Moralltach Global PLC and Its Consolidated Entities

ARBN 613 805 173

Financial Statements

For the Year Ended 31 December 2017

Moralltach Global PLC

ARBN 613 805 173

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For the Year Ended 31 December 2017

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2017 Directors Report

The Directors present their report, together with the financial statements of Moralltach Global PLC ("MLG") for the year ended 31 December 2017.

Moralltach Global PLC
Directors Report
March 15th, 2018

Directors Governance Statement

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to governance policies with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarized below:

Board Composition and Appointments

The Board in fulfilling its responsibilities to shareholders by:

- Regularly assessing the strengths and weaknesses of its Board to ensure it is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standard of corporate governance.
- Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision making body.

Director's Access to Independent Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company, including direct access to employees of and advisors to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Board and Risk

The Board meets with the external auditors at least once a year. The expected activities include assessing and monitoring:

- The adequacy of the Company's internal control policies and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and listing with the external auditor

Remuneration and Succession Planning

The Board in fulfilling its duties to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for the Company.
- Ensuring that the executive remuneration policy demonstrates a clear direct relationship between executive performance and remuneration.

Directors Information

The following persons were directors of MLG during the whole of the financial year, as indicated below, and up to the date of this report, unless stated otherwise:
Richard Barry
John K. Brennan
Tomas Brennan
Robert M. Bryniak
Nick Linnane
Patrick Noone

Further information for each Director follows.

Robert Morris Bryniak

Position: Board Member and Chairman since December 15th, 2016 to date.

Qualifications and Experience: Robert has 35+ years business experience with start-ups, leading other companies and working with Boards in North America and the Middle East. He is also Chief Executive Officer of Golden Sands Management (Marketing) Consulting since 2007. He was previously Chief Executive officer of Palm Water in Dubai, United Arab Emirates, and, Oman Power and Water Procurement Company, Sultanate of Oman. In Canada, Robert was President of Kortek Pharmaceutical, Chief Executive Officer and President of Environmental Waste International and Vice President Generation Services and Corporate Comptroller for the non-nuclear side of the business of Ontario Power Generation (previously Ontario Hydro). He has a Master of Arts Degree specializing in Economics from Windsor University, Canada (1976) and an Honours Bachelor of Arts Degree (magna cum laude) from McMaster University, Canada (1974).

Interest in Shares and Options*: Owns 7,000,000 CDIs).*

Directorships in Other Listed Entities*: Nil*

Past Directorships*:*

- (Temporary) Chairman of Masirah International Technical and Marine Services LLC in the Sultanate of Oman (2012)
- Board Director of Oculus Ventures Corporation listed on the Toronto Stock Exchange, Canada (2009 – 2011)
- Board Secretary of Palm Water LLC in United Arab Emirates (2005 - 2007)
- Board Secretary of Oman Power and Water Procurement Company (2003 – 2005)
- Board Director and Secretary of the Board of Environmental Waste International in Ajax, Ontario, Canada listed on the Toronto Stock Exchange (1999 – 2002)
- Board Director and Chief Financial Officer of Ontario Power Generation International in Toronto, Ontario, Canada (1998 – 1999).

-

John Kieran Brennan

Position: Board Member since December 15th, 2015 to date. He was Chairman of the Company from December 15th, 2015 to November 21st, 2016, and Co-Chairman from November 21st, 2016 to date. Mr. Brennan is the founder of Moralltach and the Chief Executive Officer of the Company.

Qualifications and Experience: Kieran has 30+ years business experience throughout Europe and with extensive experience as a property developer in Ireland. He has acquired extensive contacts in business and government circles throughout Ireland and has many lucrative business interests in Ireland, Europe, North America and South East Asia. Mr. Brennan has a Bachelor of Civil Law (BLC) from the University of Dublin.

Interest in Shares and Optio*ns: Owns 281,300,000 CDIs*

Directorships in Other Listed Entities*: Nil*
Past Directorships*: Nil*

Richard Barry

Position: Board Member since November 21st, 2016 to date. Mr. Barry is also co-founder of Moralltach and the Chief Operating Officer of the Company.

Qualifications and Experience: Mr. Barry has 25+ years business and banking experience in Ireland with extensive knowledge of the property market. *He has also successfully managed several businesses in retail and has gained valuable experience in human resources, administration and risk management. He now owns and operates a retail chain of petrol stations and convenience stores in Ireland.*

Interest in Shares and Optio*ns: Owns 35,000,000 CDIs*

Directorships in Other Listed Entities*: Nil*

Past Directorships*:*
Board Director of Caulfield and Sinnott Ltd, 1998 to date.
Board Director of Fernogue Ltd, 2007 to 2010

Tomas Brennan

Position: Board Member since December 15th, 2015 to date. Tomas is Vice President of Business Development of the Company.
Qualifications and Experience: Mr. Tomas has been involved with Moralltach since its inception. Prior to joining Moralltach, Tomas was the cofounder and director of FC Carolina United in South Carolina, United States of America. He was responsible for

preparing the business plan and the National Premier League License application. He also took the lead in designing and implementing the team's marketing plan. Tomas is also a talented football player (soccer) and completed a 4-year football scholarship programme at Winthrop University. Tomas earned an under graduate Degree Bachelor of Science[Business] a Master of Business Administration [MBA] from Winthrop University, South Carolina, United States of America, graduating in 2015. His specialty is international marketing, economics and financial management. He earned a Bachelor of Science B.Sc. in International Business in 2012 from Winthrop University, South Carolina, United States of America.

