

ITC Occupational Retirement Scheme  
Annual Report & Financial Statements  
31 December 2024

Company registration number: RS/041

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## **Scheme details**

### **Retirement Scheme Trustee**

ITC International Pensions Limited  
Nu Bis Centre  
Mosta Road  
Lija LJA 9012  
Malta

### **Banks**

Sparkasse Bank Malta plc  
101, Town Square  
Ix-Xatt Ta' Qui-Si-Sana  
Sliema SLM 3112  
Malta

Bank of Ireland  
2 College Green  
Dublin 2 DO2 VR66  
Ireland

### **Investment manager**

Q Fund Management Limited  
Nu Bis Centre  
Mosta Road  
Lija LJA 9012  
Malta

### **Auditor**

Grant Thornton  
Fort Business Centre  
Triq L-Intornjatur, Zone 1  
Central Business District  
Birkirkara CBD 1050  
Malta

## **Trustee's report**

The Trustee presents its report and the audited financial statements for the year ended 31 December 2024.

### **ITC Occupational Retirement Scheme (the "Scheme")**

The Scheme is a defined contribution Scheme established on 23 June 2016 as a trust by Trust Instrument under the Trusts and Trustees Act (Chapter 331 of the Laws of Malta) and is not subject to any limits on its duration. The Scheme was registered with Malta Financial Service Authority (MFSA) on 21 June 2016 to act as an Occupational Retirement Scheme. The administration and management of the Scheme is vested in the Retirement Scheme Administrator who acts as the sole Trustee of the Scheme in accordance with the Trust Instrument, Rules, and the Act. The ITC Occupational Retirement Scheme meets the requirement to be a Recognised Overseas Pension Scheme under Sections 150 (8) and 169 (2) of the Finance Act 2004. Therefore, this has been included in the Her Majesty's Revenue and Customs (HMRC) QROPS list.

The following description of the Scheme provides only general information. Members should refer to the Retirement Scheme policy for a more complete description of the Scheme's provisions.

### **Review of the Scheme's performance**

The main object of the Scheme is to receive contributions from a Participating Employer(s) or a Participating Employee(s) and members and invest such contributions in accordance with the investment policy of the Scheme with the aim of recognised the return on such contributions to provide retirement benefits (as defined in the Act) for and in respect of any person who is, at the discretion of the Retirement Scheme Administrator, admitted to membership of the Scheme or who otherwise becomes eligible to participate in the Scheme.

The Scheme's financial performance and position are considered to be satisfactory. The Trustee expects that the present level of activity will be increased in the foreseeable future.

The statement of changes in net assets available to members for benefits is set out on page 7. The Scheme's total comprehensive income amounts to € 9,569,759 (2023: € 6,657,603).

Further information regarding the nature, marketability and valuation of the assets within the Scheme are disclosed principally within notes 5 and 10 to the financial statements.

### **Reporting to the Regulators**

We, the undersigned, are responsible for the preparation of the Annual Report of the Scheme for the year ended 31 December 2024 and confirm that to the best of our knowledge it is complete and accurate in all material respects and conforms with the MFSA's requirements in terms of the Scheme's Licensing Conditions.

We further confirm that the Scheme has been administered in accordance with the requirements of the Retirement Pensions Act (Cap. 514) and of any regulations made thereunder, and of any Pension Rules, and that the Scheme's Licensing Conditions have been observed and complied with.

### **Reporting to the Members**

The Retirement Scheme Administrator shall provide an annual statement which discloses the position of the members' Individual Fund within the Scheme, to members, former members and beneficiaries at such time or times as the Retirement Scheme Administrator reasonably considers necessary, and at such other times as any applicable law requires to ensure that they are sufficiently informed.

On request from a member or beneficiary, the Retirement Scheme Administrator shall provide detailed and substantive information in writing in relation to the range of investment possibilities and actual investment portfolio and the investment policy principles of the Scheme.

### **Trustee of the Scheme**

Persons serving as Directors of the Trustee ("Trustee Directors") during the year and up to the date of this report are as follows:

Mr Aidan McLoughlin (Managing Director)  
Mr Brendan Conlon  
Mr Conor Turvey  
Mr Anthony Zahra  
Ms Helen Murdoch

The power of appointing or removing Trustee Directors is vested in the shareholders of the ITC International Pensions Limited.

### **Investment Manager**

The Trustee is required by the Retirement Pensions Act, 2011 (Cap. 514) to prepare financial statements which give a true and fair view of the state of affairs of the Scheme at the end of each reporting year and of the financial performance for that year.

For the year ended 31 December 2024, the Investment Manager has waived any applicable fees for any service to the Retirement Scheme Administrator.

