

Computime Holdings p.l.c.

Condensed Consolidated Interim Financial Statements

For the period 1 January 2024 to 30 June 2024

COMPANY REGISTRATION NUMBER - **C 74592**

REGISTERED ADDRESS - **170, PATER HOUSE, PSAILA STR., B'KARA, MALTA**

COUNTRY OF INCORPORATION - **MALTA**

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Statements of financial position

		Group		Company	
		2024 As at 30 Jun Unaudited €	2023 As at 31 Dec Audited €	2024 As at 30 Jun Unaudited €	2023 As at 31 Dec Audited €
	Notes				
ASSETS					
Non-current assets					
Property, plant and equipment	4	79,894	79,476	-	-
Intangible assets	5	6,043,846	6,013,685	-	-
Right-of-use assets	6	673,377	730,845	-	-
Investment in subsidiaries	7	-	-	6,037,844	6,037,844
Financial assets at fair value through other comprehensive income	8	4,368	4,368	-	-
Deferred tax assets		767,195	530,761	-	-
Total non-current assets		7,568,680	7,359,135	6,037,844	6,037,844
Current assets					
Inventories	9	145,320	218,371	-	-
Current tax assets		-	80,663	-	-
Trade and other receivables	10	4,745,722	5,022,898	5,000	5,000
Cash and cash equivalents	11	4,747,021	3,938,120	364,250	367,623
Total current assets		9,638,063	9,260,052	369,250	372,623
Total assets		17,206,743	16,619,187	6,407,094	6,410,467

Statements of financial position – continued

		Group		Company	
		2024	2023	2024	2023
		As at 30 Jun	As at 31 Dec	As at 30 Jun	As at 31 Dec
		Unaudited	Audited	Unaudited	Audited
		€	€	€	€
Notes					
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	6,026,500	6,026,500	6,026,500	6,026,500
Other reserves	13	69,881	69,881	-	-
Retained earnings		4,082,066	2,518,826	355,457	360,074
Total equity		10,178,447	8,615,207	6,381,957	6,386,574
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	652,401	707,512	-	-
Total non-current liabilities		652,401	707,512	-	-
Current liabilities					
Lease liabilities	6	108,621	103,726	-	-
Trade and other payables	14	6,104,985	7,192,742	25,137	23,893
Current tax liabilities		162,289	-	-	-
Total current liabilities		6,375,895	7,296,468	25,137	23,893
Total liabilities		7,028,296	8,003,980	25,137	23,893
Total equity and liabilities		17,206,743	16,619,187	6,407,094	6,410,467

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 2 to 30 were authorised for issue by the board on 22 August 2024 and were signed on its behalf by:



Mr. John Wood
Director



Mr. Louis Bellizzi
Director

Statements of comprehensive income

		Group		Company	
		Six months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
		Unaudited	Unaudited	Unaudited	Unaudited
	Notes	€	€	€	€
Revenue	15	9,924,169	10,337,864	-	-
Direct costs		(4,858,882)	(5,628,894)	-	-
Operational and administrative expenses		(3,314,367)	(3,046,061)	(4,599)	(3,487)
Operating profit/(loss)		1,750,920	1,662,909	(4,599)	(3,487)
Other income		-	1,157	-	1,030,000
Net finance costs		(21,299)	(34,399)	(18)	(27)
Profit before tax		1,729,621	1,629,667	(4,617)	1,026,486
Tax expense		(166,381)	(609,795)	-	(252,000)
Profit for the period		1,563,240	1,019,872	(4,617)	774,486
Total comprehensive income		1,563,240	1,019,872	(4,617)	774,486
EBITDA	18	1,844,817	1,772,770	-	-

The notes on pages 8 to 30 are an integral part of this annual report and consolidated financial statements.

