MIDI p.l.c.

Annual Report and Consolidated Financial Statements
31 December 2002

Company Registration Number : C 15836

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company is the development of the Manoel Island and Tigne' Point Project.

Review of the business

During the course of the year, MIDI commenced work at Tigné Point with respect to the Clubhouses and residences that will be transferred back to Government on their completion. The emergency intervention works at Fort Manoel on Manoel Island were complete as were all excavation works in anticipation of construction works on the Tigné South residences. The first units of this phase were launched on the market in the last quarter of the year and were met with an extremely positive response.

Results and dividends

The consolidated profit and loss account is set out on page 5. The directors do not recommend the payment of a dividend.

Directors

The directors of the company who held office during the year were:

Albert Mizzi – Chairman
Bank of Valletta plc
Paul Bonello
Joseph A. Gasan
Mario C. Grech
Francesca Mamo – appointed 20 May 2002
Prof. John Mamo – resigned 20 May 2002
Dr. Alec A. Mizzi
Maurice F. Mizzi
Charles Polidano
Ghiassudin Sidigi – appointed 20 May 2002
Michael Soler – resigned 20 May 2002
Nazzareno Vassallo

All the directors shall retire from office at the Annual General Meeting of the company in accordance with Article 85 of the company's Articles of Association and are eligible for re-election or re-appointment.

Directors' report - continued

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Albert Mizzi
Chairman

Joseph A. Gasan
Director

Registered office
Qui-si-sana Road
Tigne', Sliema
Malta

28 July 2003

Statement of directors' responsibilities

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company and of the group as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards;
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company or the group will continue in business as a going concern.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and of the group, and to enable them to ensure that the financial statements comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors

To the Members of MIDI p.l.c.

We have audited the financial statements on pages 5 to 19. As described in the statement of directors' responsibilities on page 3, these financial statements are the responsibility of the company's directors. Our responsibility is to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2002 and of the profit, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Maltese Companies Act, 1995.

PricewaterhouseCoopers

167 Merchants Street
Valletta
Malta

28 July 2003

Profit and loss accounts

	Notes	Group		Company	
		2002	2001	**2002**	2001
		Lm	Lm	**Lm**	Lm
Operating income	1	**38,146**	15,584	**38,146**	15,584
Administrative expenses		**(28,785)**	(16,235)	**(28,785)**	(15,572)
Operating profit/(loss)	2	**9,361**	(651)	**9,361**	12
Interest receivable		**10,473**	9,777	**10,473**	9,777
Profit on ordinary activities before tax		**19,834**	9,126	**19,834**	9,789
Tax on profit on ordinary activities	4	**(4,847)**	(1,471)	**(4,847)**	(1,471)
Profit for the financial year		**14,987**	7,655	**14,987**	8,318

There were no recognised gains or losses in 2002 and 2001 other than the profit for the financial year.

Balance sheets

	Notes	Group 2002 Lm	Group 2001 Lm	Company 2002 Lm	Company 2001 Lm
ASSETS					
Fixed assets					
Property, plant and equipment	5	**73,312**	69,211	**43,452**	69,211
Investments	6	**-**	-	**3,980**	2,000
		73,312	69,211	**47,432**	71,211
Current assets					
Stock – Development project	7	**27,822,568**	24,286,179	**27,822,568**	24,286,179
Debtors	8	**579,012**	432,593	**476,578**	377,707
Cash at bank and in hand		**361,386**	242,111	**355,994**	241,959
		28,762,966	24,960,883	**28,655,140**	24,905,845
Total assets		**28,836,278**	25,030,094	**28,702,572**	24,977,056
EQUITY AND LIABILITIES					
Capital and reserves					
Called up issued share capital	11	**5,719,180**	4,756,692	**5,719,180**	4,756,692
Profit and loss account		**68,288**	53,301	**68,951**	53,964
Total shareholders' funds		**5,787,468**	4,809,993	**5,788,131**	4,810,656
Creditors: amounts falling due after more than one year					
Other creditors	10	**17,264,431**	16,369,125	**17,264,431**	16,369,125
Borrowings	9	**4,123,803**	1,998,893	**4,123,803**	1,998,893
		21,388,234	18,368,018	**21,388,234**	18,368,018
Creditors: amounts falling due within one year					
Other creditors	10	**1,658,640**	1,852,078	**1,524,271**	1,798,377
Current taxation		**1,936**	5	**1,936**	5
		1,660,576	1,852,083	**1,526,207**	1,798,382
Total creditors		**23,048,810**	20,220,101	**22,914,441**	20,166,400
Total equity and liabilities		**28,836,278**	25,030,094	**28,702,572**	24,977,056

