Company Registration No.: C 5067

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Financial Statements (unaudited) for the period from 1 January 2020 to 30 June 2020

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Hal Mann Vella Group P.L.C.

Directors' Report pursuant to Listing Rule 5.75.2
for the period from 1 January 2020 to 30 June 2020

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2020 prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is to hold assets for the Group and also acts as the financing arm of the Group.

The principal activities of the Group relate to the manufacture and business of stone, marble and granite as well as the manufacture of patterned tiles, terrazzo and precast related products. The Group owns and leases a number of apartments, hotels, commercial properties and offices. The Group is also involved in property development for resale.

Review and commentary performance

The Group registered a consolidated profit before tax of €303,154 for the six month period ended 30 June 2020 as compared to the consolidated profit before tax of €1,038,133 for the six month period ended 30 June 2019. The gross profit from operations for the period under review decreased from 26.5% in 2019 to 24.2% in 2020 when compared to the same period from previous year.

There was a decrease of 9% in revenue during the current interim period under review compared to the prior interim period. Management expects revenues to improve by the end of the current financial year since the Group is expecting to close a number of projects and sign contracts for sale for properties that are under promise of sale agreements as at the reporting period.

Dividends and Reserves

The Board of Directors does not propose the payment of an interim dividend in order to further strengthen the financial position of the Group. Retained profits carried forward at the reporting date amounted to €10,958,176 (31 December 2019: €10,481,002) for the Group.

Likely future business developments

Given the Group's financing structure and positive net assets position at the end of the financial period, the Board of Directors considers the Group's state of affairs as at the close of the financial period to be satisfactory. While future performance might be adversely affected by the COVID-19 pandemic, the long-term outlook remains optimistic.

Hal Mann Vella Group P.L.C.

Directors' Report pursuant to Listing Rule 5.75.2
for the period from 1 January 2020 to 30 June 2020

Effects of the COVID-19 pandemic

The current financial reporting period was characterised by unprecedented events brought about by the COVID-19 outbreak which expanded into a pandemic. This has negatively impacted a wide spectrum of industries, causing a cutback in business operations across many sectors. Despite maintaining a high level of business continuity, this challenging period has had an impact on the operational and financial performance of the Group.

Management followed guidance provided by the national health authorities, curtailing operations and having showrooms temporarily closed. The temporary closure of hotels and its direct impact meant that immediate revenue from tenants dropped significantly. Additionally a number of contracts for sale of properties were deferred to the second half of the year. There has been no cancellations of promise of sale agreements though.

The economic uncertainty brought about by the COVID-19 pandemic is likely to extend into the coming months and will continue to have an impact on economic activities. We remain cautious as further disruption to business operations cannot be ruled out, with additional impact to the business of the Group.

The Group is monitoring these developments in connection with the virus spread and follows the guidelines issued by the authorities on an ongoing basis. The Group continues to cautiously evaluate the impact of the pandemic on its operations and financial performance for 2020 and beyond.

Appointment of the new Chief Executive Officer (CEO)

The Group has appointed Mr. Kevin Rapinett as Group CEO. Mr. Rapinett succeeds Mr. Mark Vella who, however, remains Executive Director of the Group.

By order of the Board:

Mr. Martin Vella - Chairman

Mr. Mark Vella - Director

Registered Office
The Factory,
Mosta Road,
Lija LJA 9016

27 August 2020

Hal Mann Vella Group P.L.C.

Statement pursuant to Listing Rule 5.75.3
for the period from 1 January 2020 to 30 June 2020

I hereby confirm that to the best of my knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting');
- The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Mr. Martin Vella - Chairman

27 August 2020

HLB CA FALZON
CERTIFIED PUBLIC ACCOUNTANTS

Independent auditor's report
To the Board of Directors of Hal Mann Vella Group P.L.C.
Report on Review of Condensed Consolidated Interim Financial Information

Introduction
We have reviewed the accompanying condensed consolidated interim statement of financial position of Hal Mann Vella Group P.L.C. and its subsidiaries as at 30 June 2020, the related condensed consolidated interim statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended, and the explanatory notes (the interim financial information). The directors are responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 "Interim Financial Reporting"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

Jozef Wallace Galea (Partner)
for and on behalf of HLB CA Falzon
Registered Auditors

