

EEZE International N.V. Source of Funding

As stated in the reply to question nine of the Business and Corporate Information Form, the business is a going concern through the group and its operations are funded through the group's cashflow and reserves. The financial statements below are proof that the company has ample cashflow and reserves to continue operating for the foreseeable future.

Registration Number 104163

TAIN BP INTERNATIONAL N.V.

Report and Financial Statements

for the year ended 31 December 2023

TAIN BP INTERNATIONAL N.V.

Contents

	Page
Director's Responsibilities	1
Independent Auditor's Report	2 - 4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 19

TAIN BP INTERNATIONAL N.V.

Director's Responsibilities

The Maltese Companies Act (Cap. 386), 1995 requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the entity and of the profit or loss of the entity for that year. In preparing these the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the entity will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the entity and to enable him to ensure that the financial statements comply with the Maltese Companies Act (Cap. 386). He is also responsible for safeguarding the assets of the entity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TAIN BP INTERNATIONAL N.V.

Independent Auditor's Report

To the Members of Tain BP International N.V.

Opinion

I have audited the accompanying financial statements of Tain BP International N.V., which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial statements give a true and fair view of the financial position of Tain BP International N.V. as of 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the Maltese Companies Act (Chap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with 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 Act in Malta, and I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Material Uncertainty Related to Going Concern

As shown in the accompanying financial statements, the entity incurred significant net losses during the year ended 31 December 2023, and as at that date the entity's liabilities exceeded its assets by € 1,010,312. As disclosed in Note 4, the future of the entity is heavily dependent on the continued support of its beneficial owner. These factors indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this fundamental uncertainty. My opinion is not modified in this respect.

Basis of Accounting and Restriction on Distribution and Use

I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared for consolidation purposes of the ultimate parent company. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for Tain Betting Promotion International NV and should not be distributed to or used by parties other than the company.

TAIN BP INTERNATIONAL N.V.

Independent Auditor's Report

To the Members of Tain BP International N.V.

Responsibilities of the director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance to International Financial Reporting Standards as adopted by the EU and for such internal controls as the director determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements the director is responsible for assessing the entity'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 director either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

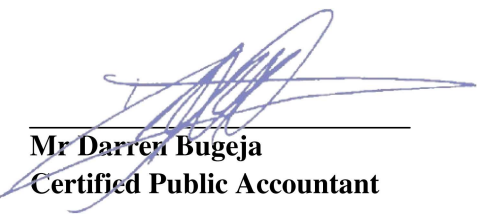
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the Director's use of 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.

TAIN BP INTERNATIONAL N.V.

Independent Auditor's Report

To the Members of Tain BP International N.V.

I communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Mr Darren Bugeja
Certified Public Accountant

16, Alfier Street
Zejtun ZTN 3450
Malta

Date : 27 June 2024

TAIN BP INTERNATIONAL N.V.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2023

		2023	2022
	Notes	€	€
Revenue	5	19,776	253,311
Cost of sales		(39,907)	(251,291)
Gross (loss)/ profit		(20,131)	2,020
Administrative expenses		(56,307)	(83,907)
Other operating income	6	40,759	-
Loss before taxation	7	(35,679)	(81,887)
Income tax	8	-	-
Loss for the year		(35,679)	(81,887)
Total comprehensive expense		(35,679)	(81,887)

The notes on pages 9 to 19 form an integral part of these financial statements.

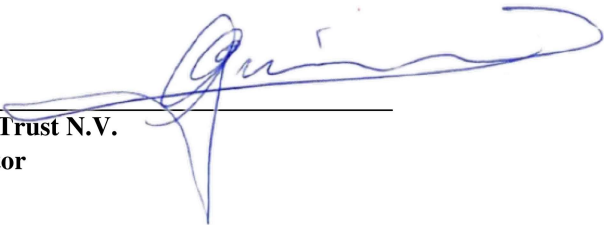
TAIN BP INTERNATIONAL N.V.

Statement of Financial Position

at 31 December 2023

	Notes	2023 €	2022 €
ASSETS			
Current assets			
Trade and other receivables	11	4,216,159	4,253,226
Cash at bank and in hand	12	86,754	143,226
Total assets		<u>4,302,913</u>	<u>4,396,452</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Called up issued share capital	13	1,130,136	1,130,136
Accumulated losses		(2,140,448)	(2,104,769)
Deficiency		<u>(1,010,312)</u>	<u>(974,633)</u>
Current liabilities			
Short-term borrowings	14	-	7,915
Trade and other payables	15	5,313,225	5,363,170
Total liabilities		<u>5,313,225</u>	<u>5,371,085</u>
Total equity and liabilities		<u>4,302,913</u>	<u>4,396,452</u>

The financial statements were approved, authorised for issue, and signed by the director on 27 June 2024.



CMS Trust N.V.
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

TAIN BP INTERNATIONAL N.V.

Statement of Changes in Equity for the year ended 31 December 2023

	Called-up issued share capital €	Accumulated losses €	Total €
At 1 January 2022	1,130,136	(2,022,882)	(892,746)
Loss for the year	-	(81,887)	(81,887)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(81,887)	(81,887)
At 31 December 2022	1,130,136	(2,104,769)	(974,633)
Loss for the year	-	(35,679)	(35,679)
Other comprehensive income	-	-	-
Total comprehensive expense	-	(35,679)	(35,679)
At 31 December 2023	1,130,136	(2,140,448)	(1,010,312)

TAIN BP INTERNATIONAL N.V.

Statement of Cash Flows

for the year ended 31 December 2023

	2023 €	2022 €
Cash flows from operating activities		
Loss before taxation	(35,679)	(81,887)
Adjustments for:		
Movement in allowance of credit losses	(22,730)	(1,638)
	<u>(58,409)</u>	<u>(83,525)</u>
Working capital changes:		
Movement in trade and other receivables	59,797	24,346
Movement in trade and other payables	(57,860)	(78,982)
Net cash flows from operating activities	<u>(56,472)</u>	<u>(138,161)</u>
Cash flows from investing activities		
Net cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Movement in cash and cash equivalents	<u>(56,472)</u>	<u>(138,161)</u>
Reconciliation of net cash flow to movement in net funds		
Movement in cash and cash equivalents	(56,472)	(138,161)
Cash and cash equivalents at start of year	<u>143,226</u>	<u>281,387</u>
Cash and cash equivalents at end of year	<u>86,754</u>	<u>143,226</u>
Cash and cash equivalents		
Cash at bank and in hand	<u>86,754</u>	<u>143,226</u>

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

1. General information

Tain BP International N.V. is a limited liability company incorporated in Curacao. The company is engaged in selling the Tain online betting platform to external clients. Its registered office is at Dr. M.J. Hugenholtzweg Z/N, P.O. Box 4762, Curacao.

