COMPANY ANNOUNCEMENT

The following is a company announcement issued by AST Group p.l.c. (the "Company") bearing company registration number C 66811, in terms of the rules of Prospects MTF, a market regulated as a multi-lateral trading facility and operated by the Malta Stock Exchange.

QUOTE

Approval and Publication of Audited Financial Statements

The Company hereby announces that during the meeting of its Board of Directors held on Tuesday, 26th March 2019, the Directors considered and approved the Company's Audited Financial Statements for the financial year ended 31st December 2018. Copies of the Company's Audited Financial Statements for the financial year ended 31st December 2018 are attached to this announcement and are also available for viewing and download on the following link on the Company's website: https://astgroupplc.com/news/category/financial-reports/.

The Board of Directors recommended to the Annual General Meeting of the Company that no dividend be declared.

The Company further announces that the Board of Directors resolved that the aforesaid Audited Financial Statements be submitted to the shareholders of the Company for their approval at the Annual General Meeting scheduled to take place on the same day.

Consequent to the foregoing, the Company is pleased to announce that the following resolutions were adopted by its shareholders during the Annual General Meeting held on Tuesday, 26th March 2019:

(i) the Company's shareholders approved the Audited Financial Statements, the Auditors' Report and the Directors' Report for the financial year ended 31st December 2018;
(ii) the Company's shareholders approved the re-appointment of Mr Silvio Muscat as the Company's auditor and authorised the Board of Directors to fix his remuneration; and
(iii) the Company's shareholders approved the re-appointment of the current directors up to the next Annual General Meeting in accordance with the Company's articles of association.

The shareholders took note of the Board of Directors' resolution of the 26th March 2019 that no dividend be declared.

UNQUOTE

Dr. Katia Cachia
Company Secretary
29th March 2019

AST GROUP P.L.C

C 66811

ANNUAL REPORT
AND CONSOLIDATED FINANCIAL ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2018

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report of AST Group p.l.c. (the Company) and the Group of which it is the parent for the year ended 31 December 2018. The Group comprises the Company and its branches and subsidiaries as disclosed in note 9 to the financial statements.

Principal Activities

AST Group p.l.c. was incorporated as a private limited liability company on 22 September 2014 as AST Group Limited and was, on 14 October 2017, converted to a public limited liability company. Until 2017, the principal activity of the Group was to trade in animal feed. In 2018, the Group expanded its operations by acquiring a multipurpose vessel to vertically integrate its animal feed operations and provide ship management and chartering services.

Performance Review

During the year under review the Group's objective remained focused on trading in animal feed. The principal objective for 2018 was to acquire a multipurpose vessel through the bond proceeds as well as acquiring further stock for the animal feed operations. To this end, AST Group p.l.c. raised a €1.85 million bond, whereby the proceeds raised were mainly intended to acquire a multipurpose vessel. On 20 April 2018, the Group registered M/V AST MALTA (ex M/V PONZA) bearing IMO number 9143398 with Transport Malta in the name of AST Shipping Limited.

Significant progress was registered following the bond issue, as the Group generated revenue of €15.4 million (2017: €10.1 million), of which €1.3 million was derived from the chartering of M/V AST Malta. The increase in trading activity is principally due to a substantial increase in the volumes sold of HiPro sunflower and guar meal.

Gross profit margin increased to 6.2% from 5.0% in 2017. This increase is also reflected in the Group's EBITDA to 4.8% from 2.6% in 2017. Consequently, EBITDA in nominal terms increased to €743k from €263k in 2017.

The profit for the year under review amounts to €226K (2017: €177K).

Position review

The Company's asset base amounted to €7 million as at 31 December 2018 (2017: €3.8 million), consisting principally of property plant and equiptment, inventory and trade and other receivables. The acquisition of the multipurpose vessel and increase in receivables are the primary factors contributing towards the increase in the asset base. The Group's total liabilities also registered an increase of €3.1 million out of which €1.8 million relate to the 5.5% unsecured bond issue in February 2018.

As at 31 December 2018 the Group is reporting a positive working capital of €1.7 million compared to €1.4 million as at 31 December 2017. The improvement in working capital is the result of increase in operational activity and better stock management.

Outlook for 2019

Subsequent to the increase in business activity, expansion and diversification of its operations following the finance raised through the bond issue of Eur1.8M on the Prospects MTF during 2018 the Group is in a better position to exploit more opportunities in particular those related to the shipping industry.

Reserves

The results for the year are set in the Consolidated Statement of Comprehensive Income on page 14.

The Board of Directors does not propose the payment of a dividend. Retained profits carried forward at the reporting period amounted to €788,534 (2017: €562,709) for the Group and €199,468 (2017: €145,673) for the Company.

Financial Risk Management

The Group's activities expose it to a variety of financial risks, including credit risk and liquidity risk. These are further analysed in Note 2 to these financial statements.

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

Events Subsequent to the Statement of Financial Position Date

There were no particular important events affecting the Company which occurred since the end of the accounting period.

Board of directors

The directors of the Company since the beginning of the year up to the date of the report were:

Mr Giuseppe Muscat - Chairman

Dr Kristian Balzan - Appointed on 04 March 2019

Dr Luca Vella – Resigned on 04 March 2019

Mr William Wait

The Board meets on a regular basis to discuss performance, position and other matters. The Company's Articles of Association do not require any director to retire.