27 August 2020

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Together we make it happen

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PARTNERS: Jozef Wallace Galea, Alfred Falzon, Patrizio Prospero, Fiona Buttigieg.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

for the period from 1 January 2020 to 30 June 2020

	Note	1 January to 30 June 2020 (unaudited) €	1 January to 30 June 2019 (unaudited) €
Revenue from contracts with customers	4	10,012,588	10,965,272
Cost of sales and services		(7,585,571)	(8,055,890)
Gross profit		2,427,017	2,909,382
Rental income	4	1,047,337	1,051,869
Distribution and selling costs		(101,396)	(94,427)
Administrative expenses		(2,248,766)	(2,092,987)
Operating profit		1,124,192	1,773,837
Share in net profit of joint ventures	8	50,729	142,753
Other income		156,888	37,589
Sale of investments		-	3,507
Finance and similar income		169,982	218,968
Finance costs		(1,198,637)	(1,138,521)
Profit before tax	4	303,154	1,038,133
Income tax credit/(expense)	5	193,230	(603,716)
Profit after tax for the period attributable to the ordinary equity holders of the Company		496,384	434,417
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
- Gain on revaluation of property		-	479,480
- Net gain/(loss) on equity instruments at fair value through other comprehensive income		1,823	(9,517)
Total comprehensive income for the period		498,207	904,380
Earnings per share (cents)		**0.10**	**0.09**

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Financial Position
as at 30 June 2020

	Note	As at 30 June 2020 (unaudited) €	As at 31 December 2019 (audited) €
ASSETS			
Non-current assets			
Property, plant & equipment	6	31,835,493	31,476,468
Investment in joint-ventures	8	1,927,228	1,876,499
Other non-current financial assets	7	835,059	833,236
Trade and other receivables	7,10	4,056,546	3,754,304
Investment property	9	45,064,868	45,004,343
Right-of-use assets		4,674,343	4,777,632
Deferred taxation	5	1,130,861	1,321,733
Goodwill		62,888	62,888
Total non-current assets		89,587,286	89,107,103
Current assets			
Inventories		3,880,175	4,093,251
Property held-for-sale		6,373,660	6,226,151
Trade and other receivables	10	12,897,207	12,692,261
Contract assets		3,087,417	2,886,456
Other current financial assets	7	91,000	91,000
Cash and cash equivalents		2,194,674	2,528,826
Total current assets		28,524,133	28,517,945
Total assets		118,111,419	117,625,048

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Financial Position
as at 30 June 2020

	Note	As at 30 June 2020 (unaudited) €	As at 31 December 2019 (audited) €
EQUITY AND LIABILITIES			
Equity			
Issued capital		4,999,820	4,999,820
Revaluation reserve on property, plant and equipment		24,043,828	24,043,828
Fair value reserve		58,583	56,760
Revaluation reserve on investment property		4,912,271	4,912,271
Capital redemption reserve		47,852	47,852
Incentives and benefits reserves		604,060	604,060
Retained earnings		10,958,176	10,481,002
Total equity		45,624,590	45,145,593
Non-current liabilities			
Interest bearing loans and borrowings	7	41,349,589	40,736,915
Finance lease liability		7,969,875	8,008,092
Trade and other payables	7	10,797	26,197
Deferred taxation		3,461,669	4,043,910
Total non-current liabilities		52,791,930	52,815,114
Current liabilities			
Current borrowings	7	4,331,845	5,781,568
Finance lease liability		442,447	519,679
Trade and other payables	7	14,325,450	12,915,194
Current tax due	5	595,157	447,900
Total current liabilities		19,694,899	19,664,341
Total liabilities		72,486,829	72,479,455
Total equity and liabilities		118,111,419	117,625,048

The notes on page 11 – 18 form part of these financial statements.

The financial statements set out on pages 5 to 18 were approved and authorized for issue by the Board of Directors and signed on its behalf by:

Mr. Martin Vella - Chairman

Mr. Mark Vella - Director

27 August 2020

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statements of Changes in Equity

for the period from 1 January 2020 to 30 June 2020 (unaudited)