2. Accounting policies

Accounting convention and basis of preparation

These financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the entity. They are prepared under the historical cost convention as modified by the fair valuation convention where required by International Financial Reporting Standards, in accordance with the provisions of the Maltese Companies Act (Chap. 386), and the requirements of International Financial Reporting Standards as adopted by the EU. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (see Note 3 - Critical accounting estimates and judgements).

The financial statements are prepared for consolidation purposes of the ultimate parent company. As a result, the financial statements may not be suitable for another purpose.

New and revised standards that are effective for the current period

The company had adopted the new or amended Accounting Standards and interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current period. These do not have a significant impact on the company's financial results or position.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

New and revised standards that are issued but not yet effective

As at the date of the authorization of these financial statements, the following new but not yet effective, standards and amendments to existing standards, and interpretations have been published by IASB.

- Amendments to IFRS 16 Leases - liability in a sale and leaseback;
- Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial instruments - disclosures - Supplier finance arrangements;
- Amendments to IAS 1 Presentation of financial statements - Non-current liabilities with covenants;
- Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current; and
- Amendments to IAS 21 The effects of changes in foreign exchange rates - Lack of exchangeability.

None of these standards or amendments to existing standards have been adopted early by the company. These are not expected to have a material impact on the company's financial statements.

Financial assets

Financial assets are recognised when the entity becomes a party to the contractual provisions of a financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities

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

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. Any changes in fair value are reported in the Statement of Profit or Loss and Other Comprehensive Income.

Interest-related charges are recognised as an expense in the period in which they are incurred.

Share capital

Ordinary shares are classified as equity.

Dividends are recognised in the period in which they are declared.

Notes to the Financial Statements

for the year ended 31 December 2023

Impairment

Impairment testing for intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which asset's (or cash generating unit's) carrying amount exceeds its recoverable amount, which is higher of fair value less costs of disposal and value-in-use. These assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Impairment of financial assets

Impairment calculations for financial assets use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of this impairment model include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts that are not measured at fair value through profit or loss. In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (stage 1), financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (stage 2) and financial assets that have objective evidence of impairment at the reporting date (stage 3).

'12-month expected credit losses' are recognised for the first category and whole 'lifetime expected credit losses' are recognised for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The entity makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The entity takes into consideration the historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Refer to Note 11 for a detailed analysis of how the impairment requirements are applied.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. The tax expense is calculated on net income, adjusted for non-temporary differences between taxable and accounting income. The tax effect of temporary differences, arising from items brought into account in different periods for income tax and accounting purposes, is carried in the Statement of Financial Position as deferred tax debits or credits. Such deferred tax balances are calculated on the liability method taking into account the estimated tax that will be paid or recovered when the temporary differences reverse.

Deferred tax debits are only carried forward if there is a reasonable expectation of realisation. Deferred tax debits, arising from tax losses yet to be recovered, are only carried forward if there is a reasonable assurance and to the extent that future taxable income will be sufficient to allow the benefit of the tax loss to be realised or to the extent of the net credits in the deferred tax balance.

Foreign currencies

The financial statements are presented in Euro, being both the company's functional and presentation currency. Transactions denominated in foreign currencies are translated into Euro at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into Euro at the rates of exchange prevailing at the date of the Statement of Financial Position. Translation differences are dealt with through the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Revenue

Revenue represents the invoiced value of services rendered, net of taxes. Revenue from services rendered is recognised in proportion to the stage of completion of the transaction. Revenue is recognised either at a point in time or over time, when the entity satisfies performance obligations by providing the promised services to its customers.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks.

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 director, 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 IAS1 (revised).

4. Going concern

As shown in the accompanying financial statements, as at 31 December 2023, the company's liabilities exceeded its assets by € 1,010,312. This factor indicates that the company may be unable to continue as a going concern, unless with the continued support of its ultimate beneficial owner. It could hence be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate beneficial owner has pledged to continue to support the company.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

5. Revenue

	2023	2022
	€	€
Casino	16,569	235,824
Bingo	3,207	14,810
Gaming	-	2,677
	<u>19,776</u>	<u>253,311</u>

6. Other operating income

	2023	2022
	€	€
Deposit forfeited	<u>40,759</u>	<u>-</u>

7. Loss before taxation

	2023	2022
	€	€
Loss before taxation is stated after crediting:		
Movement in allowance for expected losses	<u>22,730</u>	<u>1,638</u>

8. Income tax

No income taxation has been provided in these financial statements in view of the company's unabsorbed losses.

As at year-end, unabsorbed tax losses for which no deferred tax asset is recognised amounted to € 711,707 (2022 : € 693,685).

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

9. Intangible assets

	Computer software €
Cost	
At 1 January 2022 / At 31 December 2022	<u>102,410</u>
At 1 January 2023 / At 31 December 2023	<u>102,410</u>
Amortisation	
At 1 January 2022 / At 31 December 2022	<u>102,410</u>
At 1 January 2023 / At 31 December 2023	<u>102,410</u>
Net book value	
At 31 December 2023	<u><u>-</u></u>
At 31 December 2022	<u><u>-</u></u>

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

10. Property, plant and equipment

	Computer equipment €
Cost	
At 1 January 2022 /	
At 31 December 2022	184,364
At 1 January 2023 /	
At 31 December 2023	184,364
Depreciation	
At 1 January 2022 /	
At 31 December 2022	184,364
At 1 January 2023 /	
At 31 December 2023	184,364
Net book value	
At 31 December 2023	-
At 31 December 2022	-

11. Trade and other receivables

	2023 €	2022 €
Trade receivables	117	9,914
Amounts owed by related parties	Note 4,209,335	4,259,335
Other receivables	4,900	4,900
Allowance for ECL on other financial assets	(6,891)	(29,621)
Financial assets	4,207,461	4,244,528
Prepayments	8,698	8,698
	4,216,159	4,253,226

Amounts owed by related parties

Amounts owed by related parties are unsecured, interest-free and have no fixed date of repayment. The entity determines the loss allowance on amounts owed by related parties based on a probability of default of 0.16% and a loss given default of 100%.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

12. Cash at bank and in hand

As at year-end, the company did not have any restrictions on its cash at bank and in hand.

13. Called up issued share capital

	2023	2022
	€	€
Authorised		
1,130,136 Ordinary shares of €1 each	1,130,136	1,130,136
	<u> </u>	<u> </u>
Called up issued and fully paid-up		
1,130,136 Ordinary shares of €1 each	1,130,136	1,130,136
	<u> </u>	<u> </u>

Each ordinary share gives the right to one vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up.