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities

The Companies Act, Cap 386 requires the directors to prepare 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 and loss of the Group and the Company of that year. In preparing these financial statements, the directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies Act, Cap 386. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are 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.

Disclosure of information to the auditor

As at the date of making this report the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and

- Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the independent auditor in connection with preparing the audit report and to establish that the independent auditor is aware of that information.

Going concern

The directors have reviewed the Company's and the Group's operational and cash flow forecasts. Based on this review, after making enquiries, and in the light of the current financial position, the existing banking facilities and other funding arrangements, the directors confirm, that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

Share Capital Structure

The Company's authorised and issued share capital is €50,000 divided into 50,000 Ordinary Shares of €1 each. Each Ordinary Share is entitled to one vote. The Ordinary Shares in the Company shall rank pari passu for all intents and purposes at law. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital.

Holdings in excess of 5% of Share Capital

AFTL Group AG holds 49,999 shares in the Company, equivalent 99.999% of its total issued share capital. There are no arrangements in place as at 31 December 2018, the operation of which may at a subsequent date result in a change in control of the Company.

Appointment and removal of directors

Appointment of directors shall be made at the Annual General Meeting of the Company.

The directors shall hold office for a period of one year and are eligible for re-election. An election of the directors shall take place every year at the Annual General Meeting of the Company.

Powers of the Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

Directors' Interests

As at 31 December 2018, all directors have no beneficial interest in the share capital of the Company.

Contracts with Board Members and Employees

The Company does not have service contracts with any of its Board Members. All directors may be removed from their posts of director by ordinary resolution of the shareholders in a general meeting.

Auditors

A resolution to re-appoint Silvio Muscat as auditor of the Group and the Company will be proposed at the forthcoming annual general meeting. Silvio Muscat has expressed his willingness to continue in office.

Statement by Directors on the financial statements and other information included in the annual report

For the year ended 31 December 2018

Pursuant to Prospects Rule 4.11.12, the Directors confirm that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2018, and of the financial performance and the cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and

- the annual report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that the Group and the Company face.

Kristian Balzan
Director
28 March 2019

W. W-f

William Wait
Director
28 March 2019

Corporate Governance – Statement of Compliance
31 December 2018

The Code adopted by the Company

The Prospects MTF Rules issued by the Malta Stock Exchange require qualifying companies admitted to Prospects MTF to observe relevant corporate governance standards.

AST Group p.|.c. (the 'Company') supports The Code of Principles of Good Corporate Governance annexed to the Listing Rules (the 'Code'). The Company is required by the Prospects Rules to include, in the Annual Report, a Directors' Statement of Compliance which deals with the extent to which the Company has adopted the Code and the effective measures that the Company has taken to ensure compliance with the Code, accompanied by a report of the auditor.

Compliance with the Code

The Board of Directors (the 'Board') of the Company believe in the adoption of the Code and has complied with them except where the size and/or particular circumstances of the Company are deemed by the Board not to warrant the implementation of specific recommendation. The Company has issued Bonds to the public and has no employees. Accordingly some of the provisions are not applicable whilst others are applicable to a limited extent.

The Board

The Board sets the strategy of the Company and retains direct responsibility for appraising and monitoring the Company's financial statements and its annual report. The duties of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Company so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Company's compliance with its continuing obligations in terms of the Prospect Rules.

Chairperson and Chief Executive Officer

The functions of the Chairman and the Chief Executive Officer (the "CEO") of the Company are segregted. Mr Emmanouil Kalamaras is the Chief Executive Officer and responsible for the day to day running of the business.

As at 31 December 2018, the Board is made up as follows:

Mr. Giuseppe Muscat — Non-Executive Director and Chairman

Mr. William Wait — Independent, Non-Executive Director

Dr. Kristian Balzan — Independent, Non-Executive Director (appointed on 04 March 2019)

Dr. Luca Vella – Independent, Non-Executive Director (resigned on 04 March 2019)

Corporate Governance – Statement of Compliance – (continued)
31 December 2018

Internal Control

The Board is responsible for the internal control system of the Company and for reviewing its effectiveness. The internal control system is designed to achieve business objectives and to manage the risk of failure to achieve business objectives and can only provide reasonable assurance against material error, losses and fraud.

Systems and procedures are in place to control, monitor, report and assess risks and their financial implications. Management accounts and strategic plans are prepared on a regular basis and are presented to the Board to monitor the performance of the Company on an on-going basis.

Attendance to Board Meetings

Directors meet regularly to review the financial performance and the overall strategy of the Company. Board members are notified of meetings by the Company Secretary with the issue of an agenda, which is circulated in advance of the meeting.

The Board met formally 5 times during the year 2018. The following Directors attended Board meetings as follows:

Mr. Giuseppe Muscat — Non-Executive Director and Chairman - 5 times

Mr. William Wait — Independent, Non-Executive Director - 5 times

Dr. Luca Vella – Independent, Non-Executive Director (resigned on 04 March 2019) – 4 times

Committees

The Board does not consider it necessary to appoint a committee to carry out performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders of the Company.

