10,235,525 (2021: USD 10,255,358).

13. Loans and receivables

This represents the outstanding consideration for the entire equity sold in 2004 of Malta Freeport Terminals Limited, which bears interest at 4% per annum and is repayable in 30 equal instalments.

	2022 USD	2021 USD
Receivable from third party	38,983,693	41,761,243
Less: provision for expected losses	(108,865)	(137,739)
	38,874,828	41,623,504
Less: amounts recoverable within one year	(2,888,652)	(2,777,551)
Amounts recoverable after one year	35,986,176	38,845,953

14. Trade and other receivables

	2022 USD	2021 USD
Trade receivables	704,920	1,054,899
Allowance for expected credit losses	(16,975)	(16,975)
	687,945	1,037,924
Prepayments and accrued income	321,050	510,242
Advance deposit	1,847	-
Other receivables	776	-
	1,011,618	1,548,166

15. Derivative instrument at fair value

	2022 USD	2021 USD
Derivative assets /(liabilities)		
Cross-currency interest rate swap (note i.)	6,020,689	(650,713)
Cross-currency swap (note ii.)	1,201,280	-
	7,221,969	(650,713)
Gain on valuation of derivative instruments	7,872,682	9,858,607

i. In January 2017, the company entered into a cross-currency interest rate swap with a counterparty, for the exchange interest at 7.25% of USD 250,000,000 Debenture Loan Stock to 6.426% of EUR 238,027,230. The agreement does not include the exchange of the principal amounts at the termination date of the swap. As disclosed in Note 7, the interest on this instrument is being borne by the Government of Malta. As the company reports in USD and the swap liability is in Euro, any exchange rate fluctuation exposure will crystallise on the maturity of the instrument in 2028 or before, subject to the option held by the counterparty. In 2004 and going forward, the Government of Malta has indemnified the Company for any losses that could arise from the interest rate differential on the cross-currency interest rate swap. Such a loss may only arise if the instrument is not held to maturity.

   For the cross-currency interest rate swap, the Company on its part provided the counterparty with a cash collateral which balance as at 31 December 2022 amounted to USD 15,640,000 (2021: USD 15,640,000). The counterparty has an obligation to return the collateral upon termination of the swap. The counterparty has latitude in setting the amount of collateral required, depending on the mark-to-market valuation of the swap.

ii. In November 2022, the Company engaged in a cross-currency swap agreement with a counterparty. Under the terms of this financial arrangement, the Company undertook to exchange the principal sum of $35,332,480 for a corresponding amount of €32,000,000. This transaction was initiated to enable the Company to invest the €32,000,000 in euro-denominated notes, bearing an interest rate of 10%, with a maturity period of 5 years, and a redemption option exercisable after 4 years.

15. Derivative instrument at fair value (continued)

In adherence to the agreement, the Company furnished the counterparty with a cash collateral, the balance of which, as of 31 December 2022, stood at $10,000,000. This cash collateral is held by the counterparty, and it accrues interest at a rate of 2.5%.

This cross-currency swap represents a financial instrument employed by the Company to manage its currency exposure, diversify its investment portfolio, and optimize its capital allocation strategy.

16. Trade and other payables

	2022 USD	2021 USD
Trade payables	170,153	29,952
Amounts due to Government (Note 24)	98,534	306,749
Other payables	475,970	111,642
Accruals and deferred income	2,382,243	2,580,488
Other accruals	1,688	75,818
Advance payment	1,688	-
	3,130,276	3,101,649

The amount due to Government is unsecured, interest free and has no fixed date of repayment.

17. Bank overdrafts

The bank overdraft bears interest of 1.6% per annum over the 3 month EURIBOR rate and is secured with a guarantee given by the Government of Malta. At 31 December 2022, the Company had available balance of USD 1,759,890 (2021: USD 1,868,790) under its committed bank overdraft facility. None of this balance was drawn as at 31 December 2022 (2021: none).

18. Other financial liabilities

	2022 USD	2021 USD
7.25% (2021: 7.25%) USD Debenture Loan Stock 2028	250,000,000	250,000,000

The above loan and interest thereon is guaranteed by the Government of Malta and is repayable in 2028. The Company has the option to redeem the debenture loan stock at any time, in whole or in part, at a redemption price. As disclosed in Note 6, interest is charged to the Government of Malta.

