

MALTA BUSINESS REGISTRY

Annual Report and Financial Statements

For the Year Ended 31 December 2024

MALTA BUSINESS REGISTRY

For the Year Ended 31 December 2024

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MALTA BUSINESS REGISTRY

Registrar's Statement Report

For the year ended 31 December 2024

The Registrar presents the report and the audited financial statements of the Malta Business Registry for the year ended 31 December 2024.

Principal Activities

The Malta Business Registry (MBR) is an agency set up by the Malta Business Registry (Establishment as an Agency) Order (S.L. 595.27), which regulates its functions and duties as applied within the remit of the Companies Act, Chapter 386 of the Laws of Malta. The MBR is responsible for the registration of all commercial partnerships and for a portal maintained by the Registrar of Companies making public all information required to be filed by commercial partnerships in terms of the Companies Act. In addition to this the MBR is also responsible for the registration of the Foundations and Associations in terms of the Second Schedule of the Civil Code. The MBR is also responsible for the register on beneficial owners of commercial partnerships, foundations, associations and other organisations. The MBR also conducts onsite inspections on companies in order to verify that the beneficial owners disclosed to the Registrar of Companies is accurate, current and up-to-date.

Establishment of the Registry and review of the business

The Registry is established under the terms of Subsidiary Legislation 595.27. Management hereby reports a surplus of €8,234,091 for the financial year 2024 (2023: €8,867,322)

Events after Balance Sheet Date

No significant events have occurred after the balance sheet date which require mention in this report.

Results and surplus funds

The statement of comprehensive income is set out on page 6. The surplus funds for the financial year paid to Government, in terms of the Public Administration Act amount to €11,000,000 (2023: €10,000,000).

MALTA BUSINESS REGISTRY

Registrars' Responsibilities

For the year ended 31 December 2024

In preparing the financial statements the Registrar is responsible for;

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU and the Public Administration Act
- selecting and applying appropriate accounting policies.
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Registry will continue in operation as a going concern

The Registrar is also responsible for designing, implementing and maintaining internal control as the Registrar determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Public Administration Act and Financial Administration and Audit Act. The Registrar is also responsible for safeguarding the assets of the Registry and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

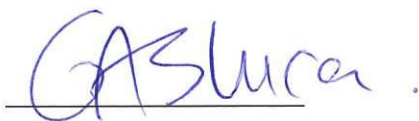
Access to information published on the Registry's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

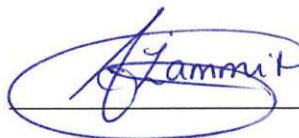
During the year, the Registry appointed Borg Galea Audit Limited as its external auditors.

Borg Galea Audit Limited, Certified Public Accountants and Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed.

Approved by and signed on behalf of the Malta Business Registry on 09 April 2025:



Geraldine Spiteri Lucas
Registrar/Chief Executive Officer



Annalise Zammit
Deputy Registrar/Chief Operations Officer

Registered Address:
Malta Business Registry
AM Business Centre,
Triq il-Labour,
Zejtun
ZTN 2401
Malta

Independent Auditors' Report
To the Stakeholders of MALTA BUSINESS REGISTRY
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of MALTA BUSINESS REGISTRY set out on pages 6 - 21 which comprise the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Public Administration Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Registry in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Registrar is responsible for the other information. The other information comprises the Registrar's report.

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 concluded 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.

Independent Auditors' Report (continued)

Responsibilities of the Registrar

The Registrar is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS as adopted for the EU, and the requirements of the Subsidiary Legislation 595.27 and the Public Administration Act and for such internal control as the Registrar 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 Registrar is responsible for assessing the Registry'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 Registrar is intended to liquidate the Registry or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 Registry's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Registrar.

Conclude on the appropriateness of the Registrar's 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 Registry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Registry 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.

Independent Auditors' Report (continued)

We communicate with those charged with governance 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.

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

Other Matters

Previous auditors

The financial statements of the Registry for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 10 April 2024.

Use of this report

Our report, including the opinions, has been prepared for and only for the Registry's stakeholders as a body in accordance with Public Administration Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.