14. Borrowings

	2023	2022
	€	€
Falling due within one year:		
Director's current account	-	7,915
	<u> </u>	<u> </u>
Short-term borrowings	-	7,915
	<u> </u>	<u> </u>

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

15. Trade and other payables

	2023	2022
	€	€
Trade payables	271	5,031
Amounts owed to parent company	Note 88,428	72,854
Amounts owed to related parties	Note 5,218,868	5,238,868
Other payables	-	40,759
Accruals	5,658	5,658
	<u>5,313,225</u>	<u>5,363,170</u>

Amounts owed to parent company

Amounts owed to parent company are unsecured, interest-free and have no fixed date of repayment.

Amounts owed to related parties

Amounts owed to related parties are unsecured, interest-free and have no fixed date of repayment.

16. Risk management objectives and policies

The entity is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from its operating and investing activities. The entity's risk management is coordinated by the director and focuses on actively securing the entity's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the entity is exposed to are described below.

Credit risk

The entity's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position, which are disclosed in Notes 11 and 12.

The company continuously monitors defaults of customers and other counterparties, and incorporates this information into its credit risk controls. The company's policy is to deal only with creditworthy counterparties.

None of the company's financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered to be negligible, since the counterparties are reputable institutions with high quality external credit ratings.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

Liquidity risk

The entity's exposure to liquidity risk arises from its obligations to meet financial liabilities, which comprise trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the entity's obligations when they become due.

At 31 December 2023 and 31 December 2022, there were no contractual maturities on the financial liabilities of the entity. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Financial Position.

Foreign currency risk

Most of the entity's transactions are carried out in Euro. Exposure to currency exchange rates arises from the entity's transactions in foreign currencies.

The entity's financial assets face minimal foreign currency risk since all sales are made receivable in Euro.

Interest rate risk

The entity's exposure to interest rate risk is limited as it does not have any borrowings bearing variable interest rates.

17. Related parties

The entity had the following related party transactions.

	2023	2022
	€	€
<i>Transactions with parent company</i>		
Direct costs	10,781	97,617
<i>Transactions with other related parties</i>		
Expenses recharged from related parties	1,458	1,458
<i>Transactions with key management personnel</i>		
Administrative expenses	24,385	46,316

18. Ultimate controlling party

The parent company is Tain Malta Limited, whose registered office is at AG Building, Triq l-Imdina, Zone 2, Central Business District, Birkirkara CBD 2010, Malta, while the ultimate parent company is Tain Holdings Ltd, whose registered address is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG 110, British Virgin Islands. The company is controlled by Mr Yan Min Zhang, who controls 100% of the voting rights of the ultimate parent company.

TAIN BP INTERNATIONAL N.V.

Notes to the Financial Statements

for the year ended 31 December 2023

19. Comparatives

Certain comparatives have been restated in order to conform to the current year's presentation.

TAIN BP INTERNATIONAL N.V.

Detailed Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	2023		2022	
	€	€	€	€
Revenue		19,776		253,311
Cost of sales				
Direct costs	39,907		251,291	
		(39,907)		(251,291)
Gross (loss)/profit		(20,131)		2,020
Administrative expenses				
Computer expenses	4,793		3,757	
Travelling expenses	1,900		-	
Legal and professional	70,640		64,807	
Consultancy fees	-		14,214	
Bank charges	1,704		2,767	
Movement in allowance for expected losses	(22,730)		(1,638)	
		(56,307)		(83,907)
		(76,438)		(81,887)
Other operating income				
Deposit forfeited	40,759		-	
		40,759		-
Loss on ordinary activities before taxation		(35,679)		(81,887)

This page does not form part of the statutory financial statements.

Registration number C 48016

TAIN INTERNATIONAL HOLDINGS LTD

Report and consolidated financial statements
For the year ended 31 December 2022

Tain International Holdings Ltd

Contents

	Page
Director's report	1 - 2
Independent auditor's report	3 - 5
Statements of profit or loss and other comprehensive income	6
Statements of financial position	7 - 8
Statements of changes in equity	9 - 10
Statements of cash flows	11
Notes to the financial statements	12 - 35

Tain International Holdings Ltd

Director's report

for the year ended 31 December 2022

Director Mr Yan Min Zhang

Registered Address AG Building
Triq l-Imdina
Zone 2, Central Business District
Birkirkara CBD 2010
Malta

The director presents his report and the audited financial statements of the group and the company for the year ended 31 December 2022.

Principal activities

The company acts as a holding company. The group subsidiaries are engaged in the ownership and administration of the Trading Betting Engine; holding an MGA Critical Gaming Supply licence, a Romanian Class 2 licence, a B2B licence and Network Services Licence in Isle of Man and a gaming licence issued in Curacao; selling the Tain online betting platform to external clients; providing IT consultancy and support services in the field of gaming software and providing online live casino feeds.

Business review

The group's profit before taxation for the year was €3,160,056 (2021: Profit of €6,391,702). The company's loss before taxation for the year was €1,347,960 (2021: Loss of €357,714).

The director expects that the present level of activity will be sustained in the foreseeable future.

Dividends and reserves

The director does not recommend the payment of an ordinary dividend and propose to transfer the profit for the year to reserves.

Events after the reporting period

There were no particular important events affecting the group or the company which occurred since the end of the reporting period.

Director

In accordance with the company's Articles of Association, the present director remains in office.

Tain International Holdings Ltd

Director's report

for the year ended 31 December 2022

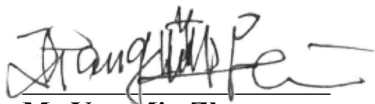
Director's responsibilities

The Maltese Companies Act, 1995 requires the director to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group and the company for that year. In preparing those financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the group and the company will continue in business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable him to ensure that the financial statements comply with the Maltese Companies Act, 1995. The director is also responsible for safeguarding the assets of the group and the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved, authorised for issue and signed by the Director on 7 July 2023.


Mr Yan Min Zhang
Director

Tain International Holdings Ltd

Independent auditor's report to the members of Tain International Holdings Ltd

Opinion

I have audited the accompanying consolidated financial statements, which comprise the statements of financial position of the group and the company as at 31 December 2022, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the group and the company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial statements give a true and fair view of the financial position of Tain International Holdings Ltd as of 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and have been properly prepared in accordance with the Maltese Companies Act (Cap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession Act in Malta, and I have fulfilled my ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The director is responsible for the other information. The other information comprises the Director's report. My opinion on the financial statements does not cover the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Director's report, I also considered whether it includes the disclosures required by Art. 177 of the Companies Act (Cap. 386).

Based on the work I have performed, in my opinion:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with the Companies Act (Cap. 386).

Tain International Holdings Ltd

Independent auditor's report to the members of Tain International Holdings Ltd

In addition, in light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Director's report and other information. I have nothing to report in this regard.

