

TIMBERLAND SECURITIES INVESTMENT PLC

Annual Report and Financial Statements
31 December 2019

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Timberland Securities Investment plc (the "Company") for the year ended 31 December 2019.

Principal activities

The Company's principal activities, which are substantially unchanged since last year comprises acting as arranger in respect of issuance of limited recourse notes by related parties. The Company is also involved in the issue of Notes and Bonds to the general public to raise funds which are loaned to related entities that operate in the sphere of residential, industrial and automotive energy storage systems.

Financial performance

During the financial year under review, the Company registered a loss after tax amounting to €3,063,494 (2018: profit of €185,191). This is mainly made up of an impairment of receivables amounting to €5,274,988 which was recognised during the year. The directors expect that the present level of activity will be enhanced for the foreseeable future and that operating results will improve gradually.

The statement of profit or loss and other comprehensive income is set out on page 10. The directors do not recommend the payment of a dividend as the Company did not have any distributable reserves as at 31 December 2019.

Financial position

As at year end, the Company's statement of financial position shows net liabilities of €1,992,618 (2018: net assets €1,070,876) and net current liabilities of €331,297 (2018: €1,523,758). The directors expect that the financial position will improve in the coming years.

Future developments

The directors do not expect any significant changes in the Company's activities in the foreseeable future.

Financial risk management

The principal risks and uncertainties relate to the financial instruments issued by the Company. For principal risks and uncertainties and mitigating factors refer to Note 2.

Events after the reporting period

The company entered into an agreement with – a limited liability company registered in Germany, whereas the company is to act as a Guarantor for a bond issue of up to €8,000,000 this German company. The issue of such a bond subsequent to year end is of advantage to this German company and the Company itself. The German company intends to settle some of the amounts due to the Company.

Going concern

Subsequent to year end, the worldwide outbreak of the Covid-19 is effecting adversely the general economic conditions. It is difficult to determine and quantify the financial effects and the consequent impact on the future results, projections and profitability of the Company.

DIRECTORS' REPORT - CONTINUED

Directors

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

Mr. Thomas Kraemer
Mr. Anthony J. Paris
Mr. Dirk Koster

The Company's Articles of Association do not require any directors to retire.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act, 1995 (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with General Accounting Principles for Small and Medium-Sized Entities;
- 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 company will continue in business as a going concern.

The directors are also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT - CONTINUED

Auditors

Ksi Malta have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the next Annual General Meeting.

Approved by the board of directors and signed on its behalf on 20 March 2020.

Thomas Kraemer

Director

Director

Registered Office

171, Old Bakery Street

Valletta VLT 1455

Malta

STATEMENT OF FINANCIAL POSITION

	As at 31 December	
	2019	2018
	€	€
ASSETS		
Non-current assets		
Property, plant and equipment	16,154	16,445
Investment in subsidiaries	137,685	5,238
Trade and other receivables	4,387,766	5,862,581
Deferred tax asset	586,785	
Total non-current assets	5,128,390	5,884,264
Current assets		
Trade and other receivables	1,722,350	2,559,688
Cash and cash equivalents	2,663	35,566
Total current assets	1,725,013	2,595,254
Total assets	6,853,403	8,479,518
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	50,000	50,000
(Accumulated losses)/Retained earnings	(2,042,618)	1,020,876
Total equity	(1,992,618)	1,070,876
Non-current liabilities		
Notes and bonds issued	6,789,711	6,337,146
Total non-current liabilities	6,789,711	6,337,146
Current liabilities		
Trade and other payables	1,506,898	522,084
Current tax liabilities	549,412	549,412
Total current liabilities	2,056,310	1,071,496
Total liabilities	8,846,021	7,408,642
Total equity and liabilities	6,853,403	8,479,518

Thomas Kraemer
Director

Anthony Paris
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2019	2018
	€	€
Revenue	975,750	1,684,000
Administrative and selling expenses	(1,241,286)	(1,156,959)
Operating (loss)/profit	(265,536)	527,041
Net impairment losses	(2,829,988)	-
Finance income	39,917	133,454
Finance cost	(594,672)	(374,235)
(Loss)/profit before tax	(3,650,279)	286,260
Taxation	586,785	(101,069)
(Loss)/profit for the year	(3,063,494)	185,191

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained Earnings/ (Accumulated losses)	Total
	€	€	€
Balance at 1 January 2018	50,000	835,685	885,685
Comprehensive income			
Profit for the year	-	185,191	185,191
Balance at 31 December 2018	50,000	1,020,876	1,070,876
Comprehensive income			
Loss for the year	-	(3,063,494)	(3,063,494)
Balance at 31 December 2019	50,000	(2,042,618)	(1,992,618)