Statement of changes in equity

Group

	Notes	Share capital €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2023		6,026,500	77,339	2,004,611	8,108,450
Comprehensive income					
Profit for the period (restated)		-	-	2,094,757	2,094,757
Other comprehensive income		-	(7,458)	7,458	-
Total comprehensive income		-	(7,458)	2,102,215	2,094,757
Transactions with owners					
Dividends paid		-	-	(1,588,000)	(1,588,000)
Total transactions with owners		-	-	(1,588,000)	(1,588,000)
Balance at 31 December 2023		6,026,500	69,881	2,518,826	8,615,207
Comprehensive income					
Profit for the period		-	-	1,563,240	1,563,240
Total comprehensive income		-	-	1,563,240	1,563,240
Transaction with owners					
Dividends paid		-	-	-	-
Total transactions with owners		-	-	-	-
Balance at 30 June 2024		6,026,500	69,881	4,082,066	10,178,447

Statement of changes in equity - continued

Company

	Notes	Share capital €	Retained earnings €	Total €
Balance at 1 January 2023		6,026,500	365,468	6,391,968
Comprehensive income				
Profit for the year		-	1,582,606	1,582,606
Total comprehensive income		-	1,582,606	1,582,606
Transactions with owners				
Dividends paid		-	(1,588,000)	(1,588,000)
Total transactions with owners		-	(1,588,000)	(1,588,000)
Balance at 31 December 2023		6,026,500	360,074	6,386,574
Comprehensive income				
Profit for the period		-	(4,617)	(4,617)
Total comprehensive income		-	(4,617)	(4,617)
Transactions with owners				
Dividends paid		-	-	-
Total transactions with owners		-	-	-
Balance at 30 June 2024		6,026,500	355,457	6,381,957

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

Statements of cash flows

		Group		Company	
		Six months ended 30 June		Six months ended 30 June	
Notes	2024	2023	2024	2023	
	€	€	€	€	
Cash flows from operating activities					
Cash generated from/(used in) operations	17	1,110,025	17,864	(3,355)	-
Other income received		-	1,157	-	1,030,000
Net finance cost		(21,299)	(34,399)	(18)	(27)
Income tax paid		(159,863)	(117,142)	-	(252,000)
Net cash generated from operating activities		928,863	(132,520)	(3,373)	777,973
Cash flows from investing activities					
Purchases of property, plant and equipment	4	(26,793)	(16,046)	-	-
Purchases of intangible assets	5	(42,952)	(29,687)	-	-
Investment in subsidiary		-	-	-	(1,200)
Net cash used in investing activities		(69,745)	(45,733)	-	(1,200)
Cash flows from financing activities					
Repayment of lease liabilities		(50,217)	(48,373)	-	-
Dividends paid		-	(778,000)	-	(778,000)
Net cash used in financing activities		(50,217)	(826,373)	-	(778,000)
Net movement in cash and cash equivalents					
		808,901	(1,004,626)	(3,373)	(1,227)
Cash and cash equivalents at beginning of year		3,938,120	2,909,890	367,623	372,988
Cash and cash equivalents at end of period	11	4,747,021	1,905,264	364,250	371,761

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

Notes to the financial statements

1. Reporting entity

Computime Holdings p.l.c. (the “Company”) is a public limited liability company domiciled and incorporated in Malta and is the parent company of Computime Group which includes the Company and the subsidiaries as disclosed in Note 7, collectively the “Group”. These condensed consolidated interim financial statements as at 30 June 2024 and for the six-month period then ended, comprise the Company and the Group.

The Group’s principal activity is the provision of business-to-business quality ICT solutions in Malta and overseas. The Group operates three business divisions: the Business Software and the FinTech divisions (both operated by Computime Software Limited – C32444), and the Systems Integration division (operated by Computime Limited – C4760). Computime Labs Limited is the IP (Intellectual Property) holding company.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on 22 August 2024. These statements are unaudited and should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS as adopted by the EU.

2. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, “Interim Financial Reporting”).

These financial statements have been prepared under the historical cost convention, except for the Group’s financial assets classified as financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Group’s accounting policies (see Note 3 – Critical accounting estimates and judgements).

