Crystal Finance Investments Limited

C 26761

Report and financial statements

31 December 2018

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Crystal Finance Investments Limited

Company information

Directors.	Nicholas Calamatta Alan Cuschieri Alexander Cuschieri
Secretary:	Sharon Fenech
Registered office	Ewropa Business Centre Dun Karm Street Birkirkara Malta
Country of incorporation	Malta
Company registration number	C 26761
Auditor·	Deloitte Audit Limited Deloitte Place Mriehel Bypass Mriehel Malta
Bankers:	APS Bank Limited APS House, St Anne Square Floriana Malta
Legal advisors:	GANADO Advocates 171, Old Bakery Street Valletta Malta

The directors present their report and the audited financial statements of Crystal Finance Investments Limited (the "Company") for the year ended 31st December 2018.

Principal activities
Crystal Finance Investments Limited is a subsidiary of Calamatta Cuschieri Investment Services Limited who owns 100% of voting capital of the Company.

The Company's principal activity is the provision of investment services in terms of the Investment Services Act, 1994.

The Company is incorporated as a private limited liability Company under the Companies Act [Cap. 386 of the Laws of Malta]. It is licensed by the Malta Financial Services Authority (the 'MFSA') to carry out investment services in terms of Investment Services Act [Cap. 370 of the Laws of Malta]. On 5th December 2018, the Company secured a license downgrade to Category 1b to reflect the decrease in overall activity and migration of retail clients to Calamatta Cuschieri Investment Services Limited (C 13729).

Financial Performance
In 2018, the Company incurred a loss before tax of €17,393, representing a negative return on average equity after tax of 2%. In 2017 the Company registered a profit before tax of €495,990 mainly characterised by one-off item adjustments as the Company's operations were not yet fully integrated with the parent Company.

Commission revenue decreased by 87% to €139,131 whereas other operating expenses decreased from €431,640 to €129,882. Following the synergies achieved from integration, staff costs went down to zero compared to a prior year figure of €47,077. The significant movements over the previous year are characterised by the integration of the Company's operations into the parent Company; a process that was completed during the first half of 2018.

Statement of Financial Position

Balance sheet total assets decreased by 47% from €1,637,232 at 31st December 2017 to €868,577 as at 31st December 2018. Shareholder funds decreased by 31% to €831,381. (2017 – €1,198,332).

Principal risks and uncertainties
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. The principal risks and uncertainties facing the Company are included below:

(a) Market and competition

The Company operates in a highly competitive environment and faces competition from various other entities. Technological developments also have the ability to create new forms of quickly evolving competition. An effective, coherent and consistent strategy to respond to competitors and changing markets enables the Company to sustain its market share and its profitability. The Company continues to focus on service quality and performance in managing this risk.

(b) Legislative risks

The Company is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Company's ability to operate. The Company has embedded operating policies and procedures to ensure compliance with existing legislation.

The Company's principal risks and uncertainties are further disclosed in Note 3 Critical accounting estimates and judgements and Note 14 Deferred tax asset.

Financial risk management
Note 11 to the financial statements provides details in connection with the Company's use of financial instruments, its financial risk management objectives and policies and the financial risks to which it is exposed.

Result and dividends
The statement of comprehensive income is set out on page 6. An interim dividend of €350,000 (2017· €100,000) was paid to ordinary shareholders. The Directors do not recommend the declaration of a final dividend (2017 – NIL).

Compliance with Standard Licence Conditions
In accordance with the Investment Services Rules, the directors confirm that during the reporting period there were no breaches of Standard Licence Conditions or other regulatory requirements which were subject to an administrative penalty or other regulatory sanction.

Directors
The Directors of the Company who held office during the period were:

Nicholas Calamatta
Alan Cuschieri
Alexander Cuschieri

In accordance with the Company's articles of association all the directors are to remain in office.

Auditors
A resolution to reappoint Deloitte Audit Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

Approved by the board of directors and signed on its behalf on 30th April 2019 by:

Alan Cuschieri
Director

Alexander Cuschieri
Director

Crystal Finance Investments Limited

Statement of directors' responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practice which give a true and fair view of the state of affairs of the Company at the end of each financial year and of the profit or loss of the Company for the year then ended In preparing the financial statements, the directors should.

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable, and
- 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.

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). This 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.