	Attributed to equity holders of the Parent							
	Issued capital €	**Revaluation reserve on property, plant and equipment €**	**Revaluation reserve on investment property €**	**Fair value reserve €**	**Retained earnings €**	**Incentives and benefits reserves €**	**Capital redemption reserve €**	**Total equity €**
Balance as at 1 January 2019 (audited)	4,999,820	24,043,828	4,751,591	110,456	8,955,896	604,060	47,852	43,513,503
Effect of IFRS 16	-	-	-	-	(1,599,993)	-	-	(1,599,993)
Effect of previously adopted accountancy standards	-	-		-	(18,974)	-	-	(18,974)
Adjusted balance brought forward	4,999,820	24,043,828	4,751,591	110,456	7,336,929	604,060	47,852	41,894,536
Profit for the period	-	-	-	-	434,417	-	-	434,417
Other comprehensive income	-	-	479,480	(13,373)	-	-	-	466,107
Total comprehensive income for the period	-	-	479,480	(13,373)	434,417	-	-	900,524
Released on disposal	-	-	(270,521)	-	270,521	-	-	-
Balance as at 30 June 2019 (unaudited)	4,999,820	24,043,828	4,960,550	97,083	8,041,867	604,060	47,852	42,795,060

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statements of Changes in Equity

for the period from 1 January 2020 to 30 June 2020 (unaudited)

	Attributed to equity holders of the Parent							
	Issued capital €	Revaluation reserve on property, plant and equipment €	Revaluation reserve on investment property €	Fair value reserve €	Retained earnings €	Incentives and benefits reserves €	Capital redemption reserve €	Total equity €
Balance as at 1 January 2020 (audited)	4,999,820	24,043,828	4,912,271	56,760	10,481,002	604,060	47,852	45,145,593
Prior year adjustment	-	-	-	-	(19,210)	-	-	(19,210)
Adjusted balance brought forward	4,999,820	24,043,828	4,912,271	56,760	10,461,792	604,060	47,852	45,126,383
Profit for the period	-	-	-	-	496,384	-	-	496,384
Other comprehensive income	-	-	-	1,823	-	-	-	1,823
Total comprehensive income for the period	-	-	-	1,823	496,384	-	-	498,207
Balance as at 30 June 2020 (unaudited)	4,999,820	24,043,828	4,912,271	58,583	10,958,176	604,060	47,852	45,624,590

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Condensed Consolidated Interim Statement of Cash Flows

for the period from 1 January 2020 to 30 June 2020

	Note	1 January to 30 June 2020 (unaudited) €	1 January to 30 June 2019 (unaudited) €
Cash flows from operating activities			
Profit before tax		303,154	1,038,133
Adjustments for:			
Changes in the fair value of investment property		-	479,480
Share in net profit of joint ventures		(50,729)	(142,753)
Income from government grants		(8,288)	(8,288)
Depreciation		548,407	420,765
Provision for estimated credit losses (ECL)		232,200	161,895
Gain on rent concession		(96,531)	-
Finance and similar income		(163,536)	(218,968)
Finance costs		1,198,637	1,138,521
Working capital changes:			
Decrease/(increase) in inventories		213,076	(592,531)
Increase in property for resale		(147,509)	(1,800,867)
Increase in contract assets		(197,051)	-
(Increase)/decrease in receivables		(755,358)	261,295
Increase/(decrease) in payables		518,970	(1,727,458)
Interest paid on overdraft		(9,430)	(12,708)
Interest received from banks		347	-
Advances to related undertakings		(18,734)	(334,507)
Taxation paid		(70,000)	-
Net cash generated from/(used in) operating activities		1,497,625	(1,337,991)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(804,143)	(111,839)
Payments to acquire investment property		(60,525)	(1,347,020)
Payments to acquire financial assets		-	(15,013)
(Advances to)/receipts from joint venture		(43,666)	221,025
Finance income		-	218,968
Net cash used in investing activities		(908,334)	(1,033,879)
Cash flows from financing activities			
(Repayment to)/advances from banks loans		(587,175)	931,626
Repayment of principal portion of lease liability		(207,017)	(242,370)
Interest paid on bank loans		(174,973)	(196,429)
Advances from related companies		90,624	440,274
(Repayment to)/advances from joint ventures		(61,842)	1,573,760
Receipt of principal portion of lease receivables		237,625	143,750
Interest paid on bonds		(126,957)	-
Net cash used in financing activities		(829,715)	2,650,611
Net movement in cash and cash equivalents		(240,424)	278,741
Effect of ECL on cash in banks		26	(1,318)
Cash and cash equivalents at beginning of period		2,002,247	767,522
Cash and cash equivalents at end of period		1,761,849	1,044,945

The notes on page 11 – 18 form part of these financial statements.

Hal Mann Vella Group P.L.C.

Notes to the Interim Condensed Consolidated Financial Statements
for the period from 1 January 2020 to 30 June 2020

1. General information

The interim condensed consolidated financial statements of Hal Mann Vella Group plc and its subsidiaries ("the Group") for the six months ended 30 June 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 27 August 2020.