New or revised standards or interpretations

New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the company’s financial results or position. Accordingly, the Company has made no changes to its accounting policies in 2024. Other standards and amendments that are effective for the first time in 2024 and could be applicable to the Company are:

2. Summary of material accounting policies - continued

2.1 Basis of preparation - continued

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments do not have a significant impact on these condensed interim financial statements and therefore no additional disclosures have been made.

2.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed (identifiable net assets) in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. If this is less than the fair value of the identifiable net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are accounted for by the cost method of accounting, i.e., at cost less impairment. Cost includes directly attributable costs of the investment. Provisions are recorded where, in the opinion of the directors, there is an impairment in value. Where there has been an impairment in the value of an investment, it is recognised as an expense in the period in which the diminution is identified.

The results of subsidiaries are reflected in the Company's separate financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

2. Summary of material accounting policies – continued

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in euro ("€"), which is both the functional and presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not re-translated at the end of the reporting period.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'operational and administrative expenses'.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Computer and networking equipment	33.33%
Website equipment	33.33%
Furniture, fixtures and fittings	12.5%
Other equipment	10 - 12.5%
Electrical installations and improvements	10%
Motor vehicles	20%
Tools and testing equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.6). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses) - net' in the income statement.

2. Summary of material accounting policies – continued

2.5 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(b) Others

All other intangible assets are stated at historical cost less accumulated amortisation. Historical cost includes expenditure that is directly attributable to the acquisition or development of the assets. Amortisation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Website development	16.67%
Computer software (3 rd parties)	16.67%
Software development (own IP)	25.00%

The Group recognises an intangible asset for the development of own IP software. Only development costs in the form of employee benefits are capitalised. Expenditure on research is charged to the income statement during the period in which it is incurred. An asset for software development is recognised only when: (a) there is the technical feasibility of completing the software for sale; (b) the Group is able to and intends to sell the developed software; (c) the Group can demonstrate the existence of a market for the software; and (d) the Group has the available technical, financial and other resources required to complete the development and sell the asset.

2.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed 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 the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2. Summary of material accounting policies – continued

2.7 Leases

The Group is a lessee under a number of arrangements, primarily relating to immovable property. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2. Summary of material accounting policies – continued

2.7 Leases – continued

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in either profit or loss or OCI. The Group's financial assets in equity instruments are classified as financial assets at fair value through other comprehensive income. The Group also have derivative financial instruments which are classified as financial instruments at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. Summary of material accounting policies - continued

2.8 Financial assets - continued

(c) Measurement – continued

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its financial assets in debt instruments into the following category:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income. Impairment losses are presented under 'operational and administrative expenses' in the income statement.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has made an irrevocable election on initial recognition to present fair value gains and losses on equity investments in OCI and thus there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, or application of an earnings multiple to the estimated earnings of investment companies unless there are indications that another valuation technique should be applied.

Derivative financial instruments

Derivatives instruments are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group's derivatives instruments include forward currency contracts. The Group does not apply hedge accounting with respect to the forward currency contracts and the derivatives are subsequently measured at fair value through profit or loss.

2. Summary of material accounting policies - continued

2.8 Financial assets - continued

(d) Impairment of financial assets

The Group recognises the expected credit losses ("ECLs") associated with its debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, or a market expectation/announcement that a counterparty will default on its payment obligations.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2. Summary of material accounting policies - continued

2.9 Trade and other receivables

Trade receivables are amount due from customers for good sold or services performed in the ordinary course of business. Trade receivables are presented as current assets unless collection is expected after more than one year. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment (Note 2.8). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

2.10 Inventories

Inventories are valued at the lower of cost, determined on the first-in-first-out basis, and net realisable value. Cost consists of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.12 Financial liabilities

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Group derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

2.13 Trade and other payables

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

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

2. Summary of material accounting policies - continued

2.14 Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include all current and prior period retained profits.