Crystal Finance Investments Limited

Statement of profit or loss and other comprehensive income

Year ended 31st December 2018

	Notes	2018 EUR	2017 EUR
Revenue	5	**139,131**	1,033,917
Staff costs	7	**-**	(47,077)
Depreciation and amortisation		**(26,642)**	(59,210)
Other operating expenses		**(129,882)**	(431,640)
(Loss)/profit before tax	6	**(17,393)**	495,990
Income tax credit/(expense)	8	**441**	(301,259)
(Loss)/profit for the year/total comprehensive (loss)/income for the year		**(16,952)**	194,731

Crystal Finance Investments Limited

Statement of financial position

31st December 2018

	Notes	2018 EUR	2017 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**18,554**	83,571
Deferred tax asset	*14*	**5,025**	72,923
		23,579	156,494
Current assets			
Trade and other receivables	*12*	**807,186**	54,936
Cash and cash equivalents	*16*	**37,812**	1,309,868
Financial assets	*11*	-	115,694
Current tax assets		-	240
		844,998	1,480,738
Total assets		**868,577**	1,637,232
LIABILITIES			
Current liabilities			
Trade and other payables	*13*	**37,196**	429,270
Other financial liabilities	*11*	-	9,629
Total liabilities		**37,196**	438,899
Net assets		**831,381**	1,198,333
EQUITY			
Share capital	*15*	**750,000**	750,000
Investor compensation scheme reserve	*17*	**3,722**	3,722
Other reserves		-	(82,564)
Retained earnings		**77,659**	527,175
Total equity		**831,381**	1,198,333

These financial statements were approved by the board of directors, authorised for issue on 30th April 2019 and signed on its behalf by:

Alan Cuschieri
Director

Alexander Cuschieri
Director

Crystal Finance Investments Limited

Statement of changes in equity

Year ended 31st December 2018

	Share capital EUR	Other reserve EUR	Investor compensation scheme reserve EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2017	750,000	55,821	3,722	294,059	1,103,602
Profit for the year	-	-	-	194,731	194,731
Total net comprehensive Income/(loss) for the year	-	-	-	194,731	194,731
Transfer between reserves	-	(138,385)	-	138,385	-
Dividends (note 9)	-	-	-	(100,000)	(100,000)
Balance at 1 January 2018	**750,000**	**(82,564)**	**3,722**	**527,175**	**1,198,333**
Loss for the year	-	-	-	(16,952)	(16,952)
Total net comprehensive Loss for the year	-	-	-	(16,952)	(16,952)
Transfer between reserves	-	82,564	-	(82,564)	-
Dividends (note 9)	-	-	-	(350,000)	(350,000)
Balance at 31 December 2018	**750,000**	**-**	**3,722**	**77,659**	**831,381**

Crystal Finance Investments Limited

Statement of cash flows

Year ended 31st December 2018

	2018 EUR	2017 EUR
Cash flows from operating activities		
(Loss)/profit before tax	**(17,393)**	495,990
Adjustments for:		
Depreciation and amortisation	**26,642**	59,210
Write-off property plant and equipment	**38,375**	127,580
Net foreign exchange differences	**655**	44,507
Operating profit before working capital movement	**48,279**	727,287
Movement in trade and other receivables	**47,184**	344,253
Movement in financial instruments	**106,065**	746,686
Movement in trade and other payables	**(285,200)**	(997,252)
Cash flows (used in)/from operations	**(83,672)**	820,974
Income tax refunded	**150,000**	-
Income tax paid	**(139,266)**	(243,368)
Net cash flows (used in)/from operating activities	**(72,938)**	577,606
Cash flows from financing activities		
Repayment of borrowings	**(849,118)**	(4,979)
Dividends paid	**(350,000)**	(100,000)
Net cash flows used in financing activities	**(1,199,118)**	(104,979)
Net movement in cash and cash equivalents	**(1,272,056)**	472,627
Cash and cash equivalents at the beginning of the year	**1,309,868**	837,241
Cash and cash equivalents at the end of the year (note 16)	**37,812**	1,309,868

1. Company information and basis of preparation

Crystal Finance Investments Limited (the "Company") is a limited liability Company incorporated in Malta with registration number C 26761. The registered address of the Company is Ewropa Business Centre, Dun Karm Street, Birkirkara, Malta.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are stated at their fair value, and in accordance with International Financial Reporting Standards as adopted by the EU. The significant accounting policies adopted are set out below.

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.