Interest in Shares and Options*: Owns 5,000,000 CDIs*

Directorships in Other Listed Entities*: Nil*

Past Directorships*: Nil*

Nick Linnane

Position: Board Member since December 15th, 2015 to date. Nick is also a co-founder of Moralltach and Chief Financial Officer of the Company.

Qualifications and Experience: He is a Chartered Accountant and has considerable experience advising businesses of all sizes. Nick has been a Fellow of the Institute of Chartered Accountants of Ireland (FCA) since 1988. He was a member of the General Practice Committee of Chartered Accountants for three years, providing invaluable knowledge and insight to his fellow professionals. He was also a Board member of Silicon Republic (formerly Whitespace Publishing Group) and acted as expert/mentor on the business start-up site 'bizstartup.ie'. He has also written several articles for publications in their business publications. He has also contributed to publications produced by the AIB Bank titled 'Working Capital 'and 'Business Planning'. These guides are generally available for small business and the public at large.

Interest in Shares and Options*: Owns 7,005,000 CDIs and 4,000 CDIs indirectly through related parties*

Directorships in Other Listed Entities*: Nil*

Past Directorships*:*

Board Member, Athlone Mortgage Investment Brokers, 2011 to date
Board member of Silicon Republic (formally Whitespace Publishing Group) – 2009 – 2010

Pat Noone

Position: Board Member since November 21st, 2016 to date. Pat is also Chief Technology Officer of the Company.

Qualifications and Experience: He is an accomplished engineer who will bring specific knowledge to the board in the Green Energy area. Pat is considered one of the foremost authority of knowledge in this area in Ireland and throughout the United Kingdom. His background is in mechanical engineering. Pat has over 35 years experience in technical sales with over 25 years experience in international sales in countries and regions such as Northern Africa, Malta, Turkey and Denmark. Pat has a Diploma in Mechanical Engineering from the College of Engineering, United Kingdom.

Interest in Shares and Options*: Owns 3,500,000 CDIs directly and 100,000 CDI's through related parties.*

Directorships in Other Listed Entities*: Nil*

Past Directorships*: Nil*

Company Secretary

The Company's Secretaries are as follows:

For Malta:

Dr. Peter Feneche
Triq Sant'andrija
Lija LJA 1521
Malta

For Australia:

Andrew Bristow
31 Highgate CCT
Kellyville, NSW 2155

Principal Activities

The Company's principal activity during the year consisted of developing projects related to property development (including restructured properties) and to green energy (mainly waste to energy applications). The Company also plans to invest in selected "blue sky" investments in other areas that have the potential to earn much higher returns, but are also higher risk.

Dividends

There were no dividends declared or paid in financial year 2017.

Review of Operations and Performance in 2017

While the Company remains in an "Establishment Phase" of its operations, the after tax profit for the year was €401,270. This represents a significant improvement over 2016 when losses of €626,829 were recorded. The improved performance is due to crediting rental incomes of various properties in Ireland.

Overview

The Company provides investors with medium to long-term investment with exposure to property development and green energy projects located primarily in the Republic of Ireland. The Company's primary objective is to provide returns from capital growth during the medium term, and potentially dividends and capital growth during the longer term.

Earnings Per Share

Earnings per share for financial year 2017 are reported as €0.0006.

Comparative Financial Results Over the Last 5-Years

This information is not available as 2017 is the second financial annual result reported for the Company. However, as shown below earnings have increased significantly over 2016.

Year	Net Earnings (after tax)	Earnings Per Share
2017	€401,270	€0.0006
2016	(€626,829)	(€0.0019)

Structure and Business Model

The Company acquires properties and invests in green energy projects such as waste to energy, based on a unique variant of standard "lease back" arrangement.

For Property Transactions:

For properties with existing debt, Moralltach offers to purchase the property from the owner at an independently appraised value. The property is simultaneously leased back to the owner as Lessee under a lease for, typically, 15 years plus subject to an annual rent paid to Moralltach as a yield. The Lessee has the right to continue using the property, including the rights to any revenues associated with it, including all rental income or profits from the land or buildings.

The Lessee pays a yearly lease payment to Moralltach based on the capital realized by the deal and the Market rents applying at the time. Uniquely, the Lessee retains the right to buy back the property at the expiration of the term of the Lease for the market value at that time. Alternatively, the property can be re- leased for a further term on payment terms to be negotiated at that time. Lease payments are higher for the first two years and are constant for the rest of the lease term.