Responsibilities of the Director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance to International Financial Reporting Standards as adopted by the EU and for such internal controls as the director determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements the director is responsible for assessing the entity'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 director either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 director.
- Conclude on the appropriateness of the director's use of going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty

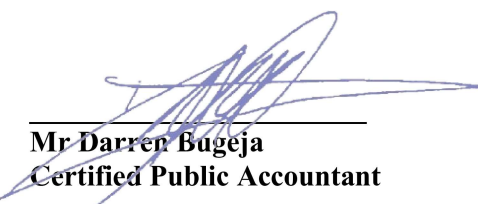
Tain International Holdings Ltd

Independent auditor's report to the members of Tain International Holdings Ltd

exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Mr Darren Bugeja
Certified Public Accountant

16
Alfier Street
Zejtun ZTN 3450
Malta

Date: 7 July 2023

Tain International Holdings Ltd

Statements of profit or loss and other comprehensive income for the year ended 31 December 2022

		Group		Company	
	Notes	2022	2021	2022	2021
		€	€	€	€
Revenue	4	22,472,081	17,040,467	32,000	32,000
Cost of sales		(10,303,801)	(7,007,994)	-	-
Gross profit		12,168,280	10,032,473	32,000	32,000
Administrative expenses		(8,840,677)	(3,652,006)	(22,514)	(4,689)
Movement in impairment on investment		-	-	(1,357,446)	(385,025)
Operating profit/ (loss)	5	3,327,603	6,380,467	(1,347,960)	(357,714)
Interest receivable and similar income	6	11,838	-	-	-
Other income		-	12,322	-	-
Finance costs	7	(179,385)	(1,087)	-	-
Profit/(loss) before taxation		3,160,056	6,391,702	(1,347,960)	(357,714)
Income tax	8	(205,427)	174,604	(2,205)	(1,362)
Profit/(loss) for the year		2,954,629	6,566,306	(1,350,165)	(359,076)
Other comprehensive (expense)/ income		(1,069,848)	424,631	-	-
Total comprehensive income/(expense)		1,884,781	6,990,937	(1,350,165)	(359,076)
Profit for the year attributable to:					
Owners of the parent		1,884,781	6,990,937		

The notes on pages 12 to 35 form an integral part of these financial statements.

Tain International Holdings Ltd

Statements of financial position at 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Notes	€	€	€	€
ASSETS AND LIABILITIES					
Non-current assets					
Intangible assets	9	131,612	257,414	-	-
Property, plant and equipment	10	6,369,784	4,679,122	-	-
Investments in subsidiaries	11	-	-	3,758,011	5,115,456
Loans	11	-	3,566,606	-	2,699,887
Deferred taxation	12	559,231	762,453	-	-
		<u>7,060,627</u>	<u>9,265,595</u>	<u>3,758,011</u>	<u>7,815,343</u>
Current assets					
Inventories	13	-	107	-	-
Trade and other receivables	14	13,282,805	10,248,524	2,616,253	6,300
Cash at bank and in hand	15	7,097,010	6,016,430	384,742	388,962
Current tax recoverable	18	47,684	-	-	-
		<u>20,427,499</u>	<u>16,265,061</u>	<u>3,000,995</u>	<u>395,262</u>
Total assets		<u>27,488,126</u>	<u>25,530,656</u>	<u>6,759,006</u>	<u>8,210,605</u>
Non-current liabilities					
Long-term borrowings	16	3,113,474	4,286,913	-	2,049,279
Current liabilities					
Short-term borrowings	16	301,278	413,817	-	-
Trade and other payables	17	2,375,983	806,506	1,950,452	4,812
Current tax payable	18	-	210,810	3,567	1,362
		<u>2,677,261</u>	<u>1,431,133</u>	<u>1,954,019</u>	<u>6,174</u>
Total liabilities		<u>5,790,735</u>	<u>5,718,046</u>	<u>1,954,019</u>	<u>2,055,453</u>
Net assets		<u>21,697,391</u>	<u>19,812,610</u>	<u>4,804,987</u>	<u>6,155,152</u>

The notes on pages 12 to 35 form an integral part of these financial statements.

Tain International Holdings Ltd

Statements of financial position at 31 December 2022

	Notes	Group		Company	
		2022	2021	2022	2021
		€	€	€	€
EQUITY					
Capital and reserves					
Called up issued share capital	19	100,000	100,000	100,000	100,000
Share premium account	20	2,031,864	2,031,864	2,031,864	2,031,864
Shareholder's contribution	21	1,484,499	1,484,499	1,484,499	1,484,499
Translation reserve		(580,724)	489,124	-	-
Retained earnings		18,661,752	15,707,123	1,188,624	2,538,789
Total equity		21,697,391	19,812,610	4,804,987	6,155,152

The consolidated financial statements on pages 6 to 35 were approved, authorised for issue and signed by the Director on 7 July 2023.


Mr Yan Min Zhang
Director

The notes on pages 12 to 35 form an integral part of these financial statements.

Tain International Holdings Ltd

Statements of financial position at 31 December 2022

Group	Called up issued share capital €	Share premium account €	Shareholder's contribution €	Translation reserve €	Retained earnings €	Total €
At 1 January 2021	100,000	2,031,864	1,484,499	64,493	9,140,817	12,821,673
Profit for the year	-	-	-	-	6,566,306	6,566,306
Other comprehensive income	-	-	-	424,631	-	424,631
Total comprehensive income	-	-	-	424,631	6,566,306	6,990,937
At 31 December 2021	100,000	2,031,864	1,484,499	489,124	15,707,123	19,812,610
Profit for the year	-	-	-	-	2,954,629	2,954,629
Other comprehensive expense	-	-	-	(1,069,848)	-	(1,069,848)
Total comprehensive income	-	-	-	(1,069,848)	2,954,629	1,884,781
At 31 December 2022	100,000	2,031,864	1,484,499	(580,724)	18,661,752	21,697,391

Tain International Holdings Ltd

Statements of changes in equity for the year ended 31 December 2022

Company

	Called up issued share capital €	Share premium account €	Shareholder's contribution €	Retained earnings €	Total €
At 1 January 2021	100,000	2,031,864	1,484,499	2,897,865	6,514,228
Profit for the year	-	-	-	(359,076)	(359,076)
Other comprehensive income	-	-	-	-	-
Total comprehensive expense	-	-	-	(359,076)	(359,076)
At 31 December 2021	100,000	2,031,864	1,484,499	2,538,789	6,155,152
Loss for the year	-	-	-	(1,350,165)	(1,350,165)
Other comprehensive income	-	-	-	-	-
Total comprehensive expense	-	-	-	(1,350,165)	(1,350,165)
At 31 December 2022	100,000	2,031,864	1,484,499	1,188,624	4,804,987