### **Statement of Trustee's responsibilities**

The Trustee is required by the Retirement Pensions Act, 2011 (Cap. 514) to prepare financial statements which give a true and fair view of the state of affairs of the Scheme at the end of each reporting year and of the financial performance for that year.

In preparing the financial statements, the Trustee is responsible for:

- ensure that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on a going concern basis. Unless it is inappropriate to presume that the Scheme will continue in business as a going concern; and
- report comparative figures corresponding to those of the preceding accounting period.

The Trustee is also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Act. It is also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

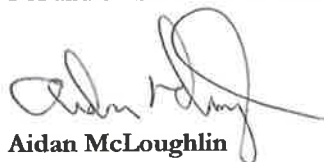
The Trustee confirms that the financial statements of the Scheme are complete and accurate in all material respects and conform with the MFSA requirements in terms of the Retirement Scheme's Registration Conditions.

During the year, the Scheme has been fully compliant with the Trust Deed and Rules.

### **Auditor**

Grant Thornton has expressed its willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting.

For and on behalf of the Trustee



**Aidan McLoughlin**  
Trustee Director



**Anthony Zahra**  
Trustee Director

18 April 2025

## Statement of net assets available for benefits

	Notes	2024 €	2023 €
<b>Assets</b>			
<b>Current</b>			
Financial assets at fair value through profit or loss	10	92,339,171	70,892,916
Other non-financial assets	10	996,787	745,904
Other receivables	11	332,229	350,430
Cash and cash equivalents	12	19,373,827	24,999,269
<b>Total assets</b>		<b>113,042,014</b>	<b>96,988,519</b>
<b>Net assets at end of year</b>		<b>113,042,014</b>	<b>96,988,519</b>
<b>Net assets available to beneficiaries for benefits</b>		<b>113,042,014</b>	<b>96,988,519</b>

The financial statements on pages 6 to 24 were approved, authorised for issue and signed by the directors on 18 April 2025.

  
**Aidan McLoughlin**  
 Trustee Director

  
**Anthony Zahra**  
 Trustee Director

## Statement of changes in net assets available to members for benefits

	Notes	2024 €	2023 €
<b>Contributions and transfers in</b>			
Transfers in	9	20,297,551	16,792,191
		<b>20,297,551</b>	<b>16,792,191</b>
<b>Benefit payments and transfers out</b>			
Benefits paid to members		(12,076,281)	(8,951,605)
Transfers to other Schemes		(1,737,532)	(3,642,539)
<b>Total benefit payments and transfer out</b>		<b>(13,813,813)</b>	<b>(12,594,144)</b>
<b>Comprehensive income</b>			
Foreign exchange		181,291	29,949
Dividend income		525,074	554,965
Interest income		407,830	315,634
Change in market value of investments and other non-financial assets		8,271,580	6,826,321
Realised gains on investments		1,871,778	377,263
Investment administration expenses		(1,083,981)	(894,229)
Other expenses		(603,815)	(552,300)
<b>Total comprehensive income</b>		<b>9,569,757</b>	<b>6,657,603</b>
<b>Net increase in the Scheme during the year</b>		<b>16,053,495</b>	<b>10,855,650</b>
<b>Net assets available to members for benefits at the beginning of the year</b>		<b>96,988,519</b>	<b>86,132,869</b>
<b>Net assets available to members for benefits at the end of the year</b>		<b>113,042,014</b>	<b>96,988,519</b>



## Statement of cash flows

	Notes	2024 €	2023 €
<b>Cash flows from operating activities</b>			
Comprehensive income		9,569,757	6,657,603
<i>Adjustments for:</i>			
- Dividend income		(525,074)	(554,965)
- Interest income		(407,830)	(315,634)
- Foreign exchange gain		(181,291)	(29,949)
- Change in market value of investments and other non-financial assets		(8,271,580)	(6,826,321)
- Realised loss on investments		(1,871,778)	(377,263)
<i>Changes in working capital:</i>			
- Other receivables		18,201	180,888
<b>Net cash used in operating activities</b>		<b>(1,669,595)</b>	<b>(1,265,641)</b>
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets and other non-financial assets		(37,548,988)	(17,867,040)
Proceeds from disposal of financial assets		26,790,353	16,664,931
Dividends received		525,074	554,965
Interest received		407,830	315,634
<b>Net cash used in investing activities</b>		<b>(9,825,731)</b>	<b>(331,510)</b>
<b>Cash flows from financing activities</b>			
Cash transfers into the Scheme	9	19,502,406	11,701,665
Pensions benefit payments		(12,076,281)	(8,951,605)
Cash transfers to other schemes		(1,737,532)	(3,642,539)
<b>Net cash generated from (used in) financing activities</b>		<b>5,688,593</b>	<b>(892,479)</b>
Net movement in cash and cash equivalents		(5,806,733)	(2,489,630)
Cash and cash equivalents at beginning of the year		24,999,269	27,458,950
<b>Cash and cash equivalents before effect of foreign exchange rate changes</b>		<b>19,192,536</b>	<b>24,969,320</b>
Effect of foreign exchange rate changes		181,291	29,949
<b>Cash and cash equivalents at the end of the year</b>	12	<b>19,373,827</b>	<b>24,999,269</b>