This particular leaseback arrangement is a win-win-win situation for the following reasons:

For the original property owner:
- ✓ The debt is repaid and there are no fears of losing the property to foreclosure;
- ✓ They can continue to use the property as in the past;
- ✓ All revenues derived from the property continue to be earned by them;
- ✓ They are free to build on or expand their business; and,
- ✓ They have the right to buy back their property at the end of their lease at market value.

For the financial institution:
- ✓ Debt is repaid as agreed between the parties;
- ✓ They no longer have to deal with future repayments; and,
- ✓ The debt obligation is removed from their books.

For Moralltach:
- ✓ The Company has property assets on its books valued at cost value
- ✓ Annual returns are earned on the payment made
- ✓ The Company's asset value will continue to rise as the property market recovers
- ✓ The Company benefits from the added value of the expanding business projects over the lifetime of the lease as agreed between the parties.

The Company envisions utilizing a similar structure for other real estate development projects in Ireland, though there will be instances where standard financing (and leveraging) arrangements will be pursued.

For Green Energy Transactions:

Similar leaseback arrangements are also arranged on many of the Company's green energy projects. For instance, in a transaction summary for a local farmer installing a waste to energy (WTE) system on their farm, Moralltach owns the facility. It finances the WTE System, both construction and installation. The Operator manages the WTE System and pays an annual fixed payment to Moralltach as a yield. In addition, a negotiated portion of the annual profits is paid to Moralltach. The Operator has the option of purchasing the WTE System at the end of the 15-year Period at percentage of market price.

A 15-year Feed in Tariff (FIT) is agreed with the local grid utility with terms and conditions set out in a Power Purchase Agreement (PPA). The FIT is fixed within the PPA and can only increase. There are no provisions for a lower FIT. The term of the PPA covers significant portion of the asset's economic life, which is in the 15 to 20 year period.

Significant Changes in the State of Affairs

There were the following significant developments in the state of affairs of the entity throughout 2017: The Company:

1. listed for trading on the NSX as of February 27, 2017 under the symbol "MLG";
2. secured office space in Valetta, Malta to operate its businesses;
3. appointed LNP Audit & Assurance as its Auditors replacing Walker Wayland;
4. registered five 100% owned subsidiaries in the Republic of Ireland to facilitate business operations;
5. purchased the property known as the "Chantry" in the town of Bunclody for use as its head office in the Republic of Ireland, for €330,000 in cash; and
6. held its Annual Shareholder' Meeting on May 31st, 2017 in Valletta, Malta;

Matters Subsequent to the End of the Financial Year

The following circumstances have occurred since 31 December 2017 that has significantly affected, or may significantly affect the Company's operations, or the Company's state of affairs in future years.

1. Company received a stock symbol for future trading on the OTC (Pink Sheet) market in New York
2. A new subsidiary called Enerfy Corporation was registered in the USA state of Delaware to better manage Moralltach's energy assets, particularly the development of its waste to energy facilities;
3. Moralltach's subsidiary, Enerfy Corporation, engaged Iot Chain to develop a block chain contract to raise $ USD 40,000,000 in a convertible debt offering to accredited investors in USA, with funds used to establish 5 waste to energy facilities.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to be an unreasonable prejudice to the Company.

Environmental Regulation

The Company is not subject to any significant environmental regulations under Australian Commonwealth or State law.

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Robert Morris Bryniak (Chairman)	11	5
John Kieran Brennan	11	11
Tomas Brennan	11	9
Richard Barry	11	11
Nick Linnane	11	11
Patrick Noone	11	11

Remuneration Report

Robert Bryniak received €59,941 for the year ended 31 December 2015. Five of the Directors are also employees of the Company; however, no remuneration was paid to these Company employees during the year ending 2017. The Company has no other employees.

Full details relating to Directors are set out at Note 22 – Related Parties, to the Notes to and forming of Financial Statements for year ended 31 December 2017.

Except as otherwise disclosed, no Director of the Company has received, or has become entitled to receive, as a benefit because of a contract that the directors, or a firm of which the director is a member, or an entity in which the Director has a substantial financial interest, has made (during the year ended 31 December 2017 or at any other time) with the Company; or of an entity of that Company controlled, or a body corporate that was related to the Company, when the contract was made or which the Director received, or became entitled to receive, the benefit.

Issue of Shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2017.

Options

There were no options issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2017. There were no options granted to or exercised by Directors and other key management personnel during the year ended 31 December 2017.

This concludes the remuneration report.

List of Top 10 Shareholders

The following is the list of the top 10 shareholders of the Company as of 31 December 2017:

No.	Name	Number of Shares	% Shareholding
1.	Beagalltach Ltd	281,300,000	40.2
2.	Moralltach Global PLC*	154,494,894	22.1
3.	Purple Investments Ltd	35,000,000	5.0
4.	Morpeth Holdings Ltd	15,000,000	2.1
5.	S&K Ltd	13,068,989	1.9
6.	Fusion Bloom	13,068,989	1.9
7.	Patrick O'Toole	10,700,000	1.5
8.	Eliseo Partners (Asia) Ltd	8,000,000	1.1
9.	Aimsitheoir Deantoireacht Teoranta	7,466,666	1.1
10.	Lissadulta Temple Ltd	7,000,000	1.0
	Total:	545,099,538	77.9%
	Other Shareholders:	154,900,462	22.1%
	Total Number of Shares:	700,000,000	100%
Note: * These are held in Treasury.			