Mr. Nathaniel Borg
for and on behalf of
Borg Galea Audit Limited
Certified Public Accountants and Registered Auditors
09 April 2025

MALTA BUSINESS REGISTRY**Statement of Comprehensive Income****For the Year Ended 31 December 2024**

		2024	2023
	Note	€	€
Revenue	10.	17,419,142	17,300,668
Operating expenses	11.	(9,830,791)	(8,645,114)
Operating surplus		7,588,351	8,655,554
Other income	13.	1,076,354	841,375
Finance income	14.	147,666	25,875
Finance costs	15.	(578,281)	(655,481)
Surplus for the year - total comprehensive income		8,234,090	8,867,323

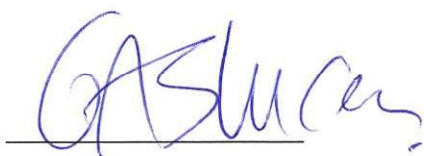
The notes on pages 10 to 21 form an integral part of these financial statements.

MALTA BUSINESS REGISTRY
Statement of Financial Position
As At 31 December 2024

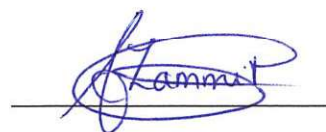
	Note	2024 €	2023 €
ASSETS			
Non-current assets			
Property, plant and equipment	4.	5,246,596	6,479,038
Right-of-use assets	8.	12,178,378	13,781,158
Total non-current assets		17,424,974	20,260,196
Current assets			
Trade and other receivables	5.	2,746,649	3,553,708
Cash and cash equivalents	6.	12,129,186	12,323,311
Cash held on behalf of third parties	6.	6,152,180	4,255,314
Total current assets		21,028,015	20,132,333
TOTAL ASSETS		38,452,989	40,392,529
EQUITY AND LIABILITIES			
Capital and reserves			
Staff support fund reserve	9.	18,546	13,798
Reserve fund		15,969,085	18,739,744
Total equity		15,987,631	18,753,542
Liabilities			
Non-current liabilities			
Lease liability	8.	13,190,235	15,030,283
Current liabilities			
Lease liability	8.	1,800,245	1,122,450
Trade and other payables	7.	7,474,878	5,486,254
Total current liabilities		9,275,123	6,608,704
Total liabilities		22,465,358	21,638,987
TOTAL EQUITY AND LIABILITIES		38,452,989	40,392,529

The notes on pages 10 to 21 form an integral part of these financial statements.

These financial statements on pages 6 to 21 were authorised for issue by the Malta Business Registry on 09 April 2025 and were signed on its behalf by:



Geraldine Spiteri Lucas
Registrar/Chief Executive Officer



Annalise Zammit
Deputy Registrar/Chief Operations Officer

MALTA BUSINESS REGISTRY

Statement of Changes in Equity

For the Year Ended 31 December 2024

	Staff support reserve	Reserve fund	Total Equity
	€	€	€
Balance as at 01 January 2024	13,798	18,739,744	18,753,542
Comprehensive income			
Appropriation from income statement	-	8,234,090	8,234,090
Transfer to staff support reserve	4,748	(4,748)	-
Total comprehensive income for the year	4,748	8,229,342	8,234,090
Transactions with stakeholders			
Surplus allocated to Government	-	(11,000,000)	(11,000,000)
Total transactions with stakeholders	-	(11,000,000)	(11,000,000)
Balance as at 31 December 2024	18,546	15,969,086	15,987,632

	Staff support reserve	Reserve fund	Total Equity
	€	€	€
Balance as at 01 January 2023	9,783	19,876,436	19,886,219
Comprehensive income			
Appropriation from income statement	-	8,867,323	8,867,323
Transfer to staff support reserve	4,015	(4,015)	-
Total comprehensive income for the year	4,015	8,863,308	8,867,323
Transactions with stakeholders			
Surplus allocated to Government	-	(10,000,000)	(10,000,000)
Total transactions with stakeholders	-	(10,000,000)	(10,000,000)
Balance at 31 December 2023	13,798	18,739,744	18,753,542

The notes on pages 10 to 21 form an integral part of these financial statements.

MALTA BUSINESS REGISTRY

Statement of Cash Flows

For the Year Ended 31 December 2024

	Note	2024 €	2023 €
Cash from operating activities:			
Cash generated from operations	17.	13,345,029	15,074,988
Interest and other income received		1,224,020	867,250
Net cash flows from operating activities		14,569,049	15,942,238
Cash flows from investing activities:			
Purchase of property, plant and equipment	4.	(125,772)	(420,065)
Net cash flows used in investing activities		(125,772)	(420,065)
Cash flows from financing activities:			
Payments to Government	19.	(11,000,000)	(10,000,000)
Capital repayments of lease liabilities	8.	(1,740,536)	(1,679,641)
Net cash flows in financing activities		(12,740,536)	(11,679,641)
Net movement in cash and cash equivalents		1,702,741	3,842,532
Cash and cash equivalents at beginning of year		16,578,625	12,736,093
Cash and cash equivalents at end of year	6.	18,281,366	16,578,625

The notes on pages 10 to 21 form an integral part of these financial statements.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements

For the Year Ended 31 December 2024

1. General Notes

a. Basis of preparation

I. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of Public Administration Act. They have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the registrar to exercise judgement in the process of applying the Registry's accounting policies (see Note 3 — Critical accounting estimates and judgements).