## **Notes to the financial statements**

### **1 General information**

The ITC Occupational Retirement Scheme (“the Scheme”) is a defined contribution established on 23 June 2016 as a trust by Trust Instrument under the Trusts and Trustees Act (Chapter 331 of the Laws of Malta) and is not subject to any limits on its duration. The Scheme was registered with Malta Financial Services Authority (MFSA) on 21 June 2016 to act as an Occupational Retirement Scheme. The administration and management of the Scheme is vested in the Retirement Scheme Administrator who acts as the sole Trustee of the Scheme in accordance with the Trust Instrument, Rules and the Act. The address of the Scheme’s principal office Nu Bis Centre, Mosta Road, Lija LJA 9012, Malta.

The main object of the Scheme is to receive contributions from members and invest such contributions in accordance with the investment policy of the Scheme with the aim of recognized the return on such contributions to provide retirement benefits (as defined in the Act) for and in respect of any person who is, at the discretion of the Retirement Scheme Administrator, admitted to membership of the Scheme or who otherwise becomes eligible to participate in the Scheme.

### **2 Basis of preparation**

These financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and the requirements of the Pension Rules for Occupational Retirement Schemes (“the Pension Rules”) issued in terms of Retirement Pensions Act, 2011 (Cap 514). They have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (FVTPL) and other non-financial assets which are stated at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the Scheme’s accounting policies (see note 7 – Critical accounting estimates and judgements).

The financial statements present the aggregated position and performance of the Scheme which comprises the individual funds of the members as at 31 December 2024.

The statement of net assets available for benefits presents assets and liabilities in increasing order of liquidity. Financial assets at FVTPL and other non-financial assets are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Provider’s recommendations. All other assets and liabilities are expected to be realized within one year.

### **3 New or revised Standards or Interpretations**

#### **3.1 New standards adopted as at 1 January 2024**

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Scheme's financial results or position.

Other standards and amendments that are effective for the first time in 2024 and could be applicable to the company are:

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

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

#### **3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Scheme**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations published by the IASB or IFRIC include.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

None of these Standards or amendments to existing Standards have been adopted early by the Scheme. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The Scheme will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027. The Scheme is not expected to early adopt this new standard.

### **4 Material accounting policies**

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity's material accounting policies below are appropriate.

#### **4.1 Overall considerations and presentation of financial statements**

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

#### **4.2 Foreign currency translation**

##### *(a) Functional and presentation currency*

The financial statements are presented in Euro (€), which is also the functional currency of the Scheme.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the report date.

Foreign exchange gains and losses arising from translation are included in comprehensive income (loss).

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of changes in net assets available to members for benefits within 'foreign exchange'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at FVTPL are presented in the statement of changes in net assets available to members for benefits within 'change in market value of investments'.

#### **4.3 Financial assets and financial liabilities**

##### *(a) Recognition*

The Scheme recognised financial assets on the date it commits to purchase the assets, using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets are recorded in the period in which they arise.

Where applicable, interest income on financial assets at FVTPL within 'interest income', while dividend income from financial assets at FVTPL is recognized in the statement of profit or loss and other comprehensive income within 'dividend income'. Fair value gains or losses are recognised within 'change in market value of investments and other non-financial assets'.

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument.

##### *(b) Classification and measurement*

The Scheme classifies its financial assets as subsequently measured at amortised cost or measured at FVTPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

#### **Financial assets at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Scheme determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. For financial assets at amortised cost, appropriate allowances for expected credit losses ("ECLs") are recognized in profit or loss in accordance with the Scheme's accounting policy on ECLs.

#### **Financial assets at FVTPL**

A financial asset is measured at FVTPL if it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Scheme may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognised the gains and losses on them on different bases. The Scheme includes in this category, derivative contracts in an asset position, financial assets classified as held for trading, financial assets managed, evaluated and reported on a fair value basis in accordance with the Funds' documented investment strategy, and those financial investments and term deposits whose contractual cash flows do not solely represent payments of principal and interest, which are mandatorily measured at FVTPL.

