

KATARI HOLDINGS 2 LIMITED
(previously known as KATARI PHARMA LIMITED)

Annual Report

For the year ended 31 December 2021

KATARI HOLDINGS 2 LIMITED

Annual Report and Financial Statements
For the year ended 31 December 2021

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KATARI HOLDINGS 2 LIMITED

General information

Registration

KATARI HOLDINGS 2 LIMITED is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C85298.

Director

Mr Paul Attard

Company secretary

Mr Paul Attard

Registered office

KATARI HOLDINGS 2 LIMITED
GAP Head Office
Censu Scerri Street
Sliema SLM 3060
Malta

Auditor

Paul Mifsud
14, Triq l-Isqof Pace,
Mellieha MLH 1067
Malta

KATARI HOLDINGS 2 LIMITED

Director's responsibilities For the year ended 31 December 2021

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

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

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

KATARI HOLDINGS 2 LIMITED

Income Statement

For the year ended 31 December 2021

	Note	2021 €	2020 €
Administrative expenses		(1,492)	(1,135)
Loss before tax	4	(1,492)	(1,135)
Income tax expense		-	-
Loss for the year		(1,492)	(1,135)

KATARI HOLDINGS 2 LIMITED

Balance Sheet As at 31 December 2021

	Notes	2021 €	2020 €
ASSETS			
Current assets			
Cash and cash equivalents		1,200	1,200
		<u>1,200</u>	<u>1,200</u>
Total assets		<u>1,200</u>	<u>1,200</u>
EQUITY AND LIABILITIES			
Equity			
Share Capital		1,200	1,200
Retained earnings		(4,312)	(2,820)
		<u>(3,112)</u>	<u>(1,620)</u>
Liabilities			
Current liabilities			
Trade and other payables	5	4,312	2,820
		<u>4,312</u>	<u>2,820</u>
Total equity and liabilities		<u>1,200</u>	<u>1,200</u>

The financial statements set out on pages 3 to 7 were approved and authorised for issue by the sole director on 18 July 2022:



Paul Attard
Director

KATARI HOLDINGS 2 LIMITED

Notes to the financial statements For the year ended 31 December 2021

1 Going concern

During the year ended 31 December 2021, the company made a loss of €1,492 (2020: €1,135) and at the balance sheet date its liabilities exceeded its assets by €3,112 (2020: €1,620). These financial statements have been prepared on a going concern basis, on the basis of undertakings given by the company's shareholder to continue to provide financial support to the company in the foreseeable future.

2 Basis of preparation

2.1 Basis of measurement and statement of compliance.

The financial statements of KATARI HOLDINGS 2 LIMITED ("the Company") have been prepared in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations ("GAPSME"). The financial statements have been prepared on the historical cost basis. These financial statements present information about the Company as an individual undertaking.

2.2 Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

3 Significant accounting policies

3.1 Financial assets, financial liabilities and equity

A financial asset or a financial liability is recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially recognised at their fair value plus in the case of financial assets and financial liabilities not classified as held for trading and subsequently measured at fair value, transaction costs attributable to the acquisition or issue of the financial assets and financial liabilities.

Financial assets and financial liabilities are derecognised if and to the extent that, it is no longer probable that any future economic benefits associated with the item will flow to or from the entity.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

A financial instrument, or its component parts, is classified as a financial liability, financial asset or an equity instrument in accordance with the substance of the contractual arrangement rather than its legal form.

i. Trade and other receivables (excluding non-financial assets included in this line item)

Trade and other receivables are stated at their nominal value unless the effect of discounting is material in which case trade and other receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence of impairment;

KATARI HOLDINGS 2 LIMITED

Notes to the financial statements For the year ended 31 December 2021

3 Significant accounting policies (continued)

3.1 Financial assets, financial liabilities and equity (continued)

ii. *Trade and other payables (excluding non-financial liabilities included in this line item)*

Trade and other payables are stated at their nominal value unless the effect of discounting is material, in which case trade and other payables are measured at amortised cost using the effective interest method.

iii. *Share capital issued by the Company*

Ordinary shares issued by the Company are classified as equity.

3.2 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the period, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The Company recognises a deferred tax liability in respect of all taxable temporary differences and a deferred tax asset in respect of all deductible temporary differences except to the extent that such deferred tax liability arises from the initial recognition of goodwill or the deferred tax asset/liability arises from the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (loss). Recognition of a deferred tax asset is however limited to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The Company re-assesses any unrecognised deferred tax asset at each balance sheet date to determine whether future taxable profit has become probable that allows the deferred tax asset to be recovered.

4 Loss before tax

4.1 Total remuneration paid to the Company's auditor during the period amounts:

	2021	2020
	€	€
Audit fees	600	600

KATARI HOLDINGS 2 LIMITED

Notes to the financial statements For the year ended 31 December 2021

5 Trade and other payables

	2021 €	2020 €
Accrued expenses	1,095	750
Amounts due to shareholder	3,217	2,070
	<hr/> 4,312	<hr/> 2,820

Amounts due to shareholder are unsecured, interest free and repayable on demand.

6 Related party disclosures

6.1 Transactions with related parties

	Note	Transaction value for the year ended 31 December		Balance outstanding as at 31 December	
		2021 €	2020 €	2021 €	2020 €
Financing transactions					
Amounts due to shareholder	5	(1,147)	(3,170)	(3,217)	(2,070)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of KATARI HOLDINGS 2 LIMITED.

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of KATARI HOLDINGS 2 LIMITED (the Company), set out on pages 3 to 7, which comprise the balance sheet as at 31 December 2021, the income statement, 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 balance sheet of the Company as at 31 December 2021, and of its financial performance for the period then ended in accordance with the Accountancy Profession (General Accounting Principles for Small and Medium-sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations(GAPSME) and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company 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 my 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 I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The director is responsible for the other information. The other information comprises the general information and the director's responsibilities.

My opinion on the financial statements does not cover the other 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 a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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Responsibilities of the Director

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with GAPSME, and for such internal control as the director 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 director is 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 director 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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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 director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit



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Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been properly prepared in accordance with the Companies Act (Chap. 386), enacted in Malta, which permits compliance with the Accountancy Profession (General Accounting Principles for Small and Medium-Sized Entities) Regulations, 2015 and the Schedule accompanying and forming an integral part of those Regulations, for qualifying entities as prescribed in those regulations.

Paul Mifsud
Certified Public Accountant
14, Triq l-Isqof Pace,
Mellicha MLH 1067
Malta

18 July 2022

The Schedules on the pages that follow do not form part of the financial statement

KATARI HOLDINGS 2 LIMITED

Schedule I – Administrative Expenses For the year ended 31 December 2021

Administrative expenses

	2021	2020
	€	€
Audit fee	600	600
Professional fees	807	450
Registration fee	85	85
	<hr/>	<hr/>
	1,492	1,135
	<hr/>	<hr/>