Hal Mann Vella Group plc ("the Company") is a public limited liability company incorporated in Malta, under the Companies Act, Cap. 386 of the Laws of Malta.

2. Principal accounting policies

2.1 Basis of preparation
The interim condensed consolidated financial statements for the six month-period ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting').

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statement as at 31 December 2019, which have been prepared in accordance with IFRS as adopted by the EU.

2.2 New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3: *Definition of a Business*
The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39*: Interest Rate Benchmark Reform*
The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: *Definition of Material*
The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the consolidated financial statements of the Group.

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

Amendment to IFRS 16: COVID-19-Related Rent Concessions

The amendment stated that lessees may elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee who makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account if the change was not a lease modification. Such an exemption is only applicable if the rent concession occurred as a direct consequence of COVID-19 and only if the following conditions are met:

- The rent concession provides relief to payments that overall results in the consideration for the lease contract being substantially the same or less than the original consideration for the lease immediately before the concession was provided.
- The rent concession is for relief for payments that were originally due on or before 30 June 2021.

A lessee shall apply the amendment for annual reporting periods beginning on or after 1 June 2020 with early application permitted.

While EU has not yet endorsed the said amendment to the standard as at the date of authorisation of these financial statements, the Group has adopted the practical expedient pursuant to the European Securities and Markets Authority's issued Public Statement with regards to accounting for lease modifications as a result of the COVID-19 pandemic. Therefore, rent concessions received by the Group during the current period were not accounted for as lease modifications, and a gain was recognised in the interim condensed consolidated profit or loss amounting to €96,531 as a result of treating the change in lease considerations as negative variable lease payments.

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

In preparing condensed consolidated interim financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at 31 December 2019.

4. Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

Property Development and Letting	This segment carries works in the building industry, including construction works, plumbing and electrical and to operate as turnkey contractors. Also in this segment, the Group leases out offices and residential building to third parties. The Group owns two hotels namely the Mavina Holiday Complex and the Huli Hotel with an underlying Bistro Restaurant. Both hotels as well as the restaurant were leased out to thirds parties.
Manufacturing, Products and General Contracting Services	This segment includes the companies responsible for manufacturing and exports. This segment includes specialising in the manufacture of stone elements, arranging logistics, plant hire, deliveries, and supplies and subcontracting work. Also, coordination of orders for customers for products and services is done.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Hal Mann Vella Group P.L.C.

Notes to the Interim Condensed Consolidated Financial Statements
for the period from 1 January 2020 to 30 June 2020

4. Segment information

Inter-segment transactions, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

Six month period ended 30 June 2020	Property development and letting €	Manufacturing and General contracting services €	Total segments €	Eliminations €	Consolidated €
External revenue	1,287,500	11,374,056	12,661,556	(2,648,967)	10,012,588
Rental income	1,397,865	-	1,397,865	(350,528)	1,047,337
Total revenue	2,685,365		14,059,421	(2,999,496)	11,059,925
Income/(expenses)					
Finance and similar income	887,221	47,048	934,270	(764,288)	169,982
Finance cost	(1,334,490)	(764,991)	(2,099,481)	900,845	(1,198,637)
Depreciation and amortisation	(75,592)	(670,176)	(745,768)	197,361	(548,407)
Share in net profit of joint ventures	50,729	-	50,729	-	50,729
Income tax credit/(expense)	(173,391)	293,620	120,229	73,001	193,230
Segment profit/(loss) before tax	**885,470**	**(503,981)**	**381,489**	**(78,336)**	**303,154**
Total assets	**117,772,534**	**38,897,579**	**156,670,113**	**(38,558,694)**	**118,111,419**
Total liabilities	**69,878,103**	**34,913,593**	**104,791,696**	**(32,304,867)**	**72,486,829**
Other disclosures					
Interest in joint ventures	165,720	-	165,720	1,761,508	1,927,228
Capital expenditure	188,175	676,493	864,668	-	864,668

4. Segment information

Inter-segment transactions, assets and liabilities are eliminated upon consolidation and reflected in the 'eliminations' column.