#### *(c) Fair value measurement principles*

The Scheme's investments in other funds are subject to terms and conditions of the respective Investment Fund's offering documentation. The investments in open-ended Investment Funds are valued based on the latest available redemption price of such units for each Investment Fund, as determined by the Investment Funds' administrators. The Scheme's Trustee reviews the details of the reported information obtained from the Investment Funds and considers:

- The liquidity of the Investment Fund or its underlying investments;
- The value date of the net asset value provided;
- Any restrictions on redemptions; and
- The basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investment Fund's advisors.

If necessary, the Scheme makes adjustments to the net asset value of various Investment Funds to obtain the best estimate of fair value. Net fair value changes on financial assets at FVTPL in the statement of changes in net assets available to members for benefits include the change in fair value of each of the Investment Funds.

Investments in closed-end Investment Funds are valued by reference to the shareholders' capital attributable to the relevant Scheme as determined by the Investment Fund's administrator. The shareholders in these closed-end funds are not entitled to have any of their holding redeemed prior to the termination period. As a result, the carrying values of the Investment Funds may not be indicative of the values ultimately realised on redemption. In addition, the Scheme may be materially affected by the actions of other Scheme members who have invested in the Investment Funds in which the Scheme is invested.

All of the Investment Funds in the investment portfolio are managed by investment providers who are compensated by the respective Investment Fund's for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee. Such compensation is reflected in the valuation of the Scheme's investment in each of the Investment Funds.

The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available price appearing to the Trustee. In the case of financial instruments which are quoted, listed or normally dealt in or under the rules of a regulated market but in respect of which, for any reason, prices on that regulated market may not be available at any relevant time, the value thereof shall be determined by reference to prices sought from dealers, brokers or pricing service providers. The fair values of unquoted investments are established by using valuation techniques.

The fair value of Life Assurance Bonds is based on the valuation provided by the issuer of the respective policy.

The Scheme's financial liabilities include other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges, and if applicable, changes in an instrument's fair value that are reported in comprehensive income (loss) are included within 'finance costs' or 'finance income'.

*(d) Identification and measurement of impairment*

The Scheme recognises a loss allowance for ECLs on the financial assets at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Scheme measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs

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

A financial instrument is determined to have low credit risk if: i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Scheme considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme considers reasonable and supportable information that is relevant and available without undue cost or effort. The Scheme analyses the credit quality of the counterparties taking into consideration both quantitative and qualitative information and analysis, based on the Scheme's historical experience and informed credit assessment, and the counterparties' macroeconomic context.

The Scheme has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due, or if other criteria are identified for the Scheme to deem the financial asset's credit risk to have increased significantly.

Moreover, the Scheme considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Scheme in full, without recourse by the Scheme to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimated ECLs is the maximum contractual period over which the Scheme is exposed to credit risk.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties.

The Scheme writes-off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

For financial assets, the credit loss is the difference between all contractual cash flows that are due to the Scheme in accordance with the contract and all the cash flows that the Scheme expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses with the respective risks of a default occurring as the weights.

Under IFRS 9, the Scheme has incorporated forward-looking information, where applicable.

#### *(e) Derecognition*

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Scheme neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Scheme is recognised as a separate asset or liability in the statement of net assets available for benefits. On derecognition of a financial asset, the difference between the carrying amount of the asset (and the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained, less any new liability assumed) is recognised in the comprehensive income (loss).

The Scheme enters into transactions whereby it transfers assets recognised on its statement of net assets available for benefits, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards would include, for example, securities lending and repurchase transactions.

The Scheme derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### **4.4 Other non-financial asset**

Other non-financial asset pertains to investment in gold bullion and silver bar which are measured at fair value. Fair value gains or losses are recognized within 'change in market value of investments and other non-financial assets'.

#### **4.5 Other receivables and payables**

Other receivables and payables represent amounts receivable and payable respectively, for transactions contracted for but not yet delivered by the end of the year.

These amounts are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment. A provision for impairment of amounts due is established when there is sufficient evidence that the Scheme will not be able to collect the amounts due.

#### **4.6 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of net assets available to members at face value. In the statement of cash flows, cash and cash equivalents include deposit held at call with banks and investment providers.

#### **4.7 Offsetting financial instruments**

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

#### **4.8 Investment income (expenses)**

All distributions from financial assets included in comprehensive income are recognised on the date on which the stock is quoted ex-dividend up to the Scheme's year end.

Other gains or losses, including interest income, arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are presented in comprehensive income (loss) in the year in which they arise.

#### **4.9 Expenses**

Expenses incurred from the provision of services by the administrator are recognised in comprehensive income (loss).

#### **4.10 Contributions and transfers in**

Contributions and transfers in are accounted for as the cash and/or other financial assets received by the Trustee.



#### **4.11 Benefit payments and transfers out**

Benefit payments and transfers out are accounted for on an accruals basis.