II. Functional and presentation currency

The financial statements are presented in euro (€), which is the Company's functional currency.

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

III. Use of estimates and assumptions

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

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

IV. Standards, interpretations and amendments to published standards effective in 2024

In 2024, the Registry adopted new standards, amendments and interpretations to existing standards that are mandatory for the Registry's accounting year beginning on 1 January 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Registry's accounting policies impacting the financial performance and position.

V. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Registry. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

2. Significant Accounting Policies

a. Property, plant and equipment

I. Value Method

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

II. Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and major components are accounted for separately. Land is not depreciated. The estimated useful lives are as follows:

Building Improvements	10%
Furniture, fixtures and fittings	20%
Equipment	20%

Gains and losses on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of comprehensive income as other operating income or other operating costs, respectively.

b. Trade and other receivables

I. Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less loss allowance.

II. Provision for impairment

The Registry assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Registry applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

c. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call together with short-term, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of change in value.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

2. Significant Accounting Policies (continued)

d. Impairment

I. Non-financial Assets

The carrying amount of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

II. Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk circumstances.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

e. Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

2. Significant Accounting Policies (continued)

f. Leases

The Registry leases various vehicles and office spaces. Rental contracts are typically made for fixed periods ranging from 5 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset including a corresponding liability at the date at which the leased asset is available for use by the Registry.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities comprise the net present value of the fixed lease payments (including in-substance fixed payments), and less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Registry, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Registry where possible uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. Lease payments due within twelve months are classified as current, if not they are presented as non-current liabilities.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Payments associated with short-term leases of vehicles and land are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

g. Provisions

Provisions for legal claims are recognised when the Registry has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

h. Revenue recognition

The Registry recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

2. Significant Accounting Policies (continued)

h. Revenue recognition (continued)

Income derived is recognised when payment is received which, in view of the profile of companies including dormant and defunct companies, is determined by the Registry to be the point in time when there is a probability that the economic benefits associated with the revenue will flow to the entity. Fees and penalties and similar income due but not paid, are not accounted for, and are not recognised.

i. Financial Risk Management

I. Financial Risk Factors

The Registry's activities potentially expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Registry's risk management is coordinated by the registrar and focuses on actively securing the Registry's short to medium term cash flows by minimising the exposure to financial markets.

The most significant financial risks that the Registry is exposed to are described below.

II. Market Risk

The registrar does not consider that the Registry is exposed to significant market risk in view of the assets held.

III. Credit Risk

The Registry's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below. The Registry's exposures to credit risk as at the end of the reporting periods are analysed as follows

	2024	2023
	€	€
Trade and other receivables	945,558	1,759,988
Cash and cash equivalents	18,281,366	16,578,625
	<u>19,226,924</u>	<u>18,338,613</u>

The Registry employs a comprehensive credit assessment framework to evaluate the creditworthiness of its customers. This framework incorporates an analysis of financial standing, historical payment behaviour, and other relevant criteria. Stringent policies are implemented to ensure that service offerings are extended exclusively to customers demonstrating an appropriate credit profile. The Registry conducts regular monitoring of its receivables portfolio to identify and account for collection losses, which are an inherent aspect of its receivables management, based on historical data and experience.

The Registry's receivables, classified as non-impaired financial assets, primarily consist of transactions with customers who have maintained a consistent payment history without recent defaults. Management has determined that the likelihood of losses arising from non-performance by these customers is minimal. It should be noted that the Registry's financial assets are unsecured and not supported by collateral.

As of 31 December 2024, impaired trade receivables amounted to €2,395 (2023: €424,436), with corresponding impairment provisions fully aligned with these amounts. Provisions for impairment may be reversed in instances where customers demonstrate improved financial circumstances and resume compliance with repayment obligations. The Registry does not hold collateral as security against impaired assets.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

2. Significant Accounting Policies (continued)

i. Financial Risk Management (continued)

With respect to cash and cash equivalents, credit risk is considered negligible, as these are held with reputable financial institutions and counterparties of high standing.