The financial statements on pages 5 to 19 were authorised for issue by the board on 28 July 2003 and were signed on its behalf by:

Albert Mizzi
Chairman

Joseph A. Gasan
Director

Statements of changes in equity

Group	Notes	Share capital Lm	Profit and loss account Lm	Total Lm
Balance at 1 January 2001		3,301,584	45,646	3,347,230
Issue of new shares for cash	11	1,455,108	-	1,455,108
Profit for the financial year		-	7,655	7,655
Balance at 31 December 2001		**4,756,692**	**53,301**	**4,809,993**
Balance at 1 January 2002		4,756,692	53,301	4,809,993
Increase in paid up share capital	11	962,488	-	962,488
Profit for the financial year		-	14,987	14,987
Balance at 31 December 2002		**5,719,180**	**68,288**	**5,787,468**

Company	Notes	Share capital Lm	Profit and loss account Lm	Total Lm
Balance at 1 January 2001		3,301,584	45,646	3,347,230
Increase in paid up share capital	11	1,455,108	-	1,455,108
Profit for the financial year		-	8,318	14,987
Balance at 31 December 2001		**4,756,692**	**53,964**	**5,787,468**
Balance at 1 January 2002		4,756,692	53,964	4,810,656
Increase in paid up share capital	11	962,488	-	962,488
Profit for the financial year		-	14,987	14,987
Balance at 31 December 2002		**5,719,180**	**68,951**	**5,788,131**

Cash flow statements

	Notes	Group 2002 Lm	Group 2001 Lm	Company 2002 Lm	Company 2001 Lm
Operating profit/(loss)		**9,361**	(651)	**9,361**	12
Investment in stock - Development project		**(2,113,279)**	(1,797,902)	**(2,125,225)**	(1,797,902)
Other working capital movements	12	**344,143**	46,776	**311,023**	47,961
Cash used in operations		**(1,759,775)**	(1,751,777)	**(1,804,841)**	(1,749,929)
Interest received		**10,473**	9,777	**10,473**	9,777
Tax paid		**(2,916)**	(2,866)	**(2,916)**	(2,866)
Net cash used in operating activities		**(1,752,218)**	(1,744,866)	**(1,797,284)**	(1,743,018)
Investing activities					
Acquisition of property, plant and equipment		**(41,806)**	(5,573)	**-**	(5,573)
Acquisition of shares in a group undertaking		**-**	-	**(1,980)**	(2,000)
Net cash used in investing activities		**(41,806)**	(5,573)	**(1,980)**	(7,573)
Financing activities					
Government repayments re acquisition of land		**(1,394,000)**	(1,719,774)	**(1,394,000)**	(1,719,774)
Movement in bank borrowings		**2,046,283**	1,998,893	**2,046,283**	1,998,893
Movement in other creditors		**298,528**	182,475	**298,528**	182,475
Increase in paid up share capital		**962,488**	1,455,108	**962,488**	1,455,108
Net cash generated from financing activities		**1,913,299**	1,916,702	**1,913,299**	1,916,702
Movement in cash and cash equivalents		**119,275**	166,263	**114,035**	166,111
Cash and cash equivalents at beginning of year		**242,111**	75,848	**241,959**	75,848
Cash and cash equivalents at end of year	13	**361,386**	242,111	**355,994**	241,959

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a. Basis of preparation

The consolidated financial statements include the financial statements of MIDI p.l.c. and its subsidiary undertakings. These are prepared in accordance with International Financial Reporting Standards and comply with the Companies Act, 1995. The consolidated financial statements are prepared under the historical cost convention.