The Board considers that the size and operation of the Company does not warrant the setting up of nomination and remuneration committees. Appointments to the Board are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association. The Company considers that the members of the Board possess level of skill, knowledge and experiences expected in terms of the Code.

Audit Committee

The primary objective of the Audit Committee consists of supporting the Board in their responsibilities in dealing with issues of risks, control and governance and associated assurance.

The Board set formal terms of engagement and terms of reference of the Audit Committee that establish its composition, role and function, the parameter of its remit and the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the respective board and is directly responsible and accountable to the respective board.

Audit Committee (continued)

The Board reserves the right to change the Committee's terms of reference from time to time.

The Audit Committee has the role to deal with and advise the Board on;

- its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;
- the monitoring of the performance of the subsidiary entities borrowing funds (Damask Investment Limited and AST Shipping Limited) from the Company;
- maintaining communication on such matters between the Board, management and independent auditors
- facilitating the independence of the external audit process and addressing issues arising from the audit process and;
- preserving the Company's assets by understanding the Company's risk environment and determining how to deal with those risks
-

The Audit Committee also has the role and function of considering and evaluating the arm's length nature of proposed transactions to be entered into by the Company and a related party.

The Malta Stock Exchange requested the Committee's Terms of Reference following the admission process with respect to the Bonds issued by the Company.

The Members of the Audit Committee

The Audit Committee is presently composed of:

Mr. William Wait (Chairman of the Audit Committee)

Dr Kristian Balzan

Mr Giuseppe Muscat

Mr. William Wait acts as independent, non-executive member of the Committee. The Audit Committee is chaired by Mr. William Wait, whilst Dr Kristian Balzan acts as a member. In compliance with the Prospect Rules, Mr. Willaim Wait is an independent, non- executive director. The Company believes that the members of the Audit Committee have the necessary experiences, independence and standing to hold office as members thereof.

As stipulated in the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of deadlock.

The Directors believe that the current set-up is sufficient to enable to Company to fulfil the objective of the Prospect Rules' terms of reference in this regard.

Corporate Governance – Statement of Compliance – (continued)
31 December 2018

Audit Committee (continued)

The Audit Committee met 5 times during the year under review.

Remuneration Statement

Total fees of €8,780 was paid to directors during the year under review.

The fee payable to directors is not a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

None of the directors is employed or has a service contract with the Company.

Relations with bondholders and the market

The Company publishes annual financial statements and company announcements when required. The Board is of the opinion that these provide the market with adequate information about its activities.

Conflict of interests

On joining the Board and regularly thereafter, directors and officers of the Company are informed and reminded of their obligations on dealing in securities of the Company within the parameter of law and subsidiary legislation, and the Prospect Rules.

Corporate Social Responsibility

The directors are committed to high standards of ethical conduct and to contribute to the development of the well-being of employees and their families as well as the local community and society at large.

Signed on behalf of the Board of Directors on 28 March 2019 by:

W. W-f

Mr. William Wait

Director and Chairman of the

Audit Committee

Giuseppe Muscat

Director

Dr. Kristian Balzan

Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AST Group P.l.c Report on the Audit of the Annual Report and Consolidated Financial Statements for the year ended 31 December 2018

Report on the Audit of the Financial Statements

Opinion

I have audited the annual consolidated financial statements of AST Group P.l.c (the Company), set out on pages 13 to 27, which comprise the Annual Consolidated Statement of Financial Position as at 31 December 2018, the Consolidated Statement of Comprehensive Income statement , Consolidated Statements of Changes in Equity, Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2018 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 European Union and the Schedule accompanying and forming an integral part of those Regulations (IFRS) and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386) which permits compliance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon.

We do not provide a separate opinion on these matters on which to report.

Other Information

The Directors are responsible for the other information. The other information comprises the information in the directors report and in the statement of directors' responsibilities but does not include the financial statements and our auditor's report thereon. My opinion on the financial statements does not cover this information, and I do not express any form of assurance conclusion thereon.

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. If, based on the work I have performed, I conclude that there is material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In accordance with the requirements of the article 177 of the Companies Act (Cap.386) in relation to the Directors' report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with the applicable legal requirements

In the light of the knowledge and understanding of the company and the group and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

To the Shareholders of AST Group P.L.C Report on the Audit of the annual Report and Consolidated Financial Statements for the year ended 31 December 2018.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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.

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

INDEPENDENT AUDITOR'S REPORT - *continued*

To the Shareholders of AST Group P.L.C Report on the Audit of the annual Report and Consolidated Financial Statements for the year ended 31 December 2018.

Report on Other Legal and Regulatory Requirements

The Prospect Rules issued by the Malta Stock Exchange require the directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Prospect Rules also require the auditor to include a report on the Statement of Compliance prepared by the directors.

I read the Statement of Compliance and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. My responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

I am not required to, and I do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In my opinion, the Statement of Compliance set out on pages 6 to 9 has been properly prepared in accordance with the requirements of the Prospect Rules issued by the Malta Stock Exchange.