### **5 Financial risk management**

#### **(a) Introduction and overview**

The Scheme's activities potentially expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, price risk, fair value interest rate risk and cash flow interest rate risk) and operational risk.

The Scheme's overall risk management focuses on the unpredictability of financial markets and seeks to recognise potential adverse effects on the Scheme's financial performance. The Scheme did not make use of derivative financial instruments to hedge certain risk exposures during the current year.

#### **(b) Credit risk**

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet an obligation or commitment that it has entered into with the respective Scheme, resulting in a financial loss to the Scheme. Financial assets, which potentially subject the Scheme to credit risk consist principally of financial assets at FVTPL, and cash and cash equivalents.

The Scheme's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting periods, as summarised below:

	2024 €	2023 €
<b>Classes of financial assets – carrying amounts</b>		
Financial assets at FVTPL (note 10)	92,339,171	70,892,916
Cash and cash equivalents (note 12)	19,373,827	24,999,269
	<b>111,712,998</b>	<b>95,892,185</b>

The cash and cash equivalents at 31 December 2024 amounting to € 19,373,827 (2023: € 24,999,269) are held with local and foreign financial institutions and are callable on demand. Management considers the probability of default to be close to zero and the amount calculated using the 12-month ECL model to be very insignificant. Therefore, based on the above, no loss allowance has been recognised.

Management is responsible for the quality of the Scheme's credit portfolios and has established credit processes and credit procedures, the objective of which is to build and maintain assets of high quality.

The Scheme's credit risks are monitored on a regular basis by the Trustee Directors. Cash and cash equivalents and other investments are held/entered into with reputable counterparties.

Moreover, the Scheme has not identified any signs that any investments would not perform normally in line with their contractual terms and there are no signs of increased credit risk since origination either. As a result no expected credit losses have been recognised in these financial statements.

#### **(c) Liquidity risk**

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting a financial liability, including benefit payments, or selling a financial asset quickly at close to its fair value.

The Scheme's net assets available to members for benefits are payable to the individual members subject to the conditions included in the Trust Instrument and Scheme Particulars of the 23 June 2016. The Scheme's other payables are entirely repayable within one year from the end of the reporting period.

The Scheme has sufficient resources to meet the present and foreseeable needs of its business obligation. The Scheme investments are considered to be readily realisable as they are mainly funds open to redemption on the Trustee's request and listed securities that provide daily liquidity.

**(d) Market risk**

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Schemes' income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, which recognized the return on risk.

**(i) Management of market risks**

The Scheme's strategy for the management of market risk is driven by the respective Scheme's investment objective. The Scheme's market risk is managed by the Trustee Directors in accordance with policies and procedures in place and market positions are monitored on a regular basis.

**(ii) Exposure to market price risks**

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Scheme's exposure to the different types of investments is summarised in note 10 to the financial statements.

**(iii) Price sensitivity**

If the closing sale prices at 31 December 2024 for the ITC Occupational Retirement Scheme had increased/decreased by 5% (2023: 5%) with all other variables held constant, this would have increased/decreased net assets attributable to members for benefit by approximately € 4,666,798 (2023: € 3,581,941).

**(iv) Exposure to currency risk**

The Schemes may invest in financial instruments and enter into transactions that are denominated in currencies other than their functional currency. Consequently, the Schemes are exposed to risks that the exchange rate of their currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Scheme's financial assets or liabilities denominated in currencies other than the base currency of the respective Scheme.

The Scheme's currency risk is managed on a daily basis in accordance with policies and procedures in place. The Scheme's currency positions and exposures are monitored on a regular basis by the Trustee Directors.

**ITC Occupational Retirement Scheme  
Report and financial statements  
Year ended 31 December 2024**

**18**

At 31 December, the Scheme's financial and other non-financial assets were invested in the following currencies:

	EUR €	CHF €	GBP €	USD €	JPY €	Other €
<b>As at 31 December 2024</b>						
Financial assets	53,575,012	256,596	17,894,974	19,782,414	493,246	336,930
Non-financial assets	996,787	-	-	-	-	-
<b>Total exposure</b>	<b>54,571,799</b>	<b>256,596</b>	<b>17,894,974</b>	<b>19,782,414</b>	<b>493,246</b>	<b>336,930</b>
	EUR €	CHF €	GBP €	USD €	JPY €	Other €
<b>As at 31 December 2023</b>						
Financial assets	37,673,083	271,165	14,803,991	17,332,630	432,641	379,406
Non-financial assets	745,904	-	-	-	-	-
<b>Total exposure</b>	<b>38,418,987</b>	<b>271,165</b>	<b>14,803,991</b>	<b>17,332,630</b>	<b>432,641</b>	<b>379,406</b>