19. Post-employment benefits

	2022 USD	2021 USD
Balance as at 1 January	877,201	927,585
Settlements	(40,855)	(12,484)
Effect on translation to USD	(56,770)	(70,904)
Movement for the year	(398,442)	33,004
Balance as at 31 December	381,134	877,201
Less: amounts due for settlement within 12 months	-	-
Amounts due for settlement after 12 months	381,134	877,201

20. Share Capital

	2022 and 2021	
	Authorised USD	Issued and called up USD
2,976,128 ordinary shares of USD 1 each all of which have been issued and called up	2,976,128	2,976,128

21. Cash and cash equivalents

	2022 USD	2021 USD
Cash at bank and in hand	89,825,707	113,655,968
Allowance for expected credit losses	-	(291,256)
Cash and cash equivalents in the cash flow statement	89,825,707	113,374,712

Cash at bank earns interests at floating rates based on bank deposit rates. The interest rate on the bank overdraft is disclosed in Note 16.

As at 31 December 2022, an amount of USD 15,640,000 (2021: USD 15,640,000) disclosed as cash and cash equivalents is held as cash collateral in connection to the Company's cross-currency interest rate swap as described in Note 14. In addition, a further amount of USD 50,000,000 (2021: nil) disclosed as cash and cash equivalents is held as cash collateral in connection with the Company's currency interest rate swap as described in Note 14.

22. Financial investments

	2022 USD	2021 USD
10% senior non-preferred notes 2027	34,131,200	-
Total financial investments	34,131,200	-

22. Financial investments (continued)

As at 31 December 2022
The Company held €32,000,000 senior non-preferred notes with a fair value of USD 34,131,200. These senior non-preferred notes were rated as BBB-.

As at 31 December 2021
As at 31 December 2021, the Company did not hold any financial investments.

23. Current income tax

	2022 USD	2021 USD
Current tax:		
Malta corporate tax at 35%	(377,248)	(1,770,861)
Income tax at 15%	(1,581,700)	(1,549,642)
	(1,958,948)	(3,320,503)
Deferred tax (Note 24)	(784,853)	(1,674,319)
Income tax expense for the year	(2,743,801)	(4,994,822)

Tax applying the statutory income tax rate and the income tax expense for the year are reconciled as follows:

	2022 USD	2021 USD
Profit before tax	26,900,292	37,736,879
Tax at the applicable rate of 35%	9,415,102	(13,207,908)
Tax effect of:		
Interest income subject to 15% tax	(2,108,934)	8,244
Rental income subject to 15% tax	(194,783)	2,057,944
Profit and loss transactions not allowable for tax purposes	(607,751)	(1,703,327)
Exempt income	(1,789,245)	510,303
Fair value movement in investment property subject to 10%	(2,755,439)	3,889,410
Fair value movement in MGS	-	-
Fair value movement in cross-currency swap	784,851	3,450,512
Income tax expense for the year	2,743,801	(4,994,822)

23. Current income tax (continued)

Below is a reconciliation of the current tax payable:

	2022 USD	2021 USD
Balance brought forward	(2,304,978)	316,902
Current tax:		
Malta corporate tax at 35%	(377,248)	(1,770,861)
Income tax at 15%	(1,581,700)	(1,549,642)
Tax payments:		
Tax at source on interest income and financial investments	43,670	6,183
Tax refunded	-	(1,226,869)
Settlement tax	3,030,260	1,537,841
Provisional tax	323,668	381,468
	(866,328)	(2,304,978)

24. Deferred tax

	Opening Balance USD	Recognised in Profit or Loss USD	Closing Balance USD
2022			
Arising in temporary differences			
Property, plant and equipment	(153,058)	(96,762)	(249,820)
Investment property	(42,239,041)	(518,766)	(42,757,807)
Accrued income	(8,991,392)	11,330	(8,980,062)
Provisions	463,111	(247,565)	215,545
	-	66,911	66,911
	(50,920,380)	(784,853)	(51,705,233)
2021			
Arising in temporary differences			
Property, plant and equipment	(158,391)	5,333	(153,058)
Investment property	(40,677,235)	(1,561,806)	(42,239,041)
Accrued income	(9,002,722)	11,330	(8,991,392)
Provisions	592,287	(129,176)	463,111
	(49,246,061)	(1,674,319)	(50,920,380)

25. Related party disclosures

2022:

	Related Party Activity USD	Total Staff Costs USD	%
Key management personnel	123,295	3,025,283	4.08

2021:

	Related Party Activity USD	Total Staff Costs USD	%
Key management personnel	129,993	3,392,274	3.83

As highlighted in Note 2 to the financial statements, the Government of Malta is the Parent Company of Malta Freeport Corporation Limited.