Other matters on which we are required to report by exception

Under the Maltese Companies Act (Cap. 386) I am required to report to you if, in my opinion:

- I have not received all the information and explanations I require for my audit.
- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches
- The financial statement are not in agreement with the accounting records and returns.

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

Silvio Muscat
Certified Public Accountant

Flat 1, 63c
B'Kara Road
St Julians - Malta

28 March 2019

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

Assets	Note	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Non-current Assets					
Deferred expenditure	4	-	26,513	-	18,413
Property, plant and equipment	3	1,705,408	7,448	-	-
Deferred tax assets	5	6,810	11,529	-	-
Investment in subsidiary	9	-	-	939	706
Balances with related parties	10	-	-	1,912,809	-
		1,712,218	45,490	1,913,748	19,119
Current Assets					
Inventories	6	941,561	1,015,444	-	-
Trade and other receivables	7	4,008,770	2,444,279	211,467	184,926
Cash and cash equivalents	8	477,407	292,784	7,557	11,590
		5,427,737	3,752,508	219,023	196,516
Total Assets		7,139,955	3,797,998	2,132,771	215,635
Equity and Liabilities					
Equity					
Share capital	11	50,000	50,000	50,000	50,000
Retained earnings		788,533	562,708	199,468	145,673
General purpose reserve	20	582,044	582,044	-	-
Other reserves		160,204	160,204	-	-
Shareholder's balance	21	112,245	112,245	-	-
		1,693,026	1,467,201	249,468	195,673
Non-Current liabilities					
Borrowings	12	1,732,675	-	1,783,135	-
Deferred tax liability	5.1	9,019	-	-	
		1,741,694	-	1,783,135	-
Current liabilities					
Borrowings	12	1,768,854	718,954	-	-
Trade and other payables	13	1,820,109	1,521,481	100,168	19,962
Current tax liabilities		116,273	90,361	-	-
		3,705,236	2,330,797	100,168	19,962
Total liabilities		5,446,929	2,330,797	1,883,303	19,962
Total Equity and Liabilities		7,139,955	3,797,998	2,132,771	215,635

The accounting policies and explanatory notes on pages 17 to 27 form an integral part of these financial statements.

The financial statements on pages 13 to 27 have been authorised for issue by the board of Directors on 28 March 2019 and were signed on its behalf by:

W. W.

Kristian Balzan
Director

William Wait
Director

STATEMENT OF COMPREHENSIVE INCOME
For the year ending 31 December 2018

	Note	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Revenue	14	**15,414,596**	10,132,967	**127,972**	218,187
Cost of sales	15	**(14,448,407)**	(9,623,662)	-	-
Gross Profit		**966,190**	509,306	**127,972**	218,187
Other income	16		480	-	-
Selling and distribution expenses	15	**(92,862)**	(106,124)	-	-
Administration expenses	15	**(252,319)**	(142,599)	**(37,618)**	(5,343)
Operating profit/(loss)		**621,009**	261,062	**90,355**	212,844
Net finance income/ (costs)	17	**(271,077)**	(16,078)	**8,231**	-
Profit/(loss) before tax		**349,932**	244,984	**98,585**	212,844
Taxation	18	**(124,108)**	(67,578)	**(44,790)**	(76,365)
Profit/(loss) after tax		**225,824**	177,406	**53,795**	136,479

The accounting policies and explanatory notes on pages 17 to 27 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

Group

	Share Capital €	Retained Earnings €	Other Reserves €	General Purpose Reserve €	Shareholder's balance €	Total €
Balance as at 31 December 2016	233	385,302	160,204	312,044	32,245	890,029
Comprehensive income for the year	-	177,407	-	-	-	177,407
	233	562,709	160,204	312,044	32,245	1,067,434
Transactions with owners						
Issue of share capital	49,767	-	-	-	-	49,767
Capitalisation of shareholder's balance	-	-	-	270,000	80,000	350,000
Balance as at 31 December 2017	50,000	562,709	160,204	582,044	112,245	1,467,201
Comprehensive income for the year	-	225,824	-	-	-	225,824
Balance as at 31 December 2018	**50,000**	**788,534**	**160,204**	**582,044**	**112,245**	**1,693,026**

Company

	Share Capital €	Retained Earnings €	Other Reserves €	Special Reserves €	Shareholder's balance €	Total €
Balance as at 31 December 2016	233	9,194	-	-	-	9,427
Comprehensive income for the year		136,479				136,479
	233	145,673	-	-	-	145,906
Transactions with owners						
Issue of share capital	49,767	-	-	-	-	49,767
Balance as at 31 December 2017	50,000	145,673	-	-	-	195,673
Comprehensive income for the year	-	53,795	-	-	-	53,795
Balance as at 31 December 2018	**50,000**	**199,468**	**-**	**-**	**-**	**249,468**

