AST GROUP P.L.C

C 66811

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 JUNE 2019

CONTENTS

DIRECTORS' REPORT PURSUANT OF PROSPECTS RULE 4.11.12 FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019

This Half-Yearly Report is being published in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 prepared in accordance with IAS 34, 'Interim Financial Reporting'. In accordance with the terms of Prospects rule 4.11.12, this interim report has not been audited by the Group's independent auditors.

The Directors present their report of the Group for the interim period ended 30 June 2019. The Group comprises the Company ("AST Group Plc") and its four subsidiaries: Damask Investment Limited, AST Shipping Limited, Damask Shipping Management Company Limited and Damask Chartering Limited.

Principal Activities

The principal activity of the Group is to trade in animal feed as well as operate M/V "AST Malta" to distribute the Group's animal feed or charter her out to third parties.

Review of business and results

Although revenue for the period under review decreased by 7% over the previous period (January to June 2019: €5,961,671; January to June 2018: €6,395,137), gross profit margin increased to 7.4% during January to June 2019 when compared to 5.4% in the previous period due to higher profit margin generated from the animal feed business. Selling and distribution and administrative expenses increased during the six months under review due to increase in salaries, crew wages, rental costs and professional fees. The above factors contributed towards a pre-tax loss for the period of €1,593 (June 2018: pre-tax profit €42,255).

No interim dividends are being proposed.

Approved by the board of directors on 27 August 2019 and signed on its behalf by:

Mr Giuseppe Muscat
Director

Mr William Wait
Director

Registered Office:
31,32,33 Third Floor
Kingsway Palace
Republic Street
Valletta VLT 1115
Malta

DIRECTORS' STATEMENT
FOR THE PERIOD 1 JANUARY 2019 TO 30 JUNE 2019

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

We hereby confirm that to the best of our knowledge:

- The unaudited condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2019, and of its financial performance and cash flows for the six month period then ended in accordance with IAS34, "Interim Financial Reporting"; and

- The Interim Directors' Report includes a fair review of the information required in terms of Prospects Rule 4.11.12.

Mr Giuseppe Muscat
Director
27 August 2019

Mr William Wait
Director
27 August 2019

AST GROUP P.L.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	30.06.2019 €	31.12.2018 €
Assets			
Non-current Assets			
Property, plant and equipment	3	1,617,361	1,705,408
Deferred tax assets	4	24,862	6,810
		1,642,223	1,712,218
Current Assets			
Inventories	5	1,085,204	941,561
Trade and other receivables	6	2,676,439	4,008,770
Cash and cash equivalents	7	306,559	477,407
		4,068,202	5,427,737
Total Assets		5,710,426	7,139,955
Equity and Liabilities			
Equity			
Share capital	8	50,000	50,000
Retained earnings		769,417	788,533
General purpose reserve	16	582,044	582,044
Other reserves		160,204	160,204
Shareholder's balance	17	112,245	112,245
		1,673,910	1,693,026
Non-Current liabilities			
Borrowings	9	1,738,325	1,732,675
Deferred tax liability	4.1	9,549	9,019
		1,747,874	1,741,694
Current liabilities			
Borrowings	10	714,430	1,768,854
Trade and other payables	11	1,425,937	1,820,109
Current tax liabilities		148,275	116,273
		2,288,642	3,705,236
Total liabilities		4,036,516	5,446,929
Total Equity and Liabilities		5,710,426	7,139,955

The financial statements on pages 3 to 15 have been authorised for issue by the board of Directors on 27 August 2019 and were signed on its behalf by:

Giuseppe Muscat
Director

William Wait
Director

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

	Note	01.01.2019 to 30.06.2019 €	01.01.2018 to 30.06.2018 €
Revenue		5,961,671	6,395,137
Cost of sales		(5,520,002)	(6,048,433)
Gross Profit		441,669	346,704
Other income	12	1,438	-
Selling and distribution expenses		(55,190)	(12,409)
Administration expenses		(204,876)	(158,030)
Depreciation and amortisation		(93,729)	(23,634)
Operating profit/(loss)		89,312	152,631
Net finance income costs	13	(90,905)	(110,376)
(Loss)/Profit before tax		(1,593)	42,255
Taxation	14	(17,523)	(40,638)
(Loss)/Profit after tax		(19,116)	1,617