The key management personnel expense refers to the remuneration of the Directors.

In the year under review the Company incurred interest of USD 18,225,694 (2021: USD 18,090,751) which, as illustrated in Notes 7 and 18 was borne by the Government of Malta. The amounts owed to/from the Government of Malta are disclosed in Note 16. These amounts refer to recharges for the settlement of liabilities made by the Government on behalf of the Company and vice versa. These amounts are unsecured, interest free and will be settled in cash. No guarantees have been given.

As disclosed in Note 15, the Government of Malta has Indemnified the Company for any losses that could arise from the interest rate differential and on any losses that could arise if the instrument is terminated before its maturity. The Government of Malta is also providing guarantees for the Company's debenture loan and overdrafts as illustrated in Notes 17 and 18.

26. Fair values on financial assets and financial liabilities

At 31 December 2022 and 2021 the carrying amounts of financial assets and financial liabilities that are not measured at fair value and that are classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

Derivative financial instruments are measured at their fair values. The Company has two financial assets at fair value through profit or loss, consisting of a cross-currency interest rate swap. The fair value of the derivative instruments is disclosed in Note 15.

The fair value of the cross-currency interest rate swap represents the present value arising from interest rate differentials between the currencies on the respective nominal values translated at the appropriate exchange rate.

27. Financial risk management

The main risks arising from the Company's financial statements are credit risk, foreign currency risk, interest rate risk and liquidity risk.

Credit risk

The exposures to risk and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

Where possible, the Company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of trade receivables, loans and receivables, and cash at bank.

Credit risk with respect to trade receivables is limited due to credit control procedures in place. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company assesses the credit quality of its trade receivables by taking into account their financial standing and past experience. Management considers the credit quality of its trade receivables as being acceptable. These financial assets do not include any material balances with past default experience.

Credit risk with respect to the long-term receivable amounting to USD 38,983,693 (2021: USD 41,761,243) (disclosed in Note 13) is not deemed to be significant by the directors as there are no indicators that the party is not in a position to meet its obligations. This loan is also guaranteed by the counterparty's related party. Both the counterparty and the guarantor operate mainly in the shipping industry. Their credit risk currently stands at BB+.

Credit risk (continued)

Cash at bank is placed with reliable financial institutions. The majority of the Company's bank balances are placed with reputable banks.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

Foreign currency risk

Foreign currency transactions arise when the Company buys or sells goods or services the price of which are denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency or acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise of mainly transactions in Euro.

The Company is exposed to foreign exchange risk primarily on its monetary assets and liabilities, some of which are denominated in different currencies than the functional currency. The majority of the Company's future income streams are contracted for in USD whilst operating expenses are expected to be incurred in Euro.

27. Financial risk management (continued)

In 2004 the Company entered into a cross-currency interest rate swap converting its 7.25% USD250,000,000 Debenture Loan Stock to 6.991%Eur 200,754,838. Such cross-currency interest rate swap was terminated in January 2017. A new cross-currency interest rate swap with a different counterparty was entered in the same month, for the exchange of interest at 7.25% of USD250,000,000 Debenture Loan Stock to 6.426% of Eur238,027,230.

As the Company reports in USD and the swap liability is in Euros, any exchange rate fluctuation exposure will crystalise on the maturity of the instrument in 2028 or before, subject to the option held by the counterparty.

Interest rate risk

The Company has issued debenture loans to finance its operations as disclosed in Notes 17 and 18 respectively. The interest rates thereon are disclosed accordingly. The Company has also entered into a cross-currency interest rate swap converting its USD fixed interest on its debenture loans to fixed interest denominated in Euro as disclosed in Note 15.

The Company earns interest on its long-term receivables and on its bank deposits as disclosed in Note 6.

As detailed in the Notes to these financial statements, the interest payable on the 7.25% debenture loans and the net interest rate differential on the cross-currency interest rate swap is borne by the Government of Malta; thus, the effect on the Company's statement of comprehensive income is nil in respect thereof. As disclosed in Note 7, the Government of Malta has indemnified the Company for any losses that could arise from the interest rate differential on the cross-currency interest rate swap. Such a loss may only arise if the instrument is not held to maturity. The Company is not exposed to fair value risk on other financial instruments carrying a fixed rate of interest since these are carried at amortised cost. The Company is exposed to cash flow interest rate risk on financial instruments carrying a floating rate of interest.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by adjusting its selling prices or by restructuring its financing structure.