STATEMENT OF CASH FLOWS
For the year ending 31 December 2018

	Note	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Cash flows from operating activities					
Operating profit for the year		**621,009**	261,062	**90,355**	212,844
Adjustment for:					
Depreciation of plant and machinery		**58,797**	2,065	**-**	-
Amortisation of special survey and drydocking costs		**63,028**	-	**-**	-
Amortisation of bond issue costs		**10,651**	-	**5,235**	-
Gross dividend received		**-**	-	**-**	(218,187)
Operating profit and loss before working capital changes		**753,484**	263,127	**95,590**	(5,343)
Movement in Working Capital					
Movement in inventories		**73,883**	(599,471)	**-**	-
Movement in trade and other receivables		**(1,564,490)**	(273,938)	**-**	(18,680)
Movement in trade and other payables		**206,112**	250,844	**-**	499
Cash generated from operations		**(531,010)**	(359,437)	**95,590**	(23,524)
Net finance cost		**(178,562)**	(16,078)	**-**	-
Income tax paid		**(84,458)**	(42,134)	**-**	-
Net cash generated from/(used in) operating activities		**(794,030)**	(417,649)	**95,590**	(23,524)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(1,819,783)**	(5,597)	**-**	-
Issue of shares		**-**	49,767	**-**	-
Investment in subsidiaries		**-**	-	**(233)**	(473)
Net cash generated from/(used in) investing activities		**(1,819,783)**	44,170	**(233)**	(473)
Cash flows from financing activities					
Bond issuance costs		**(86,465)**	(26,513)	**(38,687)**	(18,413)
Movement in related party balances		**-**	270,000	**(38,849)**	4,153
Movement from related party borrowings		**1,049,900**	88,148	**(1,812,063)**	-
Proceeds from bond issue		**1,835,000**	-	**1,835,000**	-
Issue of shares			-	**-**	49,767
Net cash generated from/(used in) financing activities		**2,798,435**	331,635	**(54,599)**	35,507
Net increase/(decrease) in cash and cash equivalents		**184,622**	(41,844)	**40,757**	11,510
Cash and cash equivalents at the beginning of the year		**292,785**	334,628	**11,590**	80
Cash and cash equivalents at the end of year	8	**477,407**	292,784	**52,347**	11,590

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ending 31 December 2018

1. Summary of significant accounting policies

1.1 Basis of preparation

The consolidated financial statements and separate financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards as adopted by the European Union. The consolidated financial statements are prepared in accordance with the historical cost convention, except for investment property and available-for-sale investments which are measured at fair values as explained in accounting policies below.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Directors to exercise their judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the Directors, the accounting estimates and judgments 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.

Standards, interpretations, amendments to published standards effective in 2018 and impact of adoption

In 2018, the Company adopted a new standard, amendments and interpretations to existing standard that are mandatory for the Group's accounting year beginning on 1 January 2018. The adoption of these revisions to the requirements of IFRSs as adopted by the EU, resulted in changes to the Company's accounting policies.

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The Group had to change its accounting policies and make retrospective adjustments, where applicable, as a result of adopting the IFRS 9 Financial Instruments.

There were no reclassification adjustments to the Group's financial assets on the date of initial application, 1 January 2018. The measurement category of the financial instruments of the Group were (a) Trade and other receivables (b) cash and cash equivalents.

From 1 January 2018 the Group has to assess on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Company's retained earnings.

Cash and cash equivalents: these are placed with high quality institutions and the expected credit losses are immaterial.

Trade and other receivables: the Group applies the IFRS 9 simplified approach to measure the expected credit losses, using 12 month expected impairment provision for all trade receivables. The Group does not have a history of bad debts or impairment on receivables. There were no indications of impairment on trade and other receivables as at 01 January 2018.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of AST Group p.lc (Company) and its subsidiaries which include branches situated in several jurisdictions across the European region. Subsidiaries are entities controlled by the Company. Control is achieved where the Company has an interest of more than one half of the voting rights or otherwise has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.3 Functional and presentation currency

The financial statements are presented in Euro, which is the company's and group's functional and presentation currency.

The principal accounting policies are set out below:

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services and goods in the ordinary course of the Group's activities. Revenue is recognised upon delivery of products or performance of services, net of sales taxes and trade discounts. Interest income is recognised on a time proportional basis. Dividend income is recognised when the right to receive the payment is established.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2018

1.5 Property, plant and machinery

Items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net within "Other income" in statement of comprehensive income. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation is calculated to write off the cost or valuation of the assets on the straight line method over the expected useful lives of the assets concerned. If an asset costs up to Eur1,500, 100% depreciation is charged to the income statement in the year it is bought. The annual depreciation rates are:

Vessel	10 years
Dry-docking costs and special survey costs	2.5 years / 5 years
Furniture and Fittings	10 years
Office equipment	4 years
Improvement to premises	1.5 years

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

1.6 Financial Assets and Liabilities

Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. In the company's financial statements, subsidiaries are accounted for by the cost method of accounting. The results of subsidiary undertakings in the company's financial statements are reflected in these financial statements only to the extent of dividend receivable.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group measures financial assets at amortised cost if:
(a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Group's financial assets at amortised cost includes trade receivables, and receivables from related companies which are included under current financial assets.

The Group recognises an allowance for expected credit losses (ECLs) in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).
For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Financial liabilities are classified, at initial recognition as loans, borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.The Group's financial liabilities include trade and other payables, loans and borrowings including bank financing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process

1.7 Trade and other receivables

Trade and other receivables are carried forward at the anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified.