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

2. Significant accounting policies

Property, plant and equipment

The Company's property, plant and equipment are classified into the following classes – Motor Vehicles, Furniture, Fixtures and Office Equipment, Computer Software, Leasehold Improvements and Computer Hardware.

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

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 recognised as an expense when incurred.

Tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

Furniture and Fixtures and Office Equipment	-	10% - 15% per annum
Motor Vehicles	-	20% per annum
Computer Software	-	25% per annum
Leasehold improvements	-	5% - 18% per annum
Computer hardware	-	25% per annum

The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

Other financial instruments – prior year

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

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

2. **Significant accounting policies (continued)**

Other financial instruments – prior year (continued)

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

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

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

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Investments

The Company's investments are classified into the following categories – financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Available-for-sale financial assets are those non-derivative financial assets that are either designated in this category by the Company or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. After initial recognition, available-for-sale financial assets are measured at their fair value.

Gains and losses arising from a change in fair value are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest calculated using the effective interest method is recognised in profit or loss.

When applying the effective interest method, the annual amortisation of any discount or premium is aggregated with other investment income receivable over the term of the instrument, if any, so that the revenue recognised in each period represents a constant yield on the investment.

2. **Significant accounting policies (continued)**

Other financial instruments – prior year (continued)

(ii) Investments (continued)

Financial assets at fair value through profit or loss are those that are held for trading purposes or those financial assets that are designated by the Company upon initial recognition. After initial recognition, financial assets at fair value through profit or loss are measured at their fair value. Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise.

Where applicable, dividend income on financial assets at fair value through profit or loss is recognised with other dividend income, if any, arising on other financial assets. Where applicable, interest income on financial assets at fair value through profit or loss is disclosed within the line item Investment income. Fair value gains and losses are recognised within the line items investment income and investment losses respectively.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that are held for trading or are designated upon initial recognition as at fair value through profit or loss or as available-for-sale financial assets or those for which the Company may not recover substantially all of its initial investment other than because of the credit deterioration.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial asset is derecognised or impaired through the amortisation process

(iii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value

(iv) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments.

Other financial instruments – current year

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

2. **Significant accounting policies (continued)**

Other financial instruments – current year (continued)

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

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

Financial assets are classified into the following categories:
- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVOCI.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Expected credit losses are recognised for trade and other receivables. In the event of a significant increase in credit risk, an allowance (or provision) is required for expected credit losses resulting from all possible default events over the expected life of the financial instrument.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires. As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9

2. Significant accounting policies (continued)

Other financial instruments – current year (continued)

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

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value. The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

(ii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value.

(iii) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments.

Impairment – prior year

All assets are tested for impairment except for deferred tax assets. At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. Intangible assets with an indefinite useful life and intangible assets that are not yet available for use are tested for impairment annually, irrespective of whether an indication of impairment exists.

In the case of financial assets that are either carried at amortised cost or classified as available-for-sale investments, objective evidence of impairment includes observable data about the following loss events - significant financial difficulty of the issuer, a breach of contract, it becoming probable that the borrower will enter bankruptcy or other financial reorganisation, the disappearance of an active market for that financial asset because of financial difficulties and observable data indicating that there is a measurable decrease in the estimated future cash flows since the initial recognition of those assets.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

2. **Significant accounting policies (continued)**

Impairment – prior year (continued)

When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative impairment loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment and is measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and 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). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated

Impairment losses are recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case, the impairment loss is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that asset.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Impairment reversals are recognised immediately in profit or loss.

Impairment losses recognised in profit or loss for an available-for-sale investment in an equity instrument are not reversed through profit or loss. Impairment losses recognised in profit or loss for an available-for-sale investment in a debt instrument are reversed through profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

2. **Significant accounting policies (continued)**

Impairment – current year

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements include trade and other receivables.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

IFRS 9 requires an assessment of the extent of increase in credit risk of a financial instrument since initial recognition. This assessment is performed by considering the change in the risk of default occurring over the remaining life of the financial instrument. As a result, the definition of default is important. IFRS 9 does not specifically define default, but requires it to be applied on a consistent basis with internal credit risk management practice for the relevant instruments and requires consideration of qualitative factors where appropriate. In addition, IFRS 9 also introduces a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging criterion is more appropriate.

Revenue recognition – prior year

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Company and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

2. **Significant accounting policies (continued)**

Revenue recognition – prior year (continued)

(i) Provision of services
Revenue from the provision of services is recognised in the period in which the services are rendered.