Six month period ended 30 June 2019	Property development and letting €	Manufacturing and General contracting services €	Total segments €	Eliminations €	Consolidated €
External revenue	1,449,914	12,708,559	14,158,473	(3,193,201)	10,965,272
Rental income	1,316,598	-	1,316,598	(264,729)	1,051,869
Total revenue	2,766,512	12,708,559	15,475,071	(3,457,930)	12,017,141
Income/(expenses)					
Finance and similar income	859,319	97,296	956,615	(737,647)	218,968
Finance cost	(1,269,672)	(747,862)	(2,017,534)	879,013	(1,138,521)
Depreciation and amortisation	(1,655)	(616,512)	(618,167)	197,402	(420,765)
Share in net profit of joint ventures	142,753	-	142,753	-	142,753
Income tax expense	(464,788)	(138,928)	(603,716)	-	(603,716)
Segment profit/(loss) before tax	**578,777**	**(15,491)**	**563,286**	**474,847**	**1,038,133**
Total assets	**105,764,139**	**32,222,140**	**137,986,279**	**(32,868,676)**	**105,117,603**
Total liabilities	**63,302,665**	**27,953,680**	**91,256,345**	**(26,410,843)**	**64,845,502**
Other disclosures					
Interest in joint ventures	165,720	-	165,720	1,711,491	1,877,211
Capital expenditure	6,360	245,600	251,960	(140,121)	111,839

Notes to the Interim Condensed Consolidated Financial Statements
for the period from 1 January 2020 to 30 June 2020

5. Income tax

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax credit in the interim condensed statement of profit or loss are:

	1 January to 30 June 2020 (unaudited) €	1 January to 30 June 2019 (unaudited) €
Income tax expense:		
Current income tax expense for the period	(217,351)	(186,287)
Deferred tax credit/(expense)	410,581	(417,429)
Income tax credit/(expense) for the period	193,230	(603,716)

6. Property, plant and equipment

Acquisition and disposals

During the six months ended 30 June 2020, the Group acquired assets with a cost of €804,143 (six months ended 30 June 2019: €111,839).

There were no assets disposed by the Group during the six months ended 30 June 2020 and 30 June 2019.

7. Financial assets and financial liabilities

The Group's financial assets comprise of debt instruments at amortised cost such as bank term deposits, trade receivables, and loans to and amounts owed by joint ventures, related and other undertakings; as well as equity instruments desinated at fair value through other comprehensive income (FVOCI), including investments in quoted and unquoted shares. The Group's financial liabilities comprise of trade and other payables, bank loans, finance lease liabilities, and loans from shareholders, related and other undertakings. All of the Group's financial instruments are measured at amortised cost, except for the equity instruments which are measured at FVOCI.

8. Investment in joint-ventures

For the six months ended 30 June 2020, the Group’s share of profit in joint ventures amounted to €50,729 (six months ended 30 June 2019: €142,753).

9. Investment property

During the six months ended 30 June 2020, the Group capitilised expenditure amounted to €60,525 (six months ended 30 June 2019: €1,347,020).

10. Trade and other receivables

Trade receivables are stated net of provision for estimated credit losses of €729,517 (31 December 2019: €487,917).

11. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Sales to related parties €	Purchases from related parties €	Amount owed by joint ventures - net of ECL €	Amount owed to related parties €
Joint ventures in which the parent is a venturer:					
Madliena Ridge Limited	Current	-	-	-	591,174
	2019	-	-	-	591,174
Hal Mann Holdings Ltd	Current	-	-	-	816,630
	2019	-	-	-	876,473
HMK International Ltd	Current	2,912	-	249,787	-
	2019	32,796	203,110	250,000	125,574

Terms and conditions of transactions with related parties
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. As at 30 June 2020, the Group has recorded provision for estimated credit losses on receivables relating to amounts owed by related parties amount to €5,553 (31 December 2019: €6,840). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

12. Fair values measurements

At 30 June 2020 and 31 December 2019, the carrying amounts of trade and other receivables, cash and cash equivalents and trade and other payables and current borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair values of loans and receivables and non-current borrowings are not materially different from their carrying amounts in the statement of financial position.

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

The Group used the following hierarchy for determining and disclosing the fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
As at 30 June 2020 (unaudited)				
Property, plant and equipment	-	23,186,561	-	23,186,561
Equity instruments at FVOCI	-	-	585,272	585,272
Investment property	-	10,400,315	34,664,553	45,064,868
As at 31 December 2019 (audited)				
Property, plant and equipment	-	23,186,561	-	23,186,561
Equity instruments at FVOCI	-	-	583,449	583,449
Investment property	-	10,342,990	34,661,353	45,004,343

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements during the six-month period ended 30 June 2020.