Trade receivables that are factored out to banks with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions are recorded as borrowings. Any fee incurred to effect factoring is net-off against borrowings and taken to the statement of comprehensive income.

1.8 Trade and other payables

Trade payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued

For the year ending 31 December 2018

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand net of bank overdraft facilities.

1.10 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost and any difference between the proceeds net of transaction costs and the redemption value is recognised in the profit and loss over the period of the borrowings using the effective interest method.

1.11 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.11 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

1.12 Impairment

At each statement of financial position date the company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, as calculated. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in the statement of comprehensive income immediately, unless the relevant asset is carried at a revalued amount in which case the impairment loss/reversal is treated as a revaluation movement.

1.13 Current and Deferred Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets are recognised only to the extent that future taxable profits will be available such that the realisation of the related tax benefit is probable.

Current and deferred tax are recognised as an expense or income in the statement of comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

1.14 Foreign Currencies

Transactions in foreign currencies during the year have been converted at the rates of exchange ruling on the date of the transaction. Assets and Liabilities denominated in foreign currencies have been translated at the rates of exchange ruling on the balance sheet date. Any gains or losses arising from these conversions are included in the statement of comprehensive income.

1.15 Inventories

Goods held for resale

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first out method. The cost of inventories comprises the invoiced value of goods and in general, includes transport and handling costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued

For the year ending 31 December 2018

2. Financial risk management

2.1 Financial risk factors

The group's activities potentially expose it to a variety of financial risk: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The management provides principles for overall group risk management. The group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

The group's operating revenues, operating expenditure and financing are mainly denominated in euro. Management does not consider foreign exchange risk attributable to recognised liabilities arising from purchase transactions to be significant since balances are not significant and are settled within short periods in accordance with the negotiated credit terms.

Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The group's exposures to credit risk as at the end of the reporting periods are analysed as follows:

		2018	2017
		€	€
Trade and other receivables	Note 7	4,008,770	2,444,279
Cash and cash equivalents	Note 8	477,407	292,784
		4,486,176	2,737,063

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount. The group does not hold any collateral as security in this respect.

The group banks with financial institutions with high quality standing and rating.

The group assesses the credit quality of its customers taking into account financial position and past experience. It has policies in place to ensure that sales are affected to customers with an appropriate credit history.

Liquidity risk

The group is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the group's obligations.

2.2 Capital risk management

Capital is managed at group level by reference to the level of group equity and borrowings as disclosed in the consolidated financial statements. The objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may issue new shares, capitalise borrowings or adjust the amount of dividends paid to shareholders.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued

For the year ending 31 December 2018

3. Property, Plant and equipment

Group	Vessel	Improvement to premises	Office Equipment	Furniture & Fittings	Total
	€	€	€	€	€
Year ended 31 December 2017					
Opening net book value	-	-	-	3,916	3,916
Additions	-	-	-	5,597	5,597
Depreciation for the year	-	-	-	(2,065)	(2,065)
Closing net book amount	-	-	-	7,448	7,448
At 31 December 2017					
Cost or valuation	-	-	-	15,652	15,652
Accumulated depreciation	-	-	-	(8,204)	(8,204)
Net book amount	-	-	-	7,448	7,448
Year ended 31 December 2018					
Opening net book value	-	-	-	7,448	7,448
Additions	1,361,381	6,035	13,220	39,693	1,420,328
Capitalised dry-docking and special survey expenses	399,457	-	-	-	399,457
Depreciation for the year	(48,816)	(3,925)	(2,350)	(3,706)	(58,797)
Amortisation of dry-docking and special survey expenses	(63,028)	-	-	-	(63,028)
Closing net book amount	1,648,994	2,110	10,870	43,435	1,705,409
At 31 December 2018					
Cost or valuation	1,760,838	6,035	13,220	55,345	1,835,437
Accumulated depreciation	(111,844)	(3,925)	(2,350)	(11,910)	(130,029)
Net book amount	1,648,994	2,110	10,870	43,435	1,705,409

4. Deferred expenditure

In 2017, deferred expenditure in relation to bond issuance costs were incurred, which bond was issued in February 2018. These costs will then be charged as an expense over the life of the bond, which is 10 years. Bond issue costs not yet amortised are included in the carrying value of the bond. Reference to note 11.

	Group 2018	Group 2017	Company 2018	Company 2017
	€	€	€	€
Deferred Expenditure	-	26,513	-	26,513

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued

For the year ending 31 December 2018

5. Deferred tax asset

	2018	2017
	€	€
At the beginning of the year	11,529	13,631
Charged to the income statement	(4,719)	(2,102)
At the end of the year	6,810	11,529

5.1 Deferred tax liability

	2018	2017
	€	€
At the beginning of the year	-	-
Charged to the income statement	(9,019)	-
	(9,019)	-

Deferred income taxes are calculated on all temporary differences under the liability method using the applicable tax rate of the relevant jurisdiction in which the subsidiaries and branches are situated.