2.16 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

2. Summary of material accounting policies - continued

2.17 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under trade and other payables in the statement of financial position.

2.18 Revenue recognition

Revenue includes all revenues from the Group's ordinary business activities, with the major sources being renewable software subscriptions, maintenance of software and hardware, and implementation of ICT infrastructural and systems integration solutions.

The Group assessed at contract inception the goods or services promised in a contract with a customer and each promise to transfer to the customer the good or service is identified as a performance obligation. Promises in a contract can be explicit or implicit if the promises create a valid expectation to provide a good or service based on the customary business practices, published policies, or specific statements.

A contract asset is recognised if the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or is billed. A contract liability is recognised when the customer paid consideration, or a receivable from the customer is due, before the Group fulfils a contractual performance obligation and hence before the Group has recognised revenue.

The Group's revenue recognition policies for specific performance obligations are set out below.

(a) Renewable software subscriptions

Renewable software subscriptions are for a fixed fee and remain valid only for the contracted period of time. Such subscriptions include licences to use the Group's Intellectual Property ("IP") as well as third-party IP for which the Group acts as a reseller. The Group provides software upgrades and/or update for its own IP and customer helpdesk support throughout the licence period for both its own IP and third-party IP.

The Group identifies three performance obligations under such contracts, which are recognised separately, as follows:

- delivery of licence – recognised at a point in time,
- upgrades or updates on a when-and-if basis – recognised over time, and
- helpdesk support – recognised over time

2. Summary of material accounting policies – continued**2.18 Revenue recognition – continued***(b) Maintenance agreements*

Maintenance agreements are offered by the Group as fixed term (usually for one calendar year) support agreements with the sale of 3rd party software licenses when these are sold on a perpetual basis, and with the sale of hardware / infrastructural solutions. The Group identifies one performance obligation under such agreements, which is the provision of helpdesk support throughout the term of the agreement. Revenue and related costs are recognised over time.

(c) Services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

The services offered by the Group comprise services negotiated on (i) a fixed fee arrangement which includes the design, implementation, software development/configuration and the commissioning of hardware, and (ii) services generally negotiated on a time and materials (“T&M”) arrangement which include support services.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. For such contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Under the Group’s support and other services arrangements on a T&M basis, each man hour of service provided to a customer gives it a contractual right to bill for those hours. The Group recognises revenue in the income statement in accordance with the pattern with which its contractual right to bill its customers arises.

(d) Software (perpetual licenses)

For such revenues, customers purchase 3rd party software licenses from the Group. The promise generally includes both the supply and the delivery of such software licenses. Revenue is recognised at a point in time when the transfer of control over the software is passed on to the customer upon its delivery.

(e) Hardware

For such revenues, customers purchase hardware from the Group. The promise generally includes both the supply and the delivery of such hardware. Revenue is recognised at a point in time when the transfer of control over the hardware is passed on to the customer upon its delivery.

2. Summary of material accounting policies – continued

2.18 Revenue recognition – continued

(f) Others

Others include provision of training and related services for which revenue are recognised at a point in time when such services are rendered to the customers.

2.19 Direct costs

Direct costs are costs related directly in fulfilling a contract that the Group can specifically identify, and which generate or enhance resources of the Group that will be used in satisfying performance obligations in the future.

2.20 Operational and administrative expenses

Operational and administrative expenses are recognised in profit or loss upon utilisation of the service or as incurred.