Tain International Holdings Ltd

Statements of cash flows for the year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Cash flows from operating activities				
Profit/(loss) before taxation	3,160,056	6,391,702	(1,347,960)	(357,714)
<i>Adjustments for:</i>				
Depreciation	1,546,333	371,734	-	-
Amortisation	125,802	129,601	-	-
Movement in impairment in investments	-	-	1,357,446	385,025
Interest payable	179,385	1,087	-	-
Interest receivable	(11,838)	-	-	-
Movement in allowance for expected losses	(151,504)	176,575	(3,184)	(6,160)
Foreign exchange differences	11,964	(43,929)	-	-
Movement in translation reserve	(1,069,848)	424,631	-	-
Movement in provision for bad debts	489,267	-	-	-
Loss on disposal of PPE	-	2,127	-	-
	4,279,617	7,453,528	6,302	21,151
Working capital changes:				
Movement in inventories	107	(12)	-	-
Movement in trade and other receivables	194,351	(5,417,206)	93,118	(2,942)
Movement in trade and other payables	531,783	297,485	(103,639)	(368)
Cash flows from operating activities	5,005,858	2,333,795	(4,219)	17,841
Interest received	11,838	-	-	-
Taxation paid	(260,699)	(77,679)	-	-
Interest paid	(113)	(1,087)	-	-
Net cash flows from operating activities	4,756,884	2,255,029	(4,219)	17,841
Cash flows from investing activities				
Acquisition of intangible assets	-	(10,645)	-	-
Acquisition of investments	-	-	(1)	(1)
Acquisition of property, plant and equipment	(3,248,748)	(954,152)	-	-
Movement in amounts due from related parties	-	-	-	898,685
Net cash flows from investing activities	(3,248,748)	(964,797)	(1)	898,684
Cash flows from financing activities				
Movement in amounts owed to related parties	-	-	-	(900,605)
Movement in third party loan	-	-	-	-
Lease payments	(427,556)	(26,544)	-	-
Net cash flows from financing activities	(427,556)	(26,544)	-	(900,605)
Net movement in cash and cash equivalents	1,080,580	1,263,688	(4,220)	15,920
Cash and cash equivalents at start of year	6,016,430	4,752,742	388,962	373,042
Cash and cash equivalents at end of year	7,097,010	6,016,430	384,742	388,962
Cash and cash equivalents				
Cash at bank and in hand	7,097,010	6,016,430	384,742	388,962
Cash and cash equivalents at end of year	7,097,010	6,016,430	384,742	388,962

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

1. General information

Tain International Holdings Ltd is a limited liability company incorporated in Malta. The company acts as a holding company. The group subsidiaries are engaged in the ownership and administration of the Trading Betting Engine; holding an MGA Critical Gaming Supply licence, a Romanian Class 2 licence, a B2B licence and Network Services Licence in Isle of Man and a gaming licence issued in Curacao; selling the Tain online betting platform to external clients; providing IT consultancy and support services in the field of gaming software and providing online live casino feeds. The company's registered office is at AG Building, Triq l-Imdina, Zone 2, Central Business District, Birkirkara CBD 2010, Malta.

2. Accounting policies

Accounting convention and basis of preparation

These consolidated financial statements are presented using the Euro, being the currency that reflects the economic substance of the underlying events and circumstances relevant to the company. The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

These consolidated financial statements are prepared under the historical cost convention as modified by the fair value convention where required by the International Financial Reporting Standards, in accordance with the provisions of the Maltese Companies Act, 1995, and the requirements of International Financial Reporting Standards as adopted by the EU. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2. Accounting policies (continued)

Accounting convention and basis of preparation (continued)

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies (see Note 3 – Critical accounting estimates and judgements).

New and revised standards that are effective for the current period

The company had adopted the new or amended Accounting Standards and interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the current period. These do not have a significant impact on the company's financial results or position.

New and revised standards that are issued but not yet effective

As at the date of the authorization of these financial statements, the following new but not yet effective, standards and amendments to existing standards, and interpretations have been published by IASB.

- Amendments to IFRS 17 Insurance contracts;
- Amendments to IFRS 10 and IAS 28 - Sale/contribution of assets between an investor and associate;
- Amendments to IAS 8 - Definition of accounting estimates;
- Amendments to IAS 1 and IFRS Practice statement 2 - Disclosure of accounting policies;
- Amendments to IAS 1 - Classification of liabilities as current and non-current; and
- Amendments to IAS 12 - Deferred tax related to assets and liabilities from a single transaction.

None of these standards or amendments to existing standards have been adopted early by the company. These are not expected to have a material impact on the company's financial statements.

Basis of consolidation

These financial statements include the results of the parent company; Tain International Holdings Ltd, of its subsidiaries; Tain Betting Promotion Limited, Tain Malta Limited, Amazing Gaming Limited, Betting Promotion Technologies AB, Tain (IOM) Limited, Tain SD (IOM) Limited; Tain Betting Promotion International N.V., Tain Ukraine LLC, Tain Global Capital Ltd and Social Creative Limited.

Subsidiaries

Control is presumed to exist where more than one half of the subsidiary's voting power is controlled by the parent company, or the parent company is able to govern the financial and operating policies of the subsidiary, or control the removal or appointment of a majority of the subsidiary's board of directors. Intra group balances and transactions are eliminated on consolidation.

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

2. Accounting policies (continued)

Basis of consolidation (continued)

The results of subsidiary companies acquired or sold during the period are included in the consolidated statement of comprehensive income from or to the effective date of acquisition or disposal. The acquisition of subsidiaries is accounted for by applying the purchase method.

The cost of the acquisition is measured at the aggregate of the fair values at the date of exchange of assets less liabilities incurred and equity instruments issued by the group in exchange for control plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition is recognised as goodwill. Goodwill is initially recognised at cost and is subsequently measured at cost less any impairment losses. Any excess of the group's

interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, after reassessment, is recognised immediately in the income statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. After initial recognition, minority interest in the net assets consists of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Intangible assets

Intangible assets are initially recorded at cost and, they are subsequently stated at cost less accumulated amortisation and impairment losses.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the income statement in the period of derecognition.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are as follows:

I.P. Casino	15% Straight Line
Computer software	25% Straight Line

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are initially recorded at cost and, they are subsequently stated at cost less accumulated depreciation and impairment losses.

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

Depreciation is provided at rates intended to write down the cost of the assets over their expected useful lives.

The annual rates used, which are consistent with those applied in the previous year, are as follows:

Furniture and fittings	10-20% Straight Line
Casino tables	50% Straight Line
Plant and machinery	50% Straight Line
Computer equipment	20-33% Straight Line
Office equipment	25% Straight Line

Right-of-use assets

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The group applies IAS 36 to determine whether a right-of-use asset is impaired. The depreciation rate used for offices is 10% to reflect the lease term of 10 years.

Leases - The company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

2. Accounting policies (continued)

Leases - The company as lessee (continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Financial assets

Investments are financial assets which are held by the company for the accretion of wealth through distribution, for capital appreciation or for other similar benefits to the company. Investments are recognised when the company acquires a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the company. Investments are initially measured at cost, comprising its purchase price and transaction costs that are directly attributable to the acquisition of the investment.