The balance as at 31 December represents:

Deferred tax asset

	2018	2017
	€	€
Temporary differences arising on:		
unutilised tax losses	-	11,529
expenses not allowable for tax purposes	6,810	-
	6,810	11,529

Deferred tax liability

	2018	2017
	€	€
Temporary differences arising on:		
expenses not allowable for tax purposes	(9,019)	-
	(9,019)	-

6. Inventories

	Group 2018	Group 2017	Company 2018	Company 2017
			€	€
Animal feed	799,561	1,015,444	-	-
Spares	18,066	-	-	-
Fuels and oils	123,934	-	-	-
	941,561	1,015,444	-	-

7. Trade and other receivables

	Group 2018	Group 2017	Company 2018	Company 2017
	€	€	€	€
Trade receivables	3,540,942	1,736,126	-	-
Other receivables	229,183	549,496	-	18,680
Related party balances (i)	135,137	114,200	211,467	166,246
VAT refundable	103,508	44,458	-	-
	4,008,770	2,444,279	211,467	184,926

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2018

7. Trade and other receivables (continued)

Ageing of trade receivables analysed as follows:	Group	Group	Company	Company
	2018	2017	2018	2017
	€	€	€	€
Current	168,510	328,940	-	-
1 - 30 days	1,646,031	762,055	-	-
31- 60 days	2,428	-	-	-
61- 90 days	1,631,796	690,572	-	-
151-180 days	128,920	-	-	-
over 1 year	192,440	504,055	-	-
	3,770,125	2,285,622	-	-

(i) Related parties balances are unsecured, interest free and repayable on demand.

The Group has taken into consideration the requirements of IFRS 9 in assessing expected credit losses. A significant amount of trade and other receivables were settled shortly after year-end. Trade receivables within 90 days credit are backed up by factoring agreements. Long outstanding balances, those over a year, actually represent advances to supplier that will be settled over the course of further business with the same supplier. The Group does not have a history of impaired receivables. The management does not expect any uncollectible amounts. Following such assessement, the fair values of trade and other receivables due within one year approximate the carrying values as presented above.

8. Cash and cash equivalents

	Group	Group	Company	Company
	2018	2017	2018	2017
	€	€	€	€
Cash in hand and at bank	477,407	292,784	7557	11,590

9. Investment in subsidiaries

	2018	2017
	€	€
Cost and carrying amount as at 31 December	939	706

The carrying amount of the investment as at 31 December 2018 and 2017 is equivalent to the cost of the investment. The subsidiaries at 31 December 2018 and 2017 are shown below:

Subsidiary	Nature of business	Registered office	% of shares held 2018	% of shares held 2017
Damask Investment Limited	import and export of animal feed	Kingsway Palace, Republic street Valletta VLT 1115 Malta	100%	100%
Damask Shipping Company Limited	shipping management	Kingsway Palace, Republic street Valletta VLT 1115 Malta	100%	100%
AST Shipping Limited	to own a vessel	Kingsway Palace, Republic street Valletta VLT 1115 Malta	100%	100%
Damask Chartering Limited	Chartering services	Kingsway Palace, Republic street Valletta VLT 1115 Malta	100%	-

Damask Investment Limited includes a number of branches across the European region.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2018

10. Loan balances with related parties

	Company 2018	Company 2017
	€	€
Loan balance with related parties	1,912,809	-

The balance represents loan finance to related companies to acquire a motor vessel and to finance initial related costs. The loans are unsecured, payable over a period of 10 years and carries an interest of 8% p.a

11. Share capital

	2018	2017
	€	€
Authorised		
50,000 ordinary shares of €1 each	50,000	50,000
Issued		
50,000 Ordinary shares of €1 each 100% paid up	50,000	50,000

12. Borrowings - Long-term

	Group 2018	Group 2017	Company 2018	Company 2017
	€	€	€	€
Proceeds from 5.5% Unsecured Bonds 2028	1,835,000	-	1,835,000	-
Bond issue costs	(112,976)	-	(57,100)	-
Amortisation of bond issue cost	10,651	-	5,235	-
	1,732,675	-	1,783,135	-

The Group issued Eur1,835,000 5.5% Unsecured Bonds 2028 at a nominal value of Eur100 per Bond and were admitted to trading on Prospects MTF (operated by the Malta Stock Exchange) in February 2018. Interest on bonds at the rate of 5.5% per annum commences on 01 February 2018 and shall be payable annually in arrears on 31 January of each year, with the first interest payment falling due on 31 January 2019. The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption date, is 5.5%.

12. Borrowings - short-term

	Group 2018	Group 2017	Company 2018	Company 2017
	€	€	€	€
Factoring finance	1,768,854	718,954	-	-

The balance relates entirely to bank factoring, whereby 80% of receivables are settled upon confirmation and 20% when the debtor settles the amount. Maximum fundng is Eur2.2M. Factoring fees comprise of 1.10% commission s and interest cost of 6.5% + EURIBOR interest rate (3 months).