Indemnity and Insurance of Officers

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is lack of good faith.

Indemnity and Insurance of Auditors

The Company has not during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related party.

Non-Audit Services

There were no non-audit services providing during the financial year by the auditor.

Officers of the Company Who are Former Audit Partners of LNP Audit & Assurance

There are no officers of the Company who are former audit partners with LNP Audit & Assurance.

Auditors Independent Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

LNP Audit & Assurance continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors,

Richard Barry	Nick Linnane
Director	Director

Bunclody, Republic of Ireland
March 15th, 2018

LNP Audit and Assurance Pty Limited
ABN 65 155 188 837
L14 309 Kent St Sydney, NSW 2000
T +61 2 9290 8515
L24 570 Bourke Street Melbourne, VIC 3000
T +61 3 8658 5928
www.lnpaudit.com

Moralltach Global PLC and Controlled Entities

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Moralltach Global PLC and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

(i) no contraventions of the auditor independence requirements as set out in Australian Professional and Ethical Standards in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LNP Audit and Assurance Pty Ltd

Anthony Rose
Director
15 March 2018

Moralltach Global PLC

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017	2016
		€	€
Revenue	4	**1,750,791**	650,000
Occupancy costs		**(17,509)**	-
Administrative expenses		**(485,541)**	(226,757)
Professional fees		**(218,433)**	(652,601)
Listing fees		**(399,803)**	(69,491)
Travelling expenses		**(168,394)**	(327,980)
Wages and salaries		**(59,841)**	-
Profit before income tax		**401,270**	(626,829)
Income tax expense	5	**-**	-
Profit from continuing operations		**401,270**	(626,829)
Profit for the year		**401,270**	(626,829)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified to profit or loss when specific conditions are met		**-**	-
Total comprehensive income for the year		**401,270**	(626,829)
Profit attributable to:			
Members of the parent entity		**401,270**	(626,829)
Total comprehensive income attributable to:			
Members of the parent entity		**401,270**	(626,829)

Earnings/(loss) per share		
Basic earnings/(loss) per share - Euros per share	0.0006	(0.0019)
Diluted earnings/(loss) per share - Euros per share	0.0006	(0.0019)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 31 December 2017

	Note	2017 €	2016 €
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**22,848**	593,947
Trade and other receivables	7	**162,368**	100,608
Work in progress	8	**325,000**	650,000
Other assets	11	**1,781,816**	-
TOTAL CURRENT ASSETS		**2,292,032**	1,344,555
NON-CURRENT ASSETS			
Property, plant and equipment	9	**85,613,332**	85,333,332
Investment properties	10	**133,636,362**	133,636,362
Deferred tax assets		**-**	-
TOTAL NON-CURRENT ASSETS		**219,249,694**	218,969,694
TOTAL ASSETS		**221,541,726**	220,314,249
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**142,540**	157,145
TOTAL CURRENT LIABILITIES		**142,540**	157,145
NON-CURRENT LIABILITIES			
Financial liabilities	13	**2,007,542**	1,166,730
TOTAL NON-CURRENT LIABILITIES		**2,150,082**	1,166,730
TOTAL LIABILITIES		**2,150,082**	1,323,875
NET ASSETS		**219,391,644**	218,990,374
EQUITY			
Issued capital	14	**219,617,203**	219,617,203
Retained earnings		**(225,559)**	(626,829)
TOTAL EQUITY		**219,391,644**	218,990,374

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2017

2017

	Ordinary Shares	Retained Earnings	Total
	€	€	€
Balance at 1 January 2017	**219,617,203**	**(626,829)**	**218,990,374**
Profit attributable to members of the parent entity	**-**	**401,270**	**401,270**
Balance at 31 December 2017	**219,617,203**	**(225,559)**	**219,391,644**

2016

	Ordinary Shares	Retained Earnings	Total
	€	€	€
Balance at 15 December 2016	-	-	-
Loss attributable to members of the parent entity	-	(626,829)	(626,829)
Issue of shares	219,617,203	-	219,617,203
Balance at 31 December 2016	219,617,203	(626,829)	218,990,374

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2017

	Note	2017 €	2016 €
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**2,000**	-
Payments to suppliers and employees		**(1,073,411)**	(1,220,292)
Net cash provided by/(used in) operating activities	23	**(1,071,411)**	(1,220,292)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(280,000)**	-
Net cash provided by/(used in) investing activities		**(280,000)**	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**-**	647,509
Proceeds from directors' loans		**780,312**	1,166,730
Net cash provided by/(used in) financing activities		**780,312**	1,814,239
Net increase/(decrease) in cash and cash equivalents held		**(571,099)**	593,947
Cash and cash equivalents at beginning of year		**593,947**	-
Cash and cash equivalents at end of financial year	6	**22,848**	593,947

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

The financial report covers Moralltach Global PLC and its controlled entities ('the Group'). Moralltach Global PLC is a for-profit Company limited by shares, incorporated and domiciled in Malta.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Euro which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 15 March 2018.