IV. Liquidity Risk

The Registry is exposed to liquidity risk concerning its ability to meet future obligations tied to its financial liabilities, which primarily consist of trade and other payables (refer to Note 7). Effective liquidity risk management involves maintaining adequate cash reserves and secured credit facilities to ensure sufficient funding is available to fulfill the Registry's financial commitments.

To mitigate liquidity risk, the Registry conducts regular reviews of projected cash flows and has determined that no additional financing facilities are anticipated to be required within the next 12 months. The Registry's liquidity risk is considered immaterial, given the alignment of cash inflows and outflows associated with the expected maturities of its financial instruments.

j. Capital Risk Management

The Registry's equity, as presented in the statement of financial position, represents its reserve fund. The primary objectives of the Registry in managing capital are to ensure the entity's ongoing ability to operate as a going concern, thereby delivering returns and benefits to stakeholders, and to maintain an optimal capital structure to minimise the cost of capital.

Given the nature of the Registry's operations and its financial standing, the Registrar has assessed the capital level as at the end of the reporting period and determined it to be sufficient.

k. Fair values of financial instruments

At 31 December 2024 and 2023 the carrying amounts of cash at bank, receivables, payables and accrued expenses 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.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the registrar, 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.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

4. Property, plant and equipment

31 December 2024

	Building Improvements €	Furniture, fixtures and fittings €	Equipment €	Total €
Cost				
Opening balance	8,424,800	1,430,555	2,348,844	12,204,199
Additions	22,188	53,144	50,440	125,772
Balance at 31 December 2024	8,446,988	1,483,699	2,399,284	12,329,971
Depreciation and impairment losses				
Opening balance	(3,016,297)	(966,678)	(1,742,186)	(5,725,161)
Depreciation	(841,882)	(182,884)	(333,448)	(1,358,214)
	(3,858,179)	(1,149,562)	(2,075,634)	(7,083,375)
Balance at 31 December 2024	(3,858,179)	(1,149,562)	(2,075,634)	(7,083,375)
At 31 December 2024	4,588,809	334,137	323,650	5,246,596

31 December 2023

Cost				
Opening balance	8,253,588	1,344,610	2,189,520	11,787,718
Additions	171,212	85,945	162,908	420,065
Disposals	-	-	(3,584)	(3,584)
Balance at 31 December 2023	8,424,800	1,430,555	2,348,844	12,204,199
Depreciation and impairment losses				
Opening balance	(2,180,799)	(684,592)	(1,283,003)	(4,148,394)
Depreciation	(835,498)	(292,086)	(461,693)	(1,589,277)
Depreciation released on disposal	-	-	2,510	2,510
Balance at 31 December 2023	(3,016,297)	(976,678)	(1,742,186)	(5,735,161)
At 31 December 2023	5,408,503	453,877	606,658	6,469,038

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

5. Trade and other receivables

	2024	2023
	€	€
Trade and other receivables (Note i)	945,841	1,759,988
Prepayments	1,800,808	1,793,720
Total	2,746,649	3,553,708

Note i: The trade and other receivables are shown net of allowance on trade and other receivables of €2,395 (2023: €424,436).

6. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2024	2023
	€	€
Cash and cash equivalents	12,129,186	12,323,311
Cash held on behalf of third parties	6,152,180	4,255,314
Total cash and cash equivalents	18,281,366	16,578,625

Cash equivalents is composed of treasury bills with a maturity of 3 months earning an average interest rate of 2.9% as at end of 2024.

Cash balances held on behalf of third parties consists of balances with:

	2024	2023
	€	€
Central Bank of Malta	261,065	328,610
Bank of Valletta	5,891,115	3,926,704
	6,152,180	4,255,314

The balances held on behalf of third parties are reflected in Note 7 within "Other payables". Cash held at the Central Bank of Malta include amounts pertaining to defunct companies. The amounts held in Bank of Valletta include amounts held on behalf of companies in liquidation, whereby the court has appointed the Official Receiver to administer such companies.

7. Trade and other payables

	2024	2023
	€	€
Trade payables	366,659	519,910
Accruals	515,638	378,616
Deferred income	10,333	17,933
Other payables (Note i)	6,582,248	4,569,795
Total	7,474,878	5,486,254

Note i: Other payables include amounts held on behalf of third parties (Note 6)

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

8. Right-of-use assets and lease liabilities

This note provides information for leases where the company is a lessee.

(i) Amounts recognised in the statement of financial position.