(ii) Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding.

Revenue recognition – current year

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by effecting the promised services to its customers.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Provision of services

Revenue from the provision of services is recognised in the year in which the services are rendered in line with the above 5-step process as per IFRS 15.

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding.

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

2. **Significant accounting policies (continued)**

Taxation (continued)

Current tax is based on the taxable result for the period. The taxable result for the period differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 asset to be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Employee benefits

The Company contributes towards the state pension in accordance with 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.

2. Significant accounting policies (continued)

Currency translation

The financial statements of the Company are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the Company operates. 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 re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss

Foreign exchange gains and losses are included with other operating income or other operating expenses as appropriate.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Dividends

Dividends to holders of equity instruments are recognised directly in equity.

3. Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1, unless further described below.

(a) Recognition of deferred tax asset – prior year

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which these deferred tax assets can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised deferred tax assets is disclosed in Note 14.

4. **Adoption of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective**

Adoption of revised International Financial Reporting Standards

The following amendments to the existing standards issued by the International Accounting Standards Board is effective for the current year:

- The July 2014 amendments to IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The Standard supersedes all previous versions of IFRS 9.

  IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held This single, principle-based approach replaces existing rule based requirements that are generally considered to be overly complex and difficult to apply.

  The new model also results in a single, forward-looking 'expected loss' impairment model that will require more timely recognition of expected credit losses.

  IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements.

  At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

- The final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The Standard supersedes all previous versions of IFRS 9.

4. Adoption of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective (continued)

Adoption of revised International Financial Reporting Standards (continued)

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

This amendment was effective 1 January 2018.

When adopting IFRS 9, the Company has applied transitional relief and opted not to restate prior periods. There were no differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment during the year.

The adoption of IFRS 9 has impacted the following area:
- The impairment of financial assets applying the expected credit loss model. For contract assets arising from IFRS 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

On the date of initial application, 1 January 2018, the financial instruments of the Company were classified as follows.

	Measurement category		*Carrying amount*		
	Original IAS 39 category	New IFRS 9 category	Closing balance 31/12/17	Adoption of IFRS 9	Opening balance 01/01/18
			EUR	EUR	EUR
Trade and other receivables	Loans & receivables	Amortised cost	54,936	-	54,936
Other financial assets	FVTPL	FVTPL	115,694	-	115,694
Cash and cash equivalents	Loans & receivables	Amortised cost	1,309,868	-	1,309,868
Other financial liabilities	Loans & receivables	Amortised cost	9,629	-	9,629

4. **Adoption of International Financial Reporting Standards and International Financial Reporting Standards in issue but not yet effective (continued)**

Adoption of revised International Financial Reporting Standards (continued)

In view of the above, Statement of financial position balances remained the same as at 1 January 2018 as there was no impact arising from the adoption of IFRS9.

- The May 2015 amendments to IFRS 15 is the result of a convergence project between the IASB and the FASB. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions being leases, financial instruments and insurance contracts. This amendment is effective for periods beginning on or after 1 January 2018

  The application of these amendments has not resulted in any significant impact on these financial statements.

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

- IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

  IFRS 16 is effective from periods beginning on or after 1 January 2019. Early adoption is permitted, however, the Company have decided not to early adopt.

  The Directors believe that the introduction of such IFRS will not result in any significant impact on these financial statements.

Crystal Finance Investments Limited

Notes to the financial statements

31st December 2018

5. Revenue

Revenue represents commission income and fees in respect of the Company's activities in providing investment services.

6. (Loss)/profit before tax

	2018 EUR	2017 EUR
This is stated after charging/(crediting):		
Auditor's remuneration	**8,241**	6,608
Depreciation of property, plant and equipment	**26,642**	59,210
Staff costs (note 7)	**-**	47,077
Write off-building improvements	**38,375**	127,580

7. Staff costs and employee information

	2018 EUR	2017 EUR
Staff costs:		
Wages and salaries	-	43,804
Social security costs	-	3,273
	-	47,077

The average number of persons employed during the year, including executive directors, amounted to NIL (2017 – 2).