INTERIM CONDENDSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Share Capital €	Retained Earnings €	Other Reserves €	General Purpose Reserve €	Shareholder's balance €	Total €
Balance as at 01 January 2018	50,000	562,709	160,204	582,044	112,245	1,467,202
Comprehensive income for the period	-	-	-	-	-	-
Balance as at 30 June 2018	**50,000**	**562,709**	**160,204**	**582,044**	**112,245**	**1,467,200**
Balance as at 01 January 2019	50,000	788,533	160,204	582,044	112,245	1,693,026
Comprehensive income for the period	-	(19,116)	-	-	-	(19,116)
Balance as at 30 June 2019	**50,000**	**769,417**	**160,204**	**582,044**	**112,245**	**1,673,910**

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

	Note	01.01.2019 to 30.06.2019 €	01.01.2018 to 30.06.2018 €
Cash flows from operating activities			
Operating profit for the year		89,312	152,631
Adjustment for:			
Depreciation of plant and machinery		40,809	19,744
Amortisation of special survey and drydocking costs		47,270	-
Amortisation of bond issue costs		5,650	3,888
Operating profit and loss before working capital changes		183,041	176,263
Movement in Working Capital			
Movement in inventories		(143,643)	(78,853)
Movement in trade and other receivables		1,332,332	(711,651)
Movement in trade and other payables		(344,210)	488,595
Cash generated from operations		1,027,520	(125,646)
Net finance cost		(140,867)	(64,816)
Income tax paid		(3,043)	(56,383)
Net cash generated from/(used in) operating activities		883,610	(246,845)
Cash flows from investing activities			
Purchase of property, plant and equipment		(32)	(1,414,747)
Net cash generated used in investing activities		(32)	(1,414,747)
Cash flows from financing activities			
Proceeds from bond issue		-	1,835,000
Movement in related party balances		-	72,605
Bond issuance costs		-	(68,464)
Movement from borrowings		(1,054,424)	18,557
Net cash generated used in financing activities		(1,054,424)	1,857,698
Net (decrease)/ increase in cash and cash equivalents		(170,846)	196,106
Cash and cash equivalents at the beginning of the year		477,406	292,785
Cash and cash equivalents at the end of year	7	306,560	488,891

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

1. Summary of significant accounting policies

1.1 Basis of preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the requirements of the International Financial Reporting

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.

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 12 month 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.

On initial recognition of an equity investment that is not held for trading the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

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.

1.9 Cash and cash equivalents

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.

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:

		30.06.2019	31.12.2018
		€	€
Trade and other receivables	Note 6	2,676,439	4,008,770
Cash and cash equivalents	Note 7	306,559	477,407
		2,982,998	4,486,176

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

3. Property, Plant and equipment

	Vessel	Improvement to premises	Office Equipment	Furniture & Fittings	Total
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
At 30 June 2019					
Opening net book value	1,648,994	2,110	10,870	43,435	1,705,409
Additions	-	-	-	32	32
Depreciation for the year	(32,544)	(2,110)	(1,537)	(4,618)	(40,809)
Amortisation of dry-docking and special survey expenses	(47,270)	-	-	-	(47,270)
Closing net book amount	(79,814)	-	9,333	38,849	1,617,361

4. Deferred tax asset

	30.06.2019	31.12.2018
	€	€
At the beginning of the year	6,810	11,529
Charged to the income statement	18,052	(4,719)
At the end of the year	24,862	6,810

4.1 Deferred tax liability

	30.06.2019	31.12.2018
	€	€
At the beginning of the year	(9,019)	-
Charged to the income statement	(530)	(9,019)
	(9,549)	(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 period end represents:

Deferred tax asset

	30.06.2019	31.12.2018
Temporary differences arising on:	€	€
unutilised tax losses	24,862	6,810

Deferred tax liability

	30.06.2019	31.12.2018
Temporary differences arising on:	€	€
expenses not allowable for tax purposes	9,549	(9,019)

5. Inventories

	30.06.2019	31.12.2018
	€	€
Animal feed	899,283	799,561
Spares	69,777	18,066
Fuels and oils	116,144	123,934
	1,085,204	941,561

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

6. Trade and other receivables

	30.06.2019	31.12.2018
	€	€
Trade receivables	2,178,130	3,540,942
Other receivables	290,826	229,183
Related party balances (i)	82,593	135,137
VAT refundable	124,890	103,508
	2,676,439	4,008,770

(i) Related party balances are unsecured, interest free and repayable upon demand.

7. Cash and cash equivalents

	30.06.2019	31.12.2018
	€	€
Cash in hand and at bank	306,560	477,407

8. Share capital

	30.06.2019	31.12.2018
	€	€
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

9. Borrowings - Long-term

	30.06.2019	31.12.2018
	€	€
Proceeds from 5.5% Unsecured Bonds 2028	1,835,000	1,835,000
Bond issue costs	(112,976)	(112,976)
Amortisation of bond issue cost	16,301	10,651
	1,738,325	1,732,675

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%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

10. Borrowings - short-term

	30.06.2019	31.12.2018
	€	€
Factoring finance	714,430	1,768,854

The balance relates entirely to bank factoring. Maximum funding is Eur2.2M.

11. Trade and other payables

	30.06.2019	31.12.2018
	€	€
Trade creditors	1,319,118	1,644,658
Other creditors	11,491	9,467
Accrued expenses	91,892	146,278
Vat payable	2,074	17,466
Social security payable	1,362	2,239
	1,425,937	1,820,109

12. Other income

	01.01.2019 to 30.06.2019	01.01.2018 to 30.06.2018
	€	€
Discounts received	1,438	-

13. Finance costs

	01.01.2019 to 30.06.2019	01.01.2018 to 30.06.2018
	€	€
Interest income on loan balances with related companies		-
Unrealised difference on exchange loss/(gain)	(11,152)	3,508
Realised on loss/(gain) on exchange	21,949	36,531
Bond finance cost	50,463	42,052
Bank interest and charges	29,645	28,285
	90,905	110,376

14. Taxation

	01.01.2019 to 30.06.2019 €	01.01.2018 to 30.06.2018 €
Current tax expense	35,045	38,020
Deferred tax expense *(note 4)*	(17,522)	2,618
	17,523	40,638

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:

	01.01.2019 to 30.06.2019 €	01.01.2018 to 30.06.2018 €
(Loss/Profit before tax	(1,593)	42,255
Tax at the domestic rate at 35%		
Tax effect of:		
Expenses not allowable for tax purposes	-	14,790
Temporary differences		
Unabsorbed tax losses	-	618
Effect of different tax rates in other jurisdictions	4,138	2,708
Tax expense for the year	(21,660)	-
	35,045	22,522
	17,523	40,638

15. Related Party Transactions

AFTL Group AG is the ultimate parent of the company.

Transactions with related parties
The Group entered into transactions with related parties as set out below:

	01.01.2019 to 30.06.2019 €	01.01.2018 to 30.06.2018 €
Expenditure		
Fees payable to key personnel	40,690	2,300

Balances with related parties
Related parties balances are disclosed in note 6 and note 11 to the financial statements.

16. General Purpose Reserve

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

17. Shareholder's balance

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 01 JANUARY 2019 TO 30 JUNE 2019

18. Contingent Assets and Liabilities

The group had no contingent liabilities at 30 June 2019.

19. Capital Commitment

The group had no capital commitments at 30 June 2019.

20. 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.