Sensitivity analysis

For financial instruments held or issued, the Company has used a sensitivity analysis technique that measures the change in the fair value and cash flows of the Company's financial instruments at the reporting date for hypothetical changes in the relevant market risk variables. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets.

The estimated change in cash flows solely in relation to the cash at bank and the debenture loan stock for changes in market interest rates are based on an instantaneous increase or decrease of 100 basis points at the reporting date, with all other variables remaining constant.

The estimated change in cash flows solely in relation to the swap for changes in the EUR/USD exchange rate is based on an instantaneous increase or decrease of 1 per cent in EUR, with all other variables remaining constant.

Liquidity risk

The Company monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows.

27. Financial risk management (continued)

In January 2017, the Company entered into a cross-currency interest rate swap with a counterparty, for the exchange of interest at 7.25% of USD 250,000,000 Debenture Loan Stock to 6.426% of EUR 238,027,230. The agreement does not include the exchange of the principal amounts at the termination date of the swap. As disclosed in Note 7, the interest on this instrument is being borne by the Government of Malta.

The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the Company can be required to pay. The analysis includes both interest (to the extent that these are not borne by the Government of Malta as stipulated above) and principal cash flows.

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of items presented within equity in the statement of financial position.

The Company's directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on recommendations of the directors, the Company balances its overall capital structure through the payments of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

The Company's overall strategy remains unchanged from the prior year.

28. Distribution made and proposed

	2022 USD	2021 USD
Cash dividends declared and paid		
Final cash dividend for 2022: USD 0.338 per share	1,006,800	879,255

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December 2022.

29. Post Balance Sheet Events

On the 06th March 2023, the Company entered into a Fourth Licence Amendment Agreement with one of its present tenants. The lessee declared its wish to reclaim the Designated Site from the sea and to develop the reclaimed land to square-off and extend the terminal known as Terminal Two within the Port Site and thereby extend the North Quay of Terminal Two. The lowest bid that meets the specifications stipulated in the international tender issued by the lessee for the completion of the civil works component of the infrastructural works of the project is €55,400,000.

By virtue of this deed, the Company agreed to contribute to the Infrastructural Cost through the Lessor's Contribution, which Lessor's Contribution is compliant with the European Union (EU) State Aid Rules. The Company's contribution amount to €28 million.

29. Post Balance Sheet Event (continued)

There were no other subsequent events which would require an adjustment or disclosure in the financial statements of the Company.

30. Capital commitments

As at year-end, the Company had capital and other expenditure contracted but not yet provided for of €28million (2021: nil).

31. Comparative figures

Certain comparative information disclosed in these financial statements have been reclassified to conform with the current year's presentation.

Malta Freeport Corporation Limited
Detailed Income Statement
For the Year Ended 31st December 2022

	2022	2021
	USD	USD
Rental income	10,253,529	10,225,358
Other income	403,418	310,930
Royalties	492,683	474,088
Security fees	1,531,187	1,755,106
	12,680,817	12,765,482
Staff costs	(3,025,283)	(3,392,274)
Other administrative expenses	(668,228)	(934,939)
	8,987,306	8,438,269

Malta Freeport Corporation Limited
Staff Costs and Administrative Expenses
For the year ended 31st December 2022

	2022 USD	2021 USD
Staff costs		
Directors' emoluments	123,295	129,993
Wages and salaries	2,901,988	3,262,281
	3,025,283	3,392,274
Other administrative expenses		
Audit fee	4,597	9,462
Depreciation	61,623	64,682
Insurance	78,563	78,645
Motor vehicles expenses	62,350	72,951
Professional fees	162,523	184,042
Promotional and travelling	20,410	33,660
Corporate Social Responsibility project expenses	6,820	309,060
Repairs and maintenance	23,237	25,161
Staff costs and training	42,777	29,182
Stationery and printing	14,305	17,413
Sundry expenses	10,905	31,871
Telecommunication expenses	8,083	9,216
Bank charges	159,714	61,335
Water and electricity	12,321	8,259
Bad debts written-off	-	-
	668,228	934,939