The sensitivity analysis assumes a  $\pm 2\%$  (2023:  $\pm 0\%$ ) change of GBP/EUR, a  $\pm 1\%$  (2023:  $\pm 1\%$ ) change of CHF/EUR, a  $\pm 2\%$  (2023:  $\pm 2\%$ ) change of USD/EUR, a  $\pm 2\%$  (2023:  $\pm 2\%$ ) change of JPY/EUR. Other includes CAD and DKK, it assumes a  $\pm 1\%$  (2023:  $\pm 4\%$ ) change of CAD/EUR in exchange rates and a  $\pm 0\%$  (2023:  $\pm 1\%$ ) change of DKK/EUR. This analysis assumes that all other variables, in particular interest rates, remain constant. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the Scheme's foreign currency financial instruments at the end of the reporting period. If the exchange rates changed the impact on results would be as follows:

	EUR €	CHF €	GBP €	USD €	JPY €	Other €
<b>As at 31 December 2024</b>	-	2,566	357,899	395,648	9,865	686
	EUR €	CHF €	GBP €	USD €	JPY €	Other €
<b>As at 31 December 2023</b>	-	5,423	148,040	173,326	17,306	-

**(e) Operational risks**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Scheme's operations either internally within the Schemes' or externally at the Schemes' service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Scheme's activities. The Scheme's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to Scheme members. The primary responsibility for the development and implementation of controls over operational risk rests with the Trustee Directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- contingency plans;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

The Trustee Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers and a review of the service providers' internal controls, where available.

**(f) Capital management**

The Scheme's contribution and transfers in represented under note 9. The Scheme's objectives in managing the members contributions and transfers in are to ensure a stable base to maximise returns to all Scheme members.

**(g) Categories of financial instruments**

	Notes	2024 €	2023 €
<b>Current assets</b>			
Financial assets at amortised cost:			
Cash and cash equivalents	12	19,373,827	24,999,269
Financial assets at FVTPL	10	92,339,171	70,829,916
		<b>111,712,998</b>	<b>95,829,185</b>

## **6 Fair value estimation**

These disclosures supplement the commentary on financial risk management.

### **Valuation of financial instruments**

The Scheme's accounting policy on fair value measurements is discussed in note 4.

The Scheme measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Scheme determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The Scheme uses widely recognised valuation models for determining the fair value of common and simpler financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments the Scheme may use proprietary valuation models, which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on

the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The table below analyses financial instruments recorded at fair value as at 31 December by the level in the fair value hierarchy into which the fair value measurement is categorized:

<b>As at 31 December 2024</b>	<b>Level 1 €</b>	<b>Level 2 €</b>	<b>Level 3 €</b>	<b>Total €</b>
<b>Financial assets at FVTPL</b>				
Listed equities	24,982,765	-	-	24,982,765
Exchange traded funds	47,887,755	-	-	47,887,755
Corporate bonds	3,005,096	-	-	3,005,096
Investment funds	6,942,162	-	-	6,942,162
Life assurance bonds	9,050,051	-	-	9,050,051
Others	996,787	-	-	996,787
Loans and receivables	-	-	471,342	471,342
	<b>92,864,616</b>	<b>-</b>	<b>471,342</b>	<b>93,335,958</b>
<b>As at 31 December 2023</b>	<b>Level 1 €</b>	<b>Level 2 €</b>	<b>Level 3 €</b>	<b>Total €</b>
<b>Financial assets at FVTPL</b>				
Listed equities	21,455,379	-	-	21,455,379
Exchange traded funds	35,240,685	-	-	35,240,685
Corporate bonds	2,104,891	-	-	2,104,891
Investment funds	5,331,487	-	-	5,331,487
Life assurance bonds	5,549,479	-	-	5,549,479
Others	1,012,862	-	-	1,012,862
Loans and receivables	-	-	944,037	944,037
	<b>70,694,783</b>	<b>-</b>	<b>944,037</b>	<b>71,638,820</b>

The movements in investments classified as Level 3 financial assets at FVTPL are summarized as follows:

	<b>2024 €</b>	<b>2023 €</b>
At beginning of year	944,037	1,054,959
Movement during the year	(472,695)	(110,922)
<b>At end of year</b>	<b>471,342</b>	<b>944,037</b>
<b>As at 31 December</b>		
Cost	471,342	944,037
Carrying amount	<b>471,342</b>	<b>944,037</b>

There have been no transfers of financial assets between levels of fair value hierarchy during the year.

## **7 Critical accounting estimates and judgements**

Accounting estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Trustee Directors, the accounting estimates and judgements made in the course of the preparing these financial statements are related to judgements used in preparing the valuations of the unquoted financial instruments being classified as Level 3 in the fair value hierarchy.