13. Trade and other payables

	Group 2018	Group 2017	Company 2018	Company 2017
	€	€	€	€
Trade creditors	1,644,658	1,434,719	-	-
Other creditors	9,467	1,705	-	-
Accrued expenses	146,278	41,321	100,168	1,549
Related party balances	-	-	-	18,413
Vat payable	17,466	39,308	-	-
Social security payable	2,239	4,428	-	-
	1,820,109	1,521,481	100,168	19,962

14. Revenue

Revenue represents the amounts receivable for sale of goods and services rendered, net of any indirect taxes, as follows:

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Sale of goods	14,163,525	10,132,967	-	-
Freight income	1,251,071	-	-	-
Dividend income	-	-	127,972	218,187
	15,414,596	10,132,967	127,972	218,187

15. Expenses by nature

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Cost of goods sold	13,270,671	9,551,994	-	-
Commission payable	-	74,880	-	-
Salaries	85,750	86,625	-	-
Crew wages and expenses	218,076	-	-	-
Fuel and oil	449,580	-	-	-
Port charges	236,451	-	-	-
Marketing costs	5,129	-	2,667	-
Fees paid to key management	8,780	3,025	-	-
Professional fees	111,921	79,846	12,690	3,583
Rent	36,289	-	7,281	-
Insurance	50,636	-	6,034	-
Repairs and maintenance	47,767	-	-	-
Non-Tonnage tax registration fee	1,845	-	-	-
Depreciation of property, plant and equipment	58,797	2,065	-	-
Amortisation of dry-docking and other costs	63,028	-	-	-
Selling and distribution expenses	60,054	60,746	-	-
Amortisation of Bond issue costs	10,651	-	5,235	-
Audit fee	7,400	4,240	1,200	950
Other expenses	70,763	8,963	2,512	810
Total cost of sales; selling and distribution expenses; administrative expenses	14,793,587	9,872,385	37,618	5,343

15.1 Salaries and wages analysed as follows:

	Group 2018 €	Group 2017 €	Company 2018 €	Company 2017 €
Salaries	66,015	70,022	-	-
Social security contributions	19,735	16,603	-	-
Crew wages	181,808	-	-	-
	267,558	86,625	-	-

	Group	Group	Company	Company
The average number of persons employed during the year:	2018	2017	2018	2017
Management, operating and administration	7	9	-	-
Crew members	13	-	-	-
	20	9	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2018

16. Other income

	Group	Group	Company	Company
	2018	2017	2018	2017
	€	€	€	€
Insurance claim refund	-	480	-	-

17. Finance cost/(income)

	Group	Group	Company	Company
	2018	2017	2018	2017
	€	€	€	€
Interest income on loan balances with related companies	-	-	(100,746)	-
Unrealised difference on exchange loss	12,620	18,445	-	-
Realised on loss/(gain) on exchange	86,963	(34,252)	-	-
Bond finance cost	92,515	-	92,515	-
Bank interest and charges	78,978	31,885	-	-
	271,077	16,078	(8,231)	-

18. Taxation

	Group	Group	Company	Company
	2018	2017	2018	2017
	€	€	€	€
Current tax expense	110,370	65,476	44,790	76,365
Deferred tax expense *(note 5)*	13,738	2,102	-	-
	124,108	67,578	44,790	76,365

The group operates in several jurisdictions. The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	Group	Group	Company	Company
	2017	2017	2018	2017
	€	€	€	€
Profit/(loss) before tax	349,932	244,984	98,585	212,844
Tax at the domestic rate at 35%	122,476	85,744	34,505	74,495
Tax effect of:				
Expenses not allowable for tax purposes	11,619	5,181	10,285	1,870
Temporary differences	13,738	-	-	-
Income subject to exemption	(13,918)	-	-	-
Effect of different tax rates in other jurisdictions	(9,807)	(23,348)	-	-
Tax expense for the year	124,108	67,578	44,790	76,365

NOTES TO THE ANNUAL FINANCIAL STATEMENTS - continued
For the year ending 31 December 2018

19. Related Party Transactions

AFTL Group AG is the ultimate parent of the company.

Transactions with related parties
During the year, the Company and the Group entered into transactions with related parties as set out below:

	Group	Group	**Company**	Company
	2018	2017	**2018**	2017
	€	€	**€**	€
Income				
Dividend income	**-**	-	**127,972**	218,187
Expenditure				
Fees payable to directors	**8,780**	3,025	**-**	-

Balances with related parties
Related parties balances are disclosed in note 7, 10 and note 13 to the financial statements.

20. General Purpose Reserve

The general purpose reserve is a non-distributable reserve set up to finance the branches capital expenditure.

21. Shareholder's balance

The shareholder's balance is unsecured, interest free and payable at the discretion of the borrower.

22. Contingent Assets and Liabilities

In July 2018, the vessel was subject to additional works to be carried out in a shipyard to high temperature and low temperature cooling systems and also to maching of the main plates. It resulted that the work carried out was not up to standard. The shipowners have filed a claim of Eur100,000 for gross negligence in testing of the cooling system prior to the the vessel's seatrials.

The group had no contingent liabilities at 31 December 2018 and 2017.

23. Capital Commitment

The group had no capital commitments at 31 December 2018 and 2017.

24. Statutory information

AST Group p.l.c is a public limited liability company. AST Group p.l.c is incorporated in Malta with its registered address at 31,32,33 Third Floor, Kingsway Palace, Republic Street, Valletta VLT 1115. The company's immediate parent company is AFTL Group AG with registered office situated at Zug, c/o Fidura Immobilien AG, Gotthardstrasse 20, 6300 Zug, Switzerland.