8. Income tax expense

	2018 EUR	2017 EUR
Current tax (credit)/expense	**(68,339)**	382,634
Deferred tax (credit)/expense (note 14)	**67,898**	(81,375)
	(441)	301,259

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

	2018 EUR	2017 EUR
(Loss)/profit before tax	**(17,393)**	495,990
Tax at the applicable rate of 35%	**(6,088)**	173,597
Tax effect of.		
Depreciation charges not deductible by way of capital allowances in determining taxable income	-	6,117
Non-deductible expenses	-	44,653
Depreciation on ineligible assets	**2,404**	-
Write off on ineligible assets	**13,432**	-
Unrealised gains/(losses) on bond portfolios	-	76,685
Overprovision of tax in prior year	**(10,493)**	-
Balancing allowance	**304**	207
Income tax (credit)/expense for the year	**(441)**	301,259

9. Dividends

In respect of the current period, an interim net dividend of *EUR350,000* (2017 – *EUR100,000*) was paid to the ordinary shareholders. The directors do not recommend the payment of a final dividend (2017 – *NIL*)

10. Property, plant and equipment

	Motor Vehicles	Furniture Fixtures and Office Equip.	Computer Software	Leasehold Improv.	Computer Hardware	Total
	€	€	€	€	€	€
Cost						
At 01 01 2017	25,915	166,490	205,567	309,510	116,630	824,112
Assets W/off	-	-	-	(212,217)	-	(212,217)
At 31.12.2017	**25,915**	**166,490**	**205,567**	**97,293**	**116,630**	**611,895**
At 01.01 2018	25,915	166,490	205,567	97,293	116,630	611,895
Assets W/off	-	-	-	(95,142)	-	(95,142)
At 31.12.2018	**25,915**	**166,490**	**205,567**	**2,151**	**116,630**	**516,753**
Depreciation						
At 01 01 2017	(25,915)	(158,012)	(163,847)	(117,840)	(88,137)	(553,751)
Provision for the year	-	(1,745)	(29,282)	(17,478)	(10,705)	(59,210)
Depreciation release	-	-	-	84,637	-	84,637
At 31.12.2017	**(25,915)**	**(159,757)**	**(193,129)**	**(50,681)**	**(98,842)**	**(528,324)**
At 01.01 2018	(25,915)	(159,757)	(193,129)	(50,681)	(98,842)	(528,324)
Provision for the year	-	(1,745)	(9,655)	(6,868)	(8,374)	(26,642)
Depreciation release	-	-	-	56,767	-	56,767
At 31.12.2018	**(25,915)**	**(161,502)**	**(202,784)**	**(782)**	**(107,216)**	**(498,199)**
Carrying amount						
At 31.12.2017	-	6,733	12,438	46,612	17,788	83,571
At 31.12.2018	-	4,988	2,783	1,369	9,414	18,554

11. Financial assets and liabilities at fair value through profit or loss

Financial assets classified as held for trading

	2018 EUR	2017 EUR
Debt securities related to:		
Central government or central banks	-	35,534
EEA financial services licensed entities	-	9,561
Corporate (non-EEA) financial services licensed entities	-	70,599
	-	115,694

Financial liabilities classified as held for trading

	2018 EUR	2017 EUR
Debt securities related to		
Central government or central banks	-	523
licensed entities	-	9,106
	-	9,629

All of the Company's financial assets and liabilities at fair value through profit and loss are classified within Level 1

12. Trade and other receivables

	2018 EUR	2017 EUR
Trade receivables	**7,752**	6,394
Accrued income	-	37,011
Amounts owed by related parties	**799,434**	-
Other receivables	-	11,531
	807,186	54,936

All amounts are short-term. The net carrying value of other receivables is considered a reasonable approximation of fair value. Receivable from related parties are unsecured, interest free and expected to be paid within six months. The effect of any discounting is not significant. All of the Company's receivables in the comparative periods have been reviewed for indicators of impairment, with no specific indicators from customers in the business-to-business market that are experiencing financial difficulties. Further details on receivables from related party balances are provided in note 18 to these financial statements.

13. Trade and other payables

	2018 EUR	2017 EUR
Trade payables	-	187
Amount due to related party (i)	-	107,530
Accruals	**37,196**	26,855
Other payables	-	294,698
	37,196	429,270

i) The amounts due to related parties are unsecured, interest free and have no fixed date of repayment but are expected to be realised in the Company's normal operating cycle. Further details are also provided in note 18 to these financial statements.