**8 Statement of changes in members**

**As at 31 December 2024**

	Deferred members	Members Receiving benefits	Total
<b>Number of:</b>			
Members at the beginning of the year	42	68	110
New members	9	7	16
Members transferring out of the Scheme	(4)	(4)	(8)
Death	(1)	-	(1)
<b>Members at the end of year</b>	<b>46</b>	<b>71</b>	<b>117</b>

**As at 31 December 2023**

	Deferred members	Members Receiving benefits	Total
<b>Number of:</b>			
Members at the beginning of the year	31	65	96
New members	12	4	16
Members transferring out of the Scheme	(1)	(1)	(2)
<b>Members at the end of year</b>	<b>42</b>	<b>68</b>	<b>110</b>

**9 Contributions and transfers in**

	2024 €	2023 €
<b>Transfers into the Scheme:</b>		
Cash and cash equivalents	19,502,406	11,701,665
Financial assets at FVTPL	795,145	5,090,526
	<b>20,297,551</b>	<b>16,792,191</b>

**10 Financial assets at fair value through profit or loss and other non-financial assets**

	2024 €	2023 €
<b>The Scheme's financial investments consist of:</b>		
Financial assets at FVTPL	92,339,171	70,892,916
Other non-financial assets	996,787	745,904
	<b>93,335,958</b>	<b>71,638,820</b>

As at 31 December 2024, the Scheme's financial investments comprised the following:

	2024 €	2023 €
<b>Financial assets at FVTPL</b>		
Listed equities	24,982,765	21,455,379
Exchange traded funds	47,887,755	35,240,685
Corporate bonds	3,005,096	2,104,891
Investment funds	6,942,162	5,331,487
Life assurance bond	9,050,051	5,549,479
Other	-	1,210,995
Loan receivables	471,342	-
	<b>92,339,171</b>	<b>70,892,916</b>
<b>Other non-financial assets</b>		
Gold bullion	684,906	505,049
Silver bar	311,881	240,855
	<b>996,787</b>	<b>745,904</b>

The composition of portfolio investments of the Scheme's financial assets at FVTPL and other non-financial assets is disclosed in appendix I.

The movements in financial assets at FVTPL and other non-financial assets are summarised as follows:

	2024 €	2023 €
At beginning of year	71,638,820	58,142,584
Additions	38,344,133	22,957,566
Disposals	(26,790,353)	(16,664,931)
Net fair value gains	10,143,358	7,203,601
At end of year	<b>93,335,958</b>	<b>71,638,820</b>
<b>As at 31 December</b>		
Cost	75,835,192	64,336,772
Accumulated net fair value gains	17,500,766	7,302,048
<b>Carrying amount</b>	<b>93,335,958</b>	<b>71,638,820</b>

## **11 Other receivables**

	2024 €	2023 €
Prepayments	332,089	349,681
Other	140	749
	<b>332,229</b>	<b>350,430</b>



## **12 Cash and cash equivalents**

For the purpose of the statement of net assets available for benefits and statement of cash flows, cash and cash equivalents comprise the following:

	<b>2024</b>	<b>2023</b>
	<b>€</b>	<b>€</b>
Cash at bank	9,613,043	13,028,052
Cash held with investment houses	9,760,784	11,971,217
	<b>19,373,827</b>	<b>24,999,269</b>

## **13 Administrative expenses**

The trustee charges fees in accordance with the fee structure published in the Scheme Particulars. Trustee fees of € 512,277 (2023: € 507,419) were included as part of investment administration expenses in the statement of changes in net assets available to members for benefits.

Fees paid to financial advisors during the year amounted to € 570,454 (2023: € 386,810).

## **14 Taxation**

The income of the Scheme, other than income from immovable property situated in Malta, is exempt from tax in Malta in terms of Article 12(1)(d) of the Income Tax Act. No provision for tax has therefore been made in these financial statements.

## **15 Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions

## **16 Post-reporting date events**

No other adjusting or significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation of the financial statements.

**Grant Thornton Malta**

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## **Independent auditor's report**

To the members of ITC Occupational Retirement Scheme

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of ITC Occupational Retirement Scheme ("the Scheme") set out on pages 6 to 24 which comprise the statement of net assets available for benefits as at 31 December 2024, and the statement of changes in net assets available to members for benefits and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the Scheme's net asset available for benefits as at 31 December 2024, and of its changes in net assets available to members for benefits and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Retirement Pensions Act, Cap 514 ("the Act").

#### **Basis of 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 Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Trustee Directors are responsible for the other information. The other information comprises the Trustee's report shown on pages 3 to 5 which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

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.

With respect to the Trustee's report, we also considered whether the Trustee's report includes the relevant information required by Appendix 4 to Part C of the Pension Rules for Occupational Retirement Schemes.