Comparatives are consistent with prior year is from the date of incorporation on 15 December 2015 to 31 December 2016.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

2 Summary of Significant Accounting Policies (continued)

(b) Income Tax (continued)

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured 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 (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Lease revenue

Lease revenue has been assessed based on the expected total amounts receivable over the life of the leases, the expected rates of inflation applicable to the leases and the expected discount rates the company is subject to.

2 Summary of Significant Accounting Policies (continued)

(d) Value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant jurisdiction.

Receivables and payable are stated inclusive of VAT.

Cash flows in the statement of cash flows are included on a gross basis and the VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Work In Progress

Work in progress is measured at the lower of cost and net realisable value.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and Buildings

Land and buildings are measured using the cost model. Land is not depreciated.

(g) Investment property

Investment property, comprising freehold office complexes, agricultural property and residential properties, is held to generate capital gains. All tenant leases are on an arm's length basis. Investment property is initially measured at cost. Subsequent recognition is in accordance with the cost model under IAS 140 Investment Property.

(h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

- loans and receivables;
- financial assets at fair value through profit or loss;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

2 Summary of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

2 Summary of Significant Accounting Policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(k) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Change of Prior Period Classification

The directors have amended the classification of Investment Property of €218,319,694 at 31 December 2016. The directors re-classified €85,333,332 of assets previously described as Investment Property, to Property, Plant and Equipment during the prior period, leaving the balance of Investment property at 31 December 2016 at €132,986,382. There has been no effect on current assets, total non-current assets, net assets or profit at 31 December 2016.

The directors have amended the classification of Trade and other payables of €1,323,875 at 31 December 2016. The directors re-classified €1,166,730 of this balance from current to non-current liabilities. There has been no effect on current assets, total non-current assets, net assets or profit at 31 December 2016.

The directors have taken up €650,000 as a prior year error adjustment due to one investment property being entered at an incorrect value. Both investment property and share capital was understated by €650,000. Total non current assets and net assets have been increased by €650,000. There has been no effect on current assets or profit.

(n) Adoption of new and revised accounting standards

The Company has adopted all mandatory standards and amendments. Adoption of these standards and amendments has not had a material impact on the financial position or performance of the Company.

(o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
IFRS 15: Revenue from Contracts with Customers.	Applicable to annual reporting periods beginning on or after 1 January 2018	IFRS 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expect to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple element arrangements.	No material impact is expected.

2 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
IFRS 9: Financial Instruments and associated Amending Standards.	Annual reporting periods beginning on or after 1 January 2018	Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using IFRS 9 are to be measured at fair value. Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit or loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Impairment of assets is now based on expected losses in IFRS 9 which requires entities to measure: the 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	No material impact is expected, but management is still reviewing the impact in relation to disclosures.

2 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

Standard Name	Effective date for entity	Requirements	Impact
IFRS 16 Leases	Annual reporting period beginning on or after 1 January 2019	IFRS 16 will cause the majority of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	Management is yet to quantify the expected impact.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Assessment and potential impairment of assets

Current assets have been assessed for recoverability based on the expected timing and amounts of which may be recoverable and appropriate allowances for impairment have been assessed accordingly. Non-current assets, being Investment properties and Property Plant and Equipment have been tested for impairment based on the most recent independent external valuations and market assessments of the relevant assets, which have been carried out within the past year.

3 Critical Accounting Estimates and Judgments (continued)

Lease revenue

The company is the lessor of certain of the investment properties and the property plant and equipment assets. Lease revenue has been assessed based on the expected total amounts receivable accordance with the leases over the life of the leases, the expected rates of inflation applicable to the leases and the expected discount rates the company is subject to, and these amounts are then assessed for recoverability.

Key judgments - Going concern

The directors have prepared financial statements on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2017, the group had cash on hand of €22,848, and current assets of €2,292,032 which included accrued income of €1,748,791. At the date of this report the group has yet to collect any amounts related to accrued income. For the year ended 31 December 2017 the group incurred a profit before taxation of €401,270 and net cash used by operating activities was €571,099.

During the current phase of development, the generation of sufficient funds from operating and financing activities in accordance with the Group's current business plan and growth forecasts is dependent on:

- the availability of financing facilities to fund working capital requirements; and
- increases in revenue and cash flows from current trading.

Directors' loans of €2,007,542 are included in non-current liabilities, and the company has obtained confirmation that these will not be recalled within at least one year from the date of this financial report. In addition, the Company has secured a maximum €5 million facility with a director, which is currently drawn to €1,903,717 and a confirmation that support to meet the company's obligations for a period of at least one year from the date of this financial report will be forthcoming if required.