14. Deferred taxation

The movement in deferred tax for the year is analysed as follows:

	2018 EUR	2017 EUR
At beginning of year	**72,923**	(8,452)
Credited to profit or loss (note 8)	**(67,898)**	81,375
	5,025	72,923

Deferred income taxed are calculated on all temporary differences under the liability method using a principal rate of 35% (2017: 35%) The balance as at 31 December 2018 represents:

	2018 EUR	2017 EUR
Tax effect of temporary differences arising from:		
-Property, plant and equipment due to difference in tax amortisation	**(1,521)**	(1,592)
- Unutilised wear and tear allowance	**6,546**	-
-Unrealised (gain)/loss	-	74,515
	5,025	72,923

15. Share capital

	2018 EUR	2017 EUR
Authorised		
20,000,000 ordinary shares of EUR 0 05 each	**1,000,000**	1,000,000
Issued.		
15,000,000 ordinary shares of EUR 0.05 each fully paid	**750,000**	750,000

16. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amount in the statement of financial position:

	2018 EUR	2017 EUR
Cash at bank and on hand	**37,812**	1,309,868

Cash at bank earns interest based on daily bank deposit rates.

17. Investor compensation scheme reserve

In terms of the Investment Services Act Category 3 license holders are required to participate in and contribute towards an investor compensation scheme. The total contribution of the scheme in any one year shall be divided into a fixed and variable contribution.

Fixed contribution

During the year under review the Company made a contribution of *EUR17,471* (2017 - *EUR17,471*) towards the scheme which amount is included in other operating expenses.

Variable contribution

The variable contribution is calculated by applying the higher of *EUR699* or an amount of 0.1% of the total revenue of the licence holder on an annual basis. If the investor compensation scheme reserve is more than the variable contribution, then no transfer to the investor compensation scheme reserve will be made. This implies that when a variable contribution is higher than the investor compensation scheme reserve, the licence holder shall be required to make a variable contribution for the difference to ensure that the higher amount is always on reserve.

17. Investor compensation scheme reserve (continued)

The balance on the investor compensation scheme stands at *EUR3,722* (2017 – *EUR3,722*) The licence holder holds such balance in a separate bank account specifically designated for this purpose. This is included under cash and cash equivalents (note 16).

On 5th December 2018, the Company secured a license downgrade to Category 1b to reflect the decrease in overall activity and migration of retail clients to Calamatta Cuschieri Investment Services Limited (C 13729).

18. Related party disclosures

The immediate parent of Crystal Finance Investments Limited is Calamatta Cuschieri Investment Services Limited whilst the ultimate controlling party is Calamatta Cuschieri Group plc, a Company registered in Malta, with its registered address at Ewropa Business Centre, Dun Karm Street, Birkirkara, Malta.

The ultimate parent Company prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. A copy of the Annual report and Accounts of the ultimate parent Company will be delivered to the Registrar of Companies.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions. During the course of the year, the Company entered into transactions with related parties as set out below.

		Sales to related party EUR	Purchases from related party EUR	Amounts owed by related party EUR	Amounts owed to related party EUR
Calamatta Cuschieri Investment Management Limited	**2018**	-	**1,272**	-	-
	2017	-	29,587	-	2,294
Calamatta Cuschieri Inv. Serv Ltd.	**2018**	-	-	**799,434**	-
	2017	-	-	-	3,342
FinanceStack Ltd	**2018**	-	-	-	-
	2017	-	-	-	101,894

The amounts owed by related parties at year-end are disclosed in note 13. The terms and condition in respect of the related party balances do not specify the nature of the consideration to be provided in settlement.

19. Financial risk management

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.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Where applicable, any significant changes in the Company's exposure to financial risks or the manner in which the Company manages and measures these risks are disclosed 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.

Credit risk

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

Credit risk with respect to receivables is limited as balances are mainly due from related parties. The Company assesses the credit quality of its counterparties by taking into account their financial standing and past experience. The maximum exposure to credit risk is equal to the amounts stated in notes 12,13 and 16. In view of this, such risk is minimal.

Quoted investments are acquired after assessing the quality of the relevant investments.

Cash at bank is placed with APS Bank Malta Ltd. Such bank is not rated externally, however, management constantly monitors for any potential increases in significant risks through an internal monitoring and risk assessment process similar to external credit rating methodologies. At present, management consider the probability of default for such balances to be close to zero as the respective bank have a strong capacity to meet its contractual obligations in the near term.