2.21 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

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

4. Property, plant and equipment

Group

	Computer and networking equipment €	Website equipment €	Furniture, fixtures and fittings €	Other equipment €	Electrical installations and improvements €	Motor vehicles €	Tools and testing equipment €	Total €
At 1 January 2023								
Cost	978,415	6,404	434,936	403,932	118,553	34,146	65,071	2,041,457
Accumulated depreciation	(903,707)	(6,404)	(414,930)	(369,352)	(115,987)	(34,146)	(61,344)	(1,905,870)
Net book amount	74,708	-	20,006	34,580	2,566	-	3,727	135,587
Year ended 31 December 2023								
Opening net book amount	74,708	-	20,006	34,580	2,566	-	3,727	135,587
Additions	24,462	-	1,364	-	-	-	-	25,826
Depreciation charge	(59,944)	-	(7,212)	(13,648)	(404)	-	(729)	(81,937)
Closing net book amount	39,226	-	14,158	20,932	2,162	-	2,998	79,476
At 31 December 2023								
Cost	1,002,877	6,404	436,300	403,932	118,553	34,146	65,071	2,067,283
Accumulated depreciation	(963,651)	(6,404)	(422,142)	(383,000)	(116,391)	(34,146)	(62,073)	(1,987,807)
Net book amount	39,226	-	14,158	20,932	2,162	-	2,998	79,476

5. Property, plant and equipment – continued**Group**

	Computer and networking equipment €	Website equipment €	Furniture, fixtures and fittings €	Other equipment €	Electrical installations and improvements €	Motor vehicles €	Tools and testing equipment €	Total €
Six-month period ended 30 June 2024								
Opening net book amount	39,226	-	14,158	20,932	2,162	-	2,998	79,476
Additions	25,110	-	1,683	-	-	-	-	26,793
Depreciation charge	(17,873)	-	(1,863)	(6,093)	(182)	-	(364)	(26,375)
Closing net book amount	46,463	-	13,978	14,839	1,980	-	2,634	79,894
At 30 June 2024								
Cost	1,027,987	6,404	437,983	403,932	118,553	34,146	65,071	2,094,076
Accumulated depreciation	(981,524)	(6,404)	(424,005)	(389,093)	(116,573)	(34,146)	(62,437)	(2,014,182)
Net book amount	46,463	-	13,978	14,839	1,980	-	2,634	79,894

5. Intangible assets

Group

	Goodwill €	Website development €	Computer software 3 rd party €	Software development Own IP €	Total €
At 1 January 2023					
Cost	5,969,095	12,000	47,282	162,810	6,191,187
Accumulated amortisation	-	(12,000)	(47,073)	(65,502)	(124,575)
Net book amount	5,969,095	-	209	97,308	6,066,612
Year ended 31 December 2023					
Opening net book amount	5,969,095	-	209	97,308	6,066,612
Additions	-	-	-	59,374	59,374
Amortisation	-	-	(150)	(112,151)	(112,301)
Closing net book amount	5,969,095	-	59	44,531	6,013,685
At 31 December 2023					
Cost	5,969,095	12,000	47,282	222,184	6,250,561
Accumulated amortisation	-	(12,000)	(47,223)	(177,653)	(236,876)
Net book amount	5,969,095	-	59	44,531	6,013,685
Six-month period ended 30 June 2024					
Opening net book amount	5,969,095	-	59	44,531	6,013,685
Additions	-	-	-	42,952	42,952
Amortisation	-	-	-	(12,791)	(12,791)
Closing net book amount	5,969,095	-	59	74,692	6,043,846
At 30 June 2024					
Cost	5,969,095	12,000	47,282	265,136	6,293,513
Accumulated amortisation	-	(12,000)	(47,223)	(190,444)	(249,667)
Net book amount	5,969,095	-	59	74,692	6,043,846

6. Leases

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Group	
	2024 As at 30 Jun €	2023 As at 31 Dec €
Right-of-use assets as at end of period		
Immovable properties	673,377	730,845
	673,377	730,845
Lease liabilities as at end of period		
Current	108,621	103,726
Non-current	652,401	707,512
	761,022	811,238

There were no additions to the right-of-use assets during the year six-month period ended 30 June 2024.

(b) Amounts recognised in the statement of comprehensive income

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

	Group	
	2024 €	2023 €
For the six-month period ended 30 Jun:		
Depreciation charge of right-of-use assets		
Immovable properties	57,469	57,627
Interest expense (included in finance cost)	18,560	20,402

The depreciation charge is presented within 'Operational and administrative expenses' in the statement of comprehensive income.