The statement of financial position shows the following amounts relating to leases:

	2024	2023
	€	€
Right-of-use assets		
Vehicles	-	39
Offices	12,178,378	13,781,119
	12,178,378	13,781,158
	2024	2023
	€	€
Lease Liabilities		
Non-current	13,190,235	15,030,283
Current	1,800,245	1,122,450
	14,990,480	16,152,733

(ii) Amounts recognised in the statement of comprehensive income.

The statement of comprehensive income shows the following amounts relating to leases:

	2024	2023
	€	€
Depreciation charge of right of-use of assets		
Vehicles	39	14,390
Offices (gross of sub-lease contribution)	1,602,741	1,381,075
	1,602,780	1,395,465
Interest expense on lease liabilities	578,281	655,481

During 2024, the Registry subleased parts of its property to other Government agencies for a contribution of €976,652 (2023: €753,751) which is netted against the lease depreciation in accordance with IFRS.

9. Staff support reserve

The staff support reserve has been created to set aside reserves to support employees in need at the opportune time.

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

10. Revenue

Income represents fees and penalties in line with charges prescribed by legislation. Fluctuations from one year to another may represent income claimed in previous years given that revenue is accounted for upon receipt of payment.

11. Operating expenses

	2024	2023
	€	€
(Decrease) in loss allowance on trade and other receivables	(440,032)	(183)
Cleaning services	136,611	140,912
Depreciation on right-of-use assets	1,602,780	1,395,465
Other expenses	723,073	736,023
Professional and consultancy fees	106,223	124,881
Repairs and maintenance	236,741	224,499
Salaries, wages and employee benefits	5,011,927	3,807,861
Security services	98,858	93,896
IT expenses	996,275	542,483
Depreciation of property, plant and equipment	1,358,335	1,579,277
Total	9,830,791	8,645,114

a. Auditor's fees

Fees charged by the auditor for the statutory audit amounting to €6,490 (2023: €11,653) inclusive of value added tax.

12. Wages and Salaries

a. Wages and Salaries

Payroll costs for the year comprise of the following:

	2024	2023
	€	€
Wages and salaries	6,502,079	4,982,501
Social security costs	272,530	230,428
Other staff costs	194,367	183,865
Recharged to other government entities	(1,957,049)	(1,588,933)
Total	5,011,927	3,807,861

b. Average number of employees

The average number of persons employed by the Registry during the year:

	2024	2023
Managerial	110	102
Administration	37	39
Total	147	141

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

13. Other income

	2024	2023
	€	€
Rental income from sublease agreements (Note i)	976,652	753,751
Other income	99,702	87,624
Total	1,076,354	841,375

Note i: The entire rental income is derived from sublease agreements with Government related entities (Note 19).

14. Finance income

	2024	2023
	€	€
Interest income from treasury bills and bank	147,666	25,875

15. Finance costs

	2024	2023
	€	€
Interest expense on lease liabilities (Note 8)	578,281	655,481

16. Taxation

Legal Notice 144 of 2018 (para 14) exempts the Malta Business Registry from any liability to pay income taxes.

17. Cash generated from operations

Reconciliation of operating surplus generated from operations:

	2024	2023
	€	€
Operating surplus	7,588,351	8,655,554
Adjustments for:		
Depreciation of property, plant and equipment	1,358,214	1,579,277
Depreciation of right-of-use of assets	1,602,780	1,395,465
Decrease in allowance on trade receivables	(421,861)	(183)
Loss on disposal of assets	-	1,075
Changes in working capital:	-	-
Trade and other receivables	1,228,920	(665,816)
Trade and other payables	1,988,625	4,109,616
	13,345,029	15,074,988

18. Commitments

Commitments for expenditure not provided for in these financial statements as at the statement of financial position date were as follows:

MALTA BUSINESS REGISTRY

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2024

18. Commitments (continued)

	2024	2023
	€	€
Contracted but not provided for	145,736	641,727

19. Related party transactions

Except for transactions disclosed or referred to previously, the following significant transactions, which were carried out principally with related entities, have a material effect on the operating results and financial position of the Registry:

	2024	2023
	€	€
Surplus allocated to Government	11,000,000	10,000,000
Rental income from sublease agreements	976,652	753,751

20. Events after the end of the reporting period

There were no material events after the reporting period that would impact the fair presentation of the financial statements.

21. Comparative figures

a. Reclassified to conform with current year

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.

22. Statutory information

The Malta Business Registry is the single companies' registrar in Malta established under Subsidiary Legislation 595.27 and reports to the Maltese Parliament