19. Financial risk management (continued)

Credit risk (continued)

Management considers the credit quality of these financial assets as being acceptable. These financial assets do not include any material balances with past default experience.

Management is responsible for the quality of the Company's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

The Company has no formal credit terms. Trade receivables, net of impairment allowances, as stated in note 12, were thus all past due at the end of the reporting period, but amounts are still considered recoverable. These balances have been past due for less than 2 years.

Currency risk

Foreign currency transactions arise when the Company acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise mainly transactions in USD and GBP Other currencies are deemed immaterial for disclosure

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto

Liquidity risk

Liquidity risk is the extent to which the Company might face a mismatch between assets and liabilities which could occur as a result of the Company's assets being pledged, the inability to sell assets quickly or costs and timing constraints of reducing asset positions at difference levels of market liquidation.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables (see Note 12) significantly exceed the current cash outflow requirements.

19. Financial risk management (continued)

Liquidity risk (continued)

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.

	1 – 3 months	3 months – 1 year	Over 1 year	Total
	EUR	EUR	EUR	EUR
2018				
Non-derivative financial liabilities				
Non-interest bearing	**37,196**	-	-	**37,196**
	37,196	-	-	**37,196**
2017				
Non-derivative financial liabilities				
Non-interest bearing	216,369	134,312	78,589	429,270
Fixed rate instruments	-	9,629	-	9,629
	216,369	1,449,495	78,589	438,899

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 primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company also ensures that it complies with the capital requirements set by the regulator. The Company is required to hold capital resource requirements in compliance with the rules issued by the Malta Financial Services Authority (the "Regulator"). The minimum capital requirements (defined as "the capital resource requirements") must be maintained at all times throughout the year. The Company monitors its capital level on a monthly basis through detailed reports compiled with management accounts. Any transactions that may potentially affect the Company's regulatory position are immediately reported to the directors for resolution prior to notifying the Malta Financial Services Authority.

19. Financial risk management (continued)

Capital risk management (continued)

The capital structure of the Company consists of equity attributable to equity holders, comprising issued share capital, an investor compensation scheme reserve, other reserve and retained earnings as disclosed in Notes 15 and 17 to these financial statements and in the statement of changes in equity, respectively. The Company's own funds are made up of tier one capital of *EUR822,634* (*2017. EUR999,882*) which is mainly composed of paid up ordinary share capital and other reserves.

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.

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

The Company is subject to capital requirements imposed by the Malta Financial Services Authority, as set out in the Investment Services Rules. The minimum capital requirements (defined as "the capital resource requirements") must be maintained at all times throughout the year. As at 31 December 2018 and 2017, the Company was in compliance with the capital resource requirement.

The regulatory disclosures required pursuant to Part Eight of the Capital Requirements Regulation (EU) No 575/2013, as amended by the applicable transitional provisions set out in Part Ten, and the Investment Services Rules, will be made publicly available on the Company's website.

As required by the Investment Services Rules, the return on assets calculated as the net profit divided by the total balance sheet, amounted to -2% as at 31 December 2018 (2017: 16%).

20. Events after the reporting period

There are no other events after the reporting period up until the date of authorisation of these financial statements, which require adjustment of or disclosure in these financial statements.

Deloitte.

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Independent auditor's report

to the members of
Crystal Finance Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements Crystal Finance Investments Limited (the Company), set out on pages 6 to 34, which comprise the statement of financial position as at 31 December 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

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

Information Other than the Financial Statements and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Company information on page 1, the directors' report on pages 2 to 4, the statement of directors' responsibilities on page 5 and the additional regulatory disclosures, but does not include the financial statements and our auditor's report thereon.

Except for our opinion on the directors' report in accordance with the Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

With respect to the Directors' report, we also considered whether the Directors' report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 2 to 4, in our opinion, based on the work undertaken in the course of the audit:

Deloitte.

Independent auditor's report (continued)
to the members of
Crystal Finance Investments Limited

Information Other than the Financial Statements and the Auditor's Report Thereon (continued)

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors for the Financial Statements
As explained more fully in the statement of director's responsibilities on page 5, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap.386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

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

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

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

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

Deloitte.

Independent auditor's report (continued)
to the members of
Crystal Finance Investments Limited

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

Report on Other Legal and Regulatory Requirements
Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept,
- 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; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

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

Sarah Curmi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Mriehel, Malta

30 April 2019