(c) The Group's leasing activities

The Group leases immovable properties. Lease terms are negotiated on an individual basis. The Group's lease arrangements are typically made for periods of 5 years di fermo, with remaining periods of 5-15 years di rispetto. The Group's accounting policies for leases are disclosed in Note 2.7 to these financial statements.

7. Investment in subsidiaries

	Company	
	2024	2023
	As at 30 Jun €	As at 31 Dec €
Opening and closing net book amount	6,037,844	6,037,844

The subsidiaries at the end of the respective period are shown below:

Subsidiary	Country of incorporation	Class of shares held	Percentage of shares held by the Group	
			2024	2023
			%	%
Computime Limited	Malta	Ordinary shares	100	100
Computime Software Limited	Malta	Ordinary shares	100	100
Computime (UK) Limited	United Kingdom	Ordinary shares	100	100
Computime Labs Limited	Malta	Ordinary shares	100	100

The percentage of shares held by the Group is held directly by Computime Holdings p.l.c., with the exception of Computime (UK) Limited; 100% of Computime (UK) Limited is held by Computime Limited, one of the Group's companies. Computime (UK) Limited is currently a non-trading dormant company.

8. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Group considers this classification to be more relevant. Equity investments at FVOCI comprise the following individual investments:

	Group	
	2024	2023
	As at 30 Jun €	As at 31 Dec €
STC International Limited (Unlisted security)	4,368	4,368
	4,368	4,368

9. Inventories

	Group	
	2024	2023
	As at 30 Jun €	As at 31 Dec €
Spares held for maintenance contracts	43,009	58,057
Finished goods and goods for resale	102,311	160,314
	145,320	218,371

10. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	As at 30 Jun	As at 31 Dec	As at 30 Jun	As at 31 Dec
	€	€	€	€
Current				
Trade receivables	2,959,606	2,865,806	-	-
Amounts due from other related parties	5,000	5,000	5,000	5,000
Other receivables	51,529	25,133	-	-
Contract assets (Note 15)	1,332,946	1,730,830	-	-
Other assets	204,844	254,149	-	-
Prepayments	191,797	141,980	-	-
	4,745,722	5,022,898	5,000	5,000

Amounts due from related parties are unsecured, interest-free and repayable on demand.

11. Cash and cash equivalents

For the purposes of the statements of financial position and cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2024	2023	2024	2023
	As at 30 Jun	As at 31 Dec	As at 30 Jun	As at 31 Dec
	€	€	€	€
Cash at bank and other intermediaries	4,747,021	3,938,120	364,250	367,623

12. Share capital

At 30 June 2024, the authorised share capital of the Company comprised 6,500,000 ordinary shares of €1 each.

	2024	2023
	As at 30 Jun	As at 31 Dec
	€	€
Issued and fully paid		
Ordinary shares of €1 each	6,026,500	26,500
Preference shares of €1,000 each	-	6,000,000
	6,026,500	6,026,500

During the six-month period ending 30 June 2024, the Company restructured its share capital, through a conversion of the Preference shares into Ordinary shares, and the subsequent re-denomination of such shares to €1.00 per share.

13. Other reserves

Group	FVOCI Revaluation Reserve €	General reserve €	Total reserves €
At 1 January 2023	7,458	69,881	77,339
Movement in value of equity instruments measured at fair value through other comprehensive income	(7,458)	-	(7,458)
At 31 December 2023	-	69,881	69,881
At 1 January 2024	-	69,881	69,881
Movement in value of equity instruments measured at fair value through other comprehensive income	-	-	-
At 30 June 2024	-	69,881	69,881

14. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	As at 30 Jun €	As at 31 Dec €	As at 30 Jun €	As at 31 Dec €
Current				
Trade payables	1,104,381	1,055,450	-	-
Amounts owed to other related parties	-	-	21,791	19,544
Other payables	10,651	47,095	-	-
Contract liabilities (Note 15)	2,872,707	3,770,422	-	-
Accruals	1,387,369	1,504,043	3,346	4,349
Indirect taxes and social security	729,877	815,732	-	-
	6,104,985	7,192,742	25,137	23,893

Amounts due to related parties are unsecured and interest free and repayable on demand.