After initial recognition, investments in subsidiaries are carried under the cost method, that is, at cost less accumulated impairment losses.

Financial assets at amortised cost are financial assets that meet the following conditions and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect contractual cash flows; and

2. Accounting policies (continued)

Financial assets (continued)

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is not material. Income from these investments is accounted for when received.

Loans and receivables are stated at fair value, net of any impairment. A provision for impairment of loans and receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of payment.

Loans and receivables are considered for impairment on a case by case basis and any provision is based on the director's assessment of the amount recoverable on each receivable. Any change in value of loans and receivables is recognised in the Statements of profit or loss and other comprehensive income.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Financial liabilities

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

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. Any changes in fair value are reported in the Income Statement. Interest-related charges are recognised as an expense in the period in which they are incurred.

Share capital

Ordinary shares are classified as equity. Dividends are recognised in the period in which they are declared.

Impairment

Impairment testing for intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. Accounting policies (continued)

Impairment (continued)

Impairment testing for intangible assets and property, plant and equipment (continued)

An impairment loss is recognised for the amount by which asset's (or cash generating unit's) carrying amount exceeds its recoverable amount, which is higher of fair value less costs of disposal and value-in-use. These assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

Impairment of financial assets

Impairment calculations for financial assets use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of this impairment model include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts that are not measured at fair value through profit or loss. In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (stage 1), financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (stage 2) and financial assets that have objective evidence of impairment at the reporting date (stage 3).

'12-month expected credit losses' are recognised for the first category and whole 'lifetime expected credit losses' are recognised for the second and third category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The entity and group make use of a simplified approach in accounting for trade and other receivables as well as contract assets and record the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The entity and group take into consideration the historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Refer to Note 14 for a detailed analysis of how the impairment requirements are applied.

Borrowing costs

Interest-related charges are recognised as an expense in the income statement in the period in which they are incurred.

2. Accounting policies (continued)

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. The tax expense is calculated on net income, adjusted for non-temporary differences between taxable and accounting income. The tax effect of temporary differences, arising from items brought into account in different periods for income tax and accounting purposes, is carried in the statement of financial position as deferred tax debits or credits. Such deferred tax balances are calculated on the liability method taking into account the estimated tax that will be paid or recovered when the temporary differences reverse.

Deferred tax debits are only carried forward if there is a reasonable expectation of realisation. Deferred tax debits, arising from tax losses yet to be recovered, are only carried forward if there is a reasonable assurance and to the extent that future taxable income will be sufficient to allow the benefit of the tax loss to be realised or to the extent of the net credits in the deferred tax balance.

Foreign currencies

The financial statements are presented in Euro, being both the company's and group's functional and presentation currency. Transactions denominated in foreign currencies are translated into Euro at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into Euro at the rates of exchange prevailing at the date of the Statements of financial position. Translation differences are dealt with through the Statements of profit or loss and other comprehensive income in the period in which they arise.

Revenue recognition

Revenue represents the invoiced value of services rendered, net of taxes. Revenue from services rendered is recognised in proportion to the stage of completion of the transaction. Revenue is recognised either at a point in time or over time, when the entity satisfies performance obligations by providing the promised services to its customers.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and in bank less bank balances overdrawn.

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 director, 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.

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

4. Revenue

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Tain Odds fees	2,516,721	1,822,120	-	-
Live Casino Feed	19,087,848	14,024,894	-	-
Consultancy income	-	-	32,000	32,000
Commissions on iGaming activities carried out	518,505	284,447	-	-
Licences	-	29,419	-	-
Casino	328,322	707,570	-	-
Bingo	14,810	13,873	-	-
Gaming	2,677	158,144	-	-
Other income	3,198	-	-	-
	22,472,081	17,040,467	32,000	32,000

5. Operating profit/(loss)

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
<i>Operating profit/(loss) is stated after charging:</i>				
Staff costs	<i>Note</i> 7,051,298	3,492,361	-	-
Amortisation	125,802	129,601	-	-
Depreciation	1,546,333	371,734	-	-
Net difference on exchange	-	387,173	-	-
Movement in expected credit loss	-	176,575	-	-
Auditor's remuneration	43,168	37,457	1,500	1,500
Impairment loss	-	-	1,357,446	385,025
Movement in provision for bad debt	489,267	-	-	-
<i>and after crediting:</i>				
Movement in expected credit loss	151,504	-	3,185	6,160
Net difference on exchange	879,310	-	-	-

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

5. Operating profit/(loss) (continued)

Staff costs

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Wages and salaries	6,593,237	3,252,405	-	-
Social security costs	456,619	243,895	-	-
Maternity fund contributions	10,065	3,441	-	-
Maternity fund contributions trust fund refunds	(8,623)	(7,380)	-	-
	7,051,298	3,492,361	-	-
	2022	2021	2022	2021
Number of employees				
The average number of employees during the year was:				
Operations	134	26	-	-
Administration	38	40	-	-
	172	66	-	-

6. Interest receivable and similar income

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Other interest	11,838	-	-	-

7. Finance costs

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Interest on lease liabilities	179,272	499	-	-
Sundry interest payable	113	588	-	-
	179,385	1,087	-	-

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

8. Income tax

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Malta Income Tax:				
Current - for the year	2,205	10,311	2,205	1,362
Deferred	203,222	(184,915)	-	-
Tax (credit)/ charge for the year	205,427	(174,604)	2,205	1,362

As at year-end, the group had unabsorbed tax losses and temporary differences for which no deferred tax asset was recognised amounting to €8,932,610 (2021: €9,614,312) and €300 (2021: €700).

As at year-end, the company had temporary differences for which no deferred tax asset was recognised amounting to €3,040,428 (2021: €1,686,167).

The accounting profit and tax charge for the year are reconciled as follows:

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Profit before taxation	3,160,056	6,391,702	(1,347,960)	(357,714)
Tax thereon at 0%-35%	(511,762)	398,571	(471,786)	(125,200)
Tax effect of permanent differences	(233,409)	43,520	-	-
Tax effect of unrecognised temporary differences	950,598	(616,695)	473,991	126,562
Tax (credit)/ charge for the year	205,427	(174,604)	2,205	1,362

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

9. Intangible assets

Group

	I.P. Casino €	Computer software €	Total €
Cost			
At 1 January 2021	612,709	40,102	652,811
Additions	-	10,645	10,645
Disposals	-	(11,099)	(11,099)
At 31 December 2021	612,709	39,648	652,357
At 1 January 2022/ At 31 December 2022	612,709	39,648	652,357
Amortisation			
At 1 January 2021	241,310	35,131	276,441
Charge for the year	122,498	7,103	129,601
On disposals	-	(11,099)	(11,099)
At 31 December 2021	363,808	31,135	394,943
At 1 January 2022	363,808	31,135	394,943
Charge for the year	122,498	3,304	125,802
At 31 December 2022	486,306	34,439	520,745
Carrying amount			
At 31 December 2022	126,403	5,209	131,612
At 31 December 2021	248,901	8,513	257,414