The directors are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied regarding the Group's ability to maintain the continued support of the directors and shareholders. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Notes to the Financial Statements

For the Year Ended 31 December 2017

4 Revenue and Other Income

Revenue from continuing operations

	2017	2016
	€	€
Lease income	**1,748,791**	-
Provision of services	**2,000**	650,000
Total Revenue	**1,750,791**	650,000

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2017	2016
	€	€
Current tax expense		
Local income tax - current period	**-**	-
Total income tax expense	**-**	-

(b) Reconciliation of income tax to accounting profit:

	2017	2016
	€	€
Profit	**401,270**	(626,829)
Tax	**35.00%**	35.00%
	140,445	(219,390)
Add:		
Tax effect of:		
- carry forward tax losses	**-**	219,390
		-
Less:		
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	**(140,445)**	-
Income tax expense	**-**	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

6 Cash and Cash Equivalents

	2017	2016
	€	€
Cash at bank and in hand	**22,848**	593,947
	22,848	593,947

7 Trade and Other Receivables

	2017	2016
	€	€
CURRENT		
VAT receivable	**1,868**	608
Other receivables	**160,500**	100,000
Total current trade and other receivables	**162,368**	100,608

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Work in Progress

	2017	2016
	€	€
CURRENT		
At cost:		
Work in progress	**325,000**	650,000
	325,000	650,000

Notes to the Financial Statements

For the Year Ended 31 December 2017

9 Property, plant and equipment

	2017	2016
	€	€
LAND AND BUILDINGS		
Freehold land		
At cost	**85,333,332**	85,333,332
Total freehold land	**85,333,332**	85,333,332
Land and Buildings		
At cost	**280,000**	-
Total land and buildings	**280,000**	-
Total property, plant and equipment	**85,613,332**	85,333,332

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold Land	Land and Buildings	Total
	€	€	€
Year ended 31 December 2017			
Balance at the beginning of year	**85,333,332**	**-**	**85,333,332**
Additions	**-**	**280,000**	**280,000**
Balance at the end of the year	**85,333,332**	**280,000**	**85,613,332**

	Land	Buildings	Total
	€	€	€
Year ended 31 December 2016			
Balance at the beginning of year	-	-	-
Additions	85,333,332	-	85,333,332
Balance at the end of the year	85,333,332	-	85,333,332

Notes to the Financial Statements

For the Year Ended 31 December 2017

10 Investment Properties

	2017	2016
	€	€
Balance at beginning of the period	**133,636,362**	-
Additions	**-**	133,636,362
Balance at end of the period	**133,636,362**	133,636,362
Total Investment Properties	**133,636,362**	133,636,362

The fair value of investment properties derived from independent valuations at 31 December 2017 was €195,765,085

11 Other Assets

	2017	2016
	€	€
CURRENT		
Prepayments	**33,025**	-
Accrued income	**1,748,791**	-
	1,781,816	-

12 Trade and Other Payables

	2017	2016
	€	€
Current		
Trade payables	**121,140**	142,945
Sundry payables and accrued expenses	**21,400**	14,200
	142,540	157,145

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Financial Liabilities

	2017	2016
	€	€
NON-CURRENT		
Directors loans	**2,007,542**	1,166,730
Total	**2,007,542**	1,166,730

Notes to the Financial Statements

For the Year Ended 31 December 2017

14 Issued Capital

	2017	2016
	€	€
700,000,000 (2016: 700,000,000) Ordinary shares	**219,617,203**	219,617,203
Total	**219,617,203**	219,617,203

(a) Ordinary shares

	2017	2016
	No.	No.
At the beginning of the reporting period	**700,000,000**	-
Shares issued during the year		
15 December 2015	-	150,000,000
15 July 2016	-	214,100,906
15 August 2016	-	71,994,353
30 September 2016	-	154,494,894
30 September 2016	-	250,000
15 November 2016	-	109,159,847
At the end of the reporting period	**700,000,000**	700,000,000

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its shares.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern

Notes to the Financial Statements

For the Year Ended 31 December 2017

15 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2017	2016
	€	€
Profit/(loss) from continuing operations	401,270	(626,829)
Earnings used in the calculation of dilutive EPS from continuing operations	401,270	(626,829)

(b) Earnings used to calculate overall earnings per share

	2017	2016
	€	€
Earnings used to calculate overall earnings per share	401,270	(626,829)

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2017	2016
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	700,000,000	321,141,772
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	700,000,000	321,141,772

16 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Receivables
- Cash at bank
- Loans
- Trade and other payables

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

16 Financial Risk Management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

The Group's liabilities have contractual maturities which are summarised below:

	Not later than 1 year		1 to 12 months		1 to 5 years	
	2017	2016	2017	2016	2017	2016
	€	€	€	€	€	€
Trade payables	**142,540**	157,145	**-**	-	**-**	-
Financial liabilities	**-**	-	**-**	-	**2,007,542**	1,166,730
Total	**142,540**	157,145	**-**	-	**2,007,542**	1,166,730

16 Financial Risk Management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults which s regularly monitored by line management.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The following table details the Group's receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

16 Financial Risk Management (continued)

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	< 30	31-60	61-90	> 90	Within initial trade terms
	€	€	€	€	€	€	€
2017							
Other receivables	**162,368**	**-**	**1,868**	**-**	**-**	**160,500**	**162,368**
Total	**162,368**	**-**	**1,868**	**-**	**-**	**160,500**	**162,368**
2016							
Other receivables	100,608	-	100,608	-	-	-	100,608
Total	100,608	-	100,608	-	-	-	100,608

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the EUR functional currency of the Group. Foreign exchange risk is not considered to be material.