15. Revenue

The Group's revenue is analysed as follows:

	Group	
	Six months ended 30 June	
	2024	2023
	€	€
Software subscriptions and maintenance agreements	7,273,405	6,751,046
Professional services	1,317,419	1,494,096
Sale of hardware and software (perpetual)	1,333,345	2,092,722
	9,924,169	10,337,864

The Group's revenue is further analysed as follows:

	Group	
	Six months ended 30 June	
	2024	2023
	€	€
By timing of transfer of goods or services		
Over time	2,373,680	2,574,456
At a point in time	7,550,489	7,763,408
	9,924,169	10,337,864

The Group's policies with respect to revenue recognition are disclosed in Note 2.18 to these consolidated financial statements. Contract assets and contract liabilities related to contracts with customers are disclosed in Note 10 and Note 14 respectively.

Seasonal fluctuations

Historically, revenue from software subscriptions is higher in the first half of each year, because of a prevalence in subscription renewals during the first half, which subscriptions are partially recognised 'at a point in time' on the basis of the 'licensing performance obligation' in line with IFRS 15.

Considering this impact, a full year revenue projection cannot be made by merely extrapolating proportionally on the basis of these six-month results.

16. Related party transactions

Computime Holdings p.l.c. forms part of the Computime Group, which comprises Computime Holdings p.l.c. and its subsidiaries (Note 7).

All companies forming part of the Computime Group are related parties. Transactions between these companies would typically include management fees and other such items which are normally encountered in a group context. The following significant operating transactions, which were carried out principally with related parties forming part of the Computime Group, have a material effect on the operating results and financial position of the Company:

	Company	
	Six months ended 30 June	
	2024	2023
	€	€
Dividend income from subsidiaries (Gross)	-	1,030,000

17. Cash generated from/(used in) operations

Reconciliation of profit for the year to cash generated from/(used in) operations:

	Group		Company	
	Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	€	€	€	€
Operating profit/(loss) for the year	1,750,920	1,662,909	(4,599)	(3,487)
<i>Adjustments for:</i>				
Amortisation of intangible assets (Note 5)	12,791	23,209	-	-
Depreciation of property, plant and equipment (Note 4)	26,375	41,865	-	-
Amortisation of right-of-use assets (Note 6)	57,469	57,627	-	-
Movement in provisions for impairment of Receivables	-	103	-	-
<i>Changes in working capital:</i>				
Trade and other receivables	277,176	1,242,945	-	-
Trade and other payables	(1,087,757)	(2,998,339)	1,244	3,487
Inventories	73,051	(12,455)	-	-
Cash generated from operations	1,110,025	17,864	(3,355)	-

18. Management Performance Measures – EBITDA

EBITDA is described as profit or loss minus all interest income and plus all interest expenses, income tax and depreciation and amortisation expenses.

Reconciliation of profit for the year to EBITDA:

	Group	
	Six months ended 30 June	
	2024	2023
	€	€
Profit before tax for the year	1,729,621	1,629,667
<i>Adjustments for:</i>		
Depreciation of PPE (Note 4)	26,376	41,865
Amortisation of intangible assets (Note 5)	12,791	23,209
Amortisation and interest expense of leases (Note 6)	76,029	78,029
EBITDA for the year	1,844,817	1,772,770

19. Events after the reporting period

There have been no events after the reporting date that will require disclosure in the consolidated financial statements.

20. Statutory information

Computime Holdings p.l.c. is a public limited liability company and is incorporated in Malta, with its registered address at 170, Pater House, Psaila Street, Birkirkara BKR 9077, Malta. The Company is the Parent company of the Computime group.