Tain International Holdings Ltd

Notes to the financial statements
for the year ended 31 December 2022

10. Property, plant and equipment

Group

	Improvements €	Furniture and fittings €	Casino tables €	Plant and machinery €	Computer equipment €	Office equipment €	Right-of-use asset €	Motor Vehicles €	Electrical and plumbing €	Total €
Cost										
At 1 January 2021	-	164,127	330,548	132,631	1,258,982	17,914	341,925	-	-	2,246,127
Exchange difference	-	-	-	6,970	(12,405)	-	-	-	-	(5,435)
Additions	581,844	16,297	239,700	30,168	86,143	-	3,663,036	-	-	4,617,188
Disposals	-	(7,140)	-	(17,252)	(32,822)	-	(341,925)	-	-	(399,139)
At 1 January 2022	581,844	173,284	570,248	152,517	1,299,898	17,914	3,663,036	-	-	6,458,741
Exchange difference	-	-	-	(18,169)	(36,658)	-	-	-	-	(54,827)
Disposals	-	-	-	(1,295)	(3,310)	-	-	-	-	(4,605)
Additions	239,875	747,224	860,916	-	956,406	50,100	-	11,627	382,600	3,248,748
At 31 December 2022	821,719	920,508	1,431,164	133,053	2,216,336	68,014	3,663,036	11,627	382,600	9,648,057
Depreciation										
At 1 January 2021	-	148,609	295,247	123,712	884,463	17,027	341,925	-	-	1,810,983
Exchange difference	-	-	-	5,174	(11,260)	-	-	-	-	(6,086)
Charge for the year	-	6,181	155,151	12,773	196,819	810	-	-	-	371,734
On disposals	-	(7,140)	-	(17,252)	(30,695)	-	(341,925)	-	-	(397,012)
At 1 January 2022	-	147,650	450,398	124,407	1,039,327	17,837	-	-	-	1,779,619
Exchange difference	-	-	-	(13,916)	(29,158)	-	-	-	-	(43,074)
Charge for the year	82,172	78,702	550,307	12,637	383,589	12,758	385,583	2,325	38,260	1,546,333
On disposals	-	-	-	(1,295)	(3,310)	-	-	-	-	(4,605)
At 31 December 2022	82,172	226,352	1,000,705	121,833	1,390,448	30,595	385,583	2,325	38,260	3,278,273
Carrying amount										
At 31 December 2022	739,547	694,156	430,459	11,220	825,888	37,419	3,277,453	9,302	344,340	6,369,784
At 31 December 2021	581,844	25,634	119,850	28,110	260,571	77	3,663,036	-	-	4,679,122

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

10. Property, plant and equipment (continued)

The improvements include an opening balance which in the previous year was shown as construction in progress. The buildings are right-of-use assets, which are leased for a 10 year period. The lease payments are discounted using the incremental borrowing rate.

11. Non-current financial assets

Group	Loans to ultimate parent company €
Cost	
At 1 January 2022	3,591,748
Movement to current	(3,591,748)
At 31 December 2022	-
Expected credit loss allowance	
At 1 January 2022	25,142
Movement to current	(25,142)
At 31 December 2022	-
Net book value	
At 31 December 2022	-
At 31 December 2021	3,566,606

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

11. Non-current financial assets (continued)

Company	Investments in subsidiaries	Loans to subsidiaries	Loan to ultimate parent company	Total
	€	€	€	€
Cost				
At 1 January 2022	6,790,613	2,610,862	100,000	9,501,475
Additions	1	-	-	1
Movement to current	-	(2,610,862)	(100,000)	(2,710,862)
At 31 December 2022	6,790,614	-	-	6,790,614
Expected credit loss allowance				
At 1 January 2022	-	10,275	700	10,975
Movement to current	-	(10,275)	(700)	(10,975)
At 31 December 2022	-	-	-	-
Impairment				
At 1 January 2022	1,675,157	-	-	1,675,157
Movement	1,357,446	-	-	1,357,446
At 31 December 2022	3,032,603	-	-	3,023,603
Net book value				
At 31 December 2022	3,758,011	-	-	3,758,011
At 31 December 2021	5,115,456	2,600,587	99,300	7,815,343

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

11. Non-current financial assets (continued)

The group's financial statements consolidate the results and position of the following group subsidiary undertakings:

Company	Registered address	Shares held	
		Class	%age
Tain Betting Promotion Limited	AG Building, Triq l-Imdina, Zone 2, Central Business District, Birkirkara CBD 2010, Malta	Ordinary	100
Tain Malta Limited	AG Building, Triq l-Imdina, Zone 2, Central Business District, Birkirkara CBD 2010, Malta	Ordinary	100
Amazing Gaming Limited	AG Building, Triq l-Imdina, Zone 2, Central Business District, Birkirkara CBD 2010, Malta	Ordinary	100
Betting Promotion Technologies AB	Hjulhamnsgatan 3 B, Malmo 211 34, Sweden	Ordinary	100
Tain (IOM) Limited	12, Mount Havelock, Douglas, IM1 2QG, Isle of Man	Ordinary	100
Tain SD (IOM) Limited	12, Mount Havelock, Douglas, IM1 2QG, Isle of Man	Ordinary	100
Tain Betting Promotion International N.V.	Dr. M.J. Hugenholtzweg Z/N, P.O. Box 4762, Curacao	Ordinary	100
Tain Ukraine LLC	01103, Professor Podvysotsky street,6-V, Kyiv, Ukraine	Ordinary	100
Tain Global Capital Ltd	1, King William Street, London England EC4N 7AF	Ordinary	100
Social Creative Limited	12 Mount Havelock, Douglas, Isle of Man, IM1 2QG	Ordinary	100

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

12. Deferred taxation

Deferred tax is analysed over the following temporary differences:

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Excess of capital allowances over depreciation	223,985	58,673	-	-
Unabsorbed tax losses and capital allowances	282,280	701,879	-	-
Unrealised difference on exchange	647	586	-	-
Provision for expected losses	4,264	1,315	-	-
Right-of-use assets/ lease liabilities	48,055	-	-	-
	559,231	762,453	-	-

13. Inventories

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Finished goods	-	107	-	-

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

14. Trade and other receivables

		Group		Company	
		2022	2021	2022	2021
		€	€	€	€
Trade receivables		2,689,451	5,177,098	-	-
Allowance for ECL on trade receivables	<i>Note</i>	(11,712)	(178,929)	-	-
Provision for bad debts		(470,391)	-	-	-
Amounts owed by ultimate parent company	<i>Note</i>	5,775,034	1,501,783	-	-
Allowance for ECL on amounts owed by ultimate parent company		(39,773)	(10,438)	-	-
Amounts owed by subsidiaries	<i>Note</i>	-	-	2,622,729	5,010
Other receivables	<i>Note</i>	3,980,456	3,243,411	-	-
Allowance for ECL on other financial assets		(12,163)	(6,697)	(7,826)	(35)
Financial assets		11,910,902	9,726,228	2,614,903	4,975
Advance payments to suppliers		63,698	157,428	-	-
Prepayments		1,308,205	364,868	1,350	1,325
		13,282,805	10,248,524	2,616,253	6,300

Amounts owed by ultimate parent company

Amounts owed by ultimate parent company are unsecured, interest-free and have no fixed date of repayment. The group determines the loss allowance on these amounts based on a probability of default 0.7%, and a loss given default of 100%.