**Based on the work we have performed, in our opinion:**

- the information given in the Trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the Trustee's report has been prepared in accordance with the Act and the Rules.

In addition, in light of the knowledge and understanding of the Scheme and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Trustee's report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of those charged with governance for the financial statements**

The Trustee Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the Trustee 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 Trustee Directors are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

The Trustee Directors are responsible for overseeing the Scheme's financial reporting process.

### **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 the ISAs, we exercise professional judgement 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Scheme'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 Scheme 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.

We communicate with those charged with governance 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.

**Report in accordance with Appendix 4 to Part C of the Pension Rules for Occupational Retirement Schemes**

We are also responsible to issue our report in accordance with the specific requirements of Appendix 4 to Part C of the Pension Rules for Occupational Retirement Schemes issued by the MFSA.

In our opinion, the Annual Report is complete in all material respects in accordance with the MFSA's requirements and the rules for Occupational retirement schemes and have been prepared in accordance with IFRS as adopted by the EU.

Distributions have been paid out of the Scheme in the year ended 31 December 2024 as set out on page 7.

The Principal on the audit resulting in this independent auditor's report is Mark Bugeja.

Mark Bugeja (Principal) for and on behalf of

**GRANT THORNTON**  
**Certified Public Accountants**

Fort Business Centre  
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18 April 2025

ITC Occupational Scheme  
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Malta

18 April 2025

Grant Thornton  
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Birkirkara CBD1050  
Malta

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of ITC Occupational Scheme for the year ended 31 December 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the company as of 31 December 2024 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

We confirm that we have fulfilled our responsibilities, on behalf of the board of the directors, for the fair presentation of the financial statements in accordance with IFRS, as adopted by the EU.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are fairly presented in accordance with IFRS as adopted by the EU.
2. We have provided you with:
  - i. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, minutes of all meetings and other matters;
  - ii. additional information that you have requested from us for the purpose of your audit; and
  - iii. unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
3. We confirm that we have considered the factors outlined in IAS 21 - *The Effects of Changes in Foreign Exchange Rates*, in determining the functional currency of the company and confirm that the appropriate functional currency is applied in the recording and preparation of the books of the company.
4. There have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
5. We are not aware of any instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

6. There are no uncorrected financial statement misstatements that are material, both individually and in the aggregate, to the financial statements taken as a whole.
7. All receivables are collectible.
8. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with IFRS, we selected the estimation technique considered to be the most appropriate to the company's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.
9. We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

There have been no instances of fraud or suspected fraud affecting the company involving:

- i. management;
- ii. employees who have significant roles in internal control; or
- iii. others where the fraud could have a material effect on the financial statements.

There have been no allegations of fraud, or suspected fraud, affecting the company's financial statements communicated by employees, former employees, analysts, regulators or others.

10. We have reviewed the risk disclosures included in the financial statements as required under *IFRS 7 - Financial Instruments: Disclosures*. We confirm that we have satisfied ourselves that the qualitative information included represents adequately the risk management processes and procedures operated during the period. We are satisfied that the quantitative information disclosed is reasonable. We are satisfied that the quantitative information disclosed relating to the risk have been based on the knowledge and experience of management.
11. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
12. We have disclosed to you all the information of which we are aware regarding the identification of related parties and all the related party relationships and transactions. Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees have been properly recorded or disclosed in the financial statements.

For the purpose of this letter, we understand the following to be the definition of the term "related party":

Affiliates of the company; entities for which investments are accounted for by the equity method by the company; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; principal owners of the company; its management; members of the immediate families of principal owners of the company and its management; and other parties with which the company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

13. There are no guarantees, whether written or oral, under which the company is contingently liable.

14. There are no:
- i. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.
  - ii. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by IAS 37.
15. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
16. The company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
17. To the best of our knowledge and belief, no events have occurred subsequent to the reporting date and to the date of this letter that would require adjustment to, or disclosure in, the aforementioned financial statements.
18. In our opinion, it is appropriate for the going concern basis to be adopted in preparing the financial statements. In making this judgement, we have paid particular attention to:
- i. circumstances which we consider may occur in the period up to 17 April 2026;
  - ii. any planned or expected changes in operations in that period; and
  - iii. the need to disclose in the financial statements information regarding any significant uncertainty regarding going concern in the financial statements.

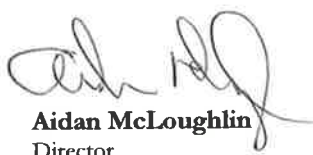
After making these enquiries, we have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future.

19. We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The approval of this letter of representation was minuted by the directors at its meeting on 18 April 2025.

Signed on behalf of the board of directors

Yours faithfully,



**Aidan McLoughlin**  
Director

18 April 2025



**Anthony Zahra**  
Director

18 April 2025