(ii) Interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows. Interest rate risks on interest earning cash balances are not considered material.

Notes to the Financial Statements

For the Year Ended 31 December 2017

17 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2017	2016
	€	€
Short-term employee benefits	**59,841**	-
	59,841	-

18 Auditors' Remuneration

	2017	2016
	€	€
Remuneration of the auditor for auditing or reviewing the financial statements	**37,523**	-
Remuneration of unrelated firms for auditing or reviewing the financial statements	**32,857**	14,200
Total	**70,380**	14,200

19 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2017	Percentage Owned (%) 2016
Subsidiaries:			
Four Proud Provinces Financial Ltd	Ireland	**100**	-
Chancery Park Management Ltd	Ireland	**100**	-
Mac An Luin Holdings Ltd	Ireland	**100**	-
Cosgarach Holdings Ltd *	Ireland	**100**	-
Caladbolg Holdings Ltd *	Ireland	**100**	-
Ceard Gallan Holdings Ltd *	Ireland	**100**	-
Fragarach Holdings Ltd *	Ireland	**100**	-

*These 4 companies are subsidiaries of Mac An Luin Holdings Ltd.

20 Fair Value Measurement

The fair values of financial assets and financial liabilities at balance date equate to their carrying value. All financial assets and liabilities are categorised as Level 3 hierarchy assets and liabilities except for cash which is Level 1 and real property which is Level 2.

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2017 (31 December 2016: None).

22 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 17.

Subsidiaries - refer to Note 19

Lessees – All operating leases are held by the shareholders of Moralltach Global Plc. Accrued revenue of €1,748,791 refer to note 11 has been recognised in relation to these leases. Refer to Note 25 for non cancellable lease commitments receivable from shareholders

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Loans to/from related parties

	John Kieran Brennan	Richard Barry	Nicholas Linnane	Tomas Brennan	Patrick Noone
Loans from Directors					
2017	**1,903,717**	**29,714**	**71,985**	**2,000**	**126**
2016	998,080	70,400	83,250	15,000	-

All loans from directors are interest free and are repayable at least 12 months from the date of this report.

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	€	€
Profit for the year	**401,270**	(626,829)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Changes in assets and liabilities:		
- (increase)/decrease in other receivables	**(1,783,076)**	(100,608)
- (increase)/decrease in work in progress	**325,000**	(650,000)
- increase/(decrease) in trade and other payables	**(14,605)**	157,145
Cashflows from operations	**(1,071,411)**	(1,220,292)

23 Cash Flow Information (continued)

(b) Non-cash financing and investing activities

For the financial year ended 31 December 2016, Investment properties and land totalling €218,969,694 were obtained through issuing shares valued at the same amount.

24 Events Occurring After the Reporting Date

The financial report was authorised for issue on 09 March 2018 by the board of directors.

The Board have agreed to form a new subsidiary to be called Enerfy Corporation. This subsidiary will be an intermediate holding company for the Moralltach's energy assets and will be incorporated in Delaware, United States of Amercia.

On 6 March 2018, Moralltach Global PLC has issued 154,494,894 units of Treasury CDIs by releasing from escrow. These treasury CDIs are non-voting until sold by Company to third parties.

On 7 March 2018, Moralltach Global PLC on behalf of its new subsidiary Enerfy Corporation has engaged IOT CHAIN to develop a block chain contract which will anchor investors' interest in a convertible debt offering of up to USD $40,000,000 in Enerfy Corporation, via Regulation D 506C, with the offering to accredited investors in the USA.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

25 Expected Future Operating Lease Receipts

The group acts as lessor of the following Operating leases

	2017	2016
	€	€
Minimum lease receipts under non-cancellable operating leases:		
- not later than one year	**1,935,536**	-
- between one year and five years	**7,742,145**	-
- later than five years	**17,419,826**	-
	27,097,508	-

The leases are held over certain of the investment properties and property, plant and equipment of the group.

26 Segment Reporting

The Group operates in one segment being investment and development in real property in two geographic locations being Ireland and the remainder of the European Union. The Group has net assets of €219,391,644 of which €2,791,344 is in the remainder of the European Union. Total revenue and expenses are within Ireland with amounts in the remainder of the European Union being negligible.

27 Parent entity

The following information has been extracted from the books and records of the parent, Moralltach Global PLC and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Moralltach Global PLC has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity.