Amounts owed by subsidiaries

Amounts owed by subsidiaries are unsecured, interest-free and have no fixed date of repayment. The company determines the loss allowance on these amounts based on a probability of default between 0.16% and 0.7%, and a loss given default of 100%.

Impairment for financial assets

Trade receivables

The company and group apply the simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on their ageing.

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

14. Trade and other receivables (continued)

Impairment for financial assets

Trade receivables less provision for bad debts

The expected credit losses for trade receivables as at 31 December 2022 was determined as follows:

		AGEING OF TRADE RECEIVABLES						Total
		Current	Current	> 30 days	> 60 days	> 90 days	> 150 days	
Expected credit loss rate	%	0-0.16	0.30	0.49	1.16	2.17	6.20	
Gross carrying amount	€	64,115	2,000	2,126,671	9,918	-	16,356	2,219,060
Lifetime expected credit loss	€	84	6	10,493	115	-	1,014	11,712

Other receivables

Other receivables includes an amount of € 2,806,157 (2021: € 2,416,003) which relates to amounts due by iGaming operators relating to Betting Exchange. The group determines the loss allowance for other receivables based on a probability of default of 0.16%, and a loss given default of 100%.

15. Cash at bank and in hand

As at year-end, the group had blocked funds of € 11,000 (2021: € 11,000) and the company did not have any restrictions on its cash at bank and in hand.

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

16. Borrowings

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Falling due within one year:				
Lease liabilities	301,278	413,817	-	-
Short-term borrowings	301,278	413,817	-	-
Falling due in between two and five years:				
Amounts owed to subsidiaries	-	-	-	1,011,585
Amounts owed to other related parties	-	1,037,694	-	1,037,694
Lease liabilities	3,113,474	3,249,219	-	-
Long-term borrowings	3,113,474	4,286,913	-	2,049,279
	3,414,752	4,700,730	-	2,049,279

17. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Trade payables	589,620	313,051	-	-
Amounts owed to related parties	938,208	-	1,945,740	-
Indirect taxes and social security	241,280	190,099	2,142	1,761
Accruals	444,436	189,998	2,570	3,051
Other payables	162,439	113,358	-	-
	2,375,983	806,506	1,950,452	4,812

Tain International Holdings Ltd

Notes to the financial statements for the year ended 31 December 2022

18. Current tax (recoverable)/ payable

The tax provision is made up of:

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
As at 1 January	210,810	278,178	1,362	-
Provision for the year	2,205	10,311	2,205	1,362
Settlement tax paid	(270,069)	(19,914)	-	-
Provisional tax paid	(110,199)	(118,685)	-	-
Tax refunded	119,569	60,920	-	-
Balance at end of year	(47,684)	210,810	3,567	1,362

19. Called up issued share capital

	2022	2021
	€	€
Authorised		
5,000,000 Ordinary shares of €0.02 each	100,000	100,000
Called up issued and fully paid up		
5,000,000 Ordinary shares of €0.02 each	100,000	100,000

Each ordinary share gives the right to one vote, participates equally in profits distributed by the company and carries equal rights upon the distribution of assets by the company in the event of a winding up.

20. Share premium account

The company's share premium is in relation to 880,000 shares which had been issued at a premium of €2.308936 per share amounting to €2,031,864.

21. Shareholder's contribution

Shareholder's contribution represents advances by the parent company to finance the company. Contributions are made by the shareholder with no financial or non-financial obligation on the part of the company and for which no interest is levied.

22. Risk management objectives and policies

The group and company are exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from its operating and investing activities. The group's and company's risk management is coordinated by the director and focuses on actively securing the group's and company's short to medium term cash flows by minimizing the exposure to financial instruments.

The most significant financial risks to which the group and company are exposed to are described below.

Credit risk

The group's and company's credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position, which are disclosed in Notes 11, 14 and 15.

The group and company continuously monitor defaults of customers and other counterparts, and incorporate this information into its credit risk controls. The group's and company's policy is to deal only with creditworthy counterparties.

Liquidity risk

The group's and company's exposure to liquidity risk arises from their obligations to meet financial liabilities, which comprise borrowings and trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the company's obligations when they become due.

At 31 December 2022 and 31 December 2021, the contractual maturities on the financial liabilities of the group were as summarised below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Financial Position.

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
<i>Lease liabilities</i>				
Less than 6 months	233,213	194,344	-	-
From 6 to 12 months	233,213	233,213	-	-
From 1 to 5 years	1,941,645	1,908,147	-	-
Over 5 years	1,828,454	2,328,377	-	-

22. Risk management objectives and policies (continued)

Foreign currency risk

Most of the group's and company's transactions are carried out in Euro. Exposure to currency exchange rates arise from the group's and company's transactions in foreign currencies.

The company's financial assets face minimal foreign currency risk since all sales are made receivable in Euro.

Interest rate risk

The group's and company's exposure to interest rate risk is limited to the variable interest rates on borrowings. Based on observations of current market conditions, the director considers an upward or downward movement in interest of 1% to be reasonably possible. However, the potential impact of such a movement is considered immaterial.

23. Related parties

The group and company had the following related party transactions:

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
<i>Transactions with subsidiaries:</i>				
Revenue	-	-	32,000	32,000
Expenses recharged to subsidiaries	-	-	9,480	9,000
<i>Transactions with key management personnel:</i>				
Administrative expenditure	254,581	184,948	-	-

24. Ultimate controlling party

The parent and ultimate parent company of Tain International Holdings Ltd is Tain Holdings Ltd, having its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. The company is controlled by Mr Yan Min Zhang, who controls 100% of the voting rights of the ultimate parent company.

25. Capital management policies and procedures

The group and the company's capital management objectives are to ensure their ability to continue as a going concern and to provide an adequate return to shareholders by pricing commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital. The group and the company monitor the level of debt, which includes borrowings and trade and other payables less cash and cash equivalents, against total capital on an ongoing basis.

26. Comparatives

Certain comparatives have been restated in order to conform to the current year's presentation.