	2017	2016
	€	€
Statement of Financial Position		
Assets		
Current assets	**2,601,332**	1,344,555
Non-current assets	**218,969,994**	218,969,694
Total Assets	**221,571,326**	220,314,249
Liabilities		
Current liabilities	**121,140**	157,145
Non-current liabilities	**2,007,542**	1,166,730
Total Liabilities	**2,128,682**	1,323,875
Equity		
Issued capital	**219,617,203**	219,617,203
Retained earnings	**(174,559)**	(626,829)
Total Equity	**219,442,644**	218,990,374
Statement of Profit or Loss and Other Comprehensive Income		
Total profit/(loss) for the year	**452,270**	(626,829)
Total comprehensive income	**452,270**	(626,829)

28 Statutory Information

The registered office of the company is:

Moralltach Global PLC
San Juan
116/8 St Georges Road
St Julians, STJ 3203 Malta

The principal place of business is:

The Chantry, Bunclody Co Wexford, Ireland

Moralltach Global PLC

ARBN 613 805 173

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 38 are in:
   (a) complying with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half year ended on that date.

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....
Nick Linnane

Director ....
Richard Barry

Dated this .15th.. day of March.. 2018

Report on the Audit of the Financial Report

LNP Audit and Assurance Pty Limited

ABN 65 155 188 837

L14 309 Kent St Sydney, NSW 2000
T +61 2 9290 8515

L24 570 Bourke Street Melbourne, VIC 3000
T +61 3 8658 5928

www.lnpaudit.com

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MORALLTACH GLOBAL PLC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Moralltach Global Plc (the Company), including its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the Company.

In our opinion:

(a) the accompanying financial report of Moralltach Global Plc:

i) Gives a true and fair view of the Group's consolidated financial position as at 31 December 2017 and of its consolidated financial performance for the period ended on that date; and

ii) Complies with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 3 of the financial report, which states that at 31 December 2017 the group had cash on hand of €22,848, current liabilities of €142,150 and net current assets of €2,149,492 which included accrued income of €1,748,791, which had not been collected. For the year ended 31 December 2017 the Group recorded a profit before taxation of €401,270 and net cash used by operating activities was €571,099. As started in Note 3 these events or conditions, along with other matters set out in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Group not continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Key Audit Matter	How our audit addressed the matter
Lease revenue The group is the lessor of certain of its investment properties and property, plant and equipment assets. In accordance with IAS 117 leases, annual lease revenues have been assessed based on the amounts expected to be received over the lives of the leases, considering the timing and recoverability of these amounts over the entire term of the leases. This is a key audit matter due to the material nature of the amounts expected to be received over the lives of the leases, and its consequent impact on the performance and working capital of the group.	Our procedures included: • Confirming the terms of leases over investment properties and property, plant and equipment, • evaluating and assessing the assumptions regarding expected lease receipts over the entire term of the leases, • validating the mathematical accuracy of calculations of lease receipts and revenues, and • assessing the Group's accounting policies in relation to recognition and measurement, and disclosure of lease revenues and expected future lease receipts.
Impairment assessment of investments, and property plant and equipment At 31 December 2017 the Group had €219,249,694 investments and property plant and equipment. These assets are fundamental to the group, its operations and strategy. Under International Accounting Standards an entity must assess whether there are any indications that assets may be impaired. If any such indication exists, the entity must estimate the recoverable amount of the asset and the consequent impairment. Impairment assessment of these assets is a key audit matter due to the fundamental nature of these assets and the potentially material impact of an impairment event on these assets.	Our procedures included: • Considering the Group's processes to assess whether impairment indicators exist • evaluating and assessing whether potential impairment indicators exist • assessing the current values of the properties by reference to independent valuations of investment properties and property plant and equipment and other independent information relating to the values of these assets. • evaluating whether there are any encumbrances or other defects in title in relation to these assets, • assessing the adequacy of the Group's accounting policies in relation to recognition, measurement and disclosures.

Key Audit Matter	How our audit addressed the matter
Related Party Disclosures The related parties identified by the Group are the Directors and their related parties, and certain shareholders who at 31 December 2017 are lessees of certain of the Group's Assets. The Group's working capital is being provided by the directors and shareholders at 31 December 2017, and a director has provided a material line of credit to the Group. Related party transactions are a key audit matter as they are integral to financing and operations of the Group.	Our procedures included: • Critically enquiring of and considering the identity of related parties and related party transactions, • obtaining correspondence from relevant related parties in relation to transactions, balances and terms, • considering the terms of transactions with related parties, and • evaluating the adequacy of disclosure of related party transactions and balances

Other information

The Directors are responsible for the other information. The other information comprises the information to be included in the Annual Report to Shareholders for the year ended 31 December 2017 (Annual Report) and the Preliminary report to the National Stock Exchange of Australia (NSX), which is not included in the financial report for the year ended 31 December 2017 (Financial Report), and our auditors report thereon. This information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Report 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 Report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement of the other information, we are required to report that matter.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group'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 Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, 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 entity'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 in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial report. 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 an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We are also required to provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Anthony Rose.

LNP Audit and Assurance Pty Ltd

Anthony Rose
Director

Sydney, 15 March 2018