The company and group adopted IAS 39 Financial Instruments: Recognition and Measurement in 2001. The financial effect of adopting this standard was reported in the previous year's financial statements.

b. Consolidation

Subsidiary undertakings, which are those companies in which the group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from the date of disposal. All intercompany transactions between group companies have been eliminated. There are no minority interests within the group.

c. Revenue recognition

Revenues earned by the company and group comprise berthing fees and interest income and are recognised on an accruals basis. Tender fees are recognised as they are received.

d. Borrowings

Borrowings are recognised initially at the cash equivalent value of the proceeds received net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method. The difference between proceeds (net of transaction costs) and the redemption value is recognised over the period of the borrowings and accounted for as follows:

(i) Borrowing costs that are directly attributable to the development project are capitalised as part of the cost of the project and are included in its carrying amount. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare any discrete part of the project for its sale or intended use are completed.

(ii) All other borrowing costs are recognised in the income statement as incurred.

Accounting policies - continued

e. Stock – Development project

The main object of the company is the development of a large area of land acquired for the purpose. This development is intended in the main for resale purposes, and is accordingly classified in the financial statements as stock. Any elements of the project which are identified for business operation or long-term investment properties are transferred at their carrying amount or fair value to Property, Plant and Equipment or Investment Properties when such identification is made and the cost thereof can reliably be segregated.

The development is carried at the lower of cost and net realisable value. Cost comprises the purchase cost of acquiring the land together with other costs incurred during its subsequent development, including:

(i) The costs incurred on development works, including demolition, site clearance, excavation, construction, etc., together with the costs of ancillary activities such as site security;

(ii) The cost of various design and other studies conducted in connection with the project, together with all other expenses incurred in connection therewith;

(iii) Any borrowing costs, including imputed interests, attributable to the development phases of the project.

The purchase cost of acquiring the land represents the cash equivalent value of the contracted price. This was determined at date of purchase by discounting to present value the future cash outflows comprising the purchase consideration.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

f. Property, plant and equipment

Tangible assets, comprising office equipment, furniture and fittings, are initially recorded at cost less depreciation.

Depreciation is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful life as follows:

	%
Office equipment, furniture and fittings	10 – 33

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

Accounting policies - continued

g. Financial assets

Shares in group undertakings are stated at cost less any provisions required for material diminution in value of an apparently permanent nature. Such diminution in value is normally calculated by reference to the net asset worth of the companies as disclosed by their audited or unaudited financial statements.

h. Trade debtors

Trade debtors are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company and the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

i. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

j. Foreign currencies

Transactions in foreign currencies have been converted into Maltese liri at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into Maltese liri at the rates of exchange ruling at the balance sheet date.

Notes to the financial statements

1. Activities of the company

The MIDI Consortium was granted a letter of intent by the Government of Malta in December 1992 for the development of the Manoel Island and Tigne' Point project. Project negotiations were successfully concluded and a 99 year emphyteutical grant was entered into with Government on 15 June 2000. Works at Tigne' Point commenced towards the end of 2001 and continued during 2002. During the year, the company earned berthing fees on existing facilities at Manoel Island and interest income on bank balances.

2. Operating profit/(loss)

Operating profit/(loss) is stated after:

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Audit fees	**2,300**	1,650	**1,500**	1,500
Staff costs (Note 3)	**13,500**	3,490	**13,500**	3,490

3. Staff costs

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Wages and salaries	**345,635**	223,244	**345,635**	223,244
Social security costs	**19,690**	14,597	**19,690**	14,597
	365,325	237,841	**365,325**	237,841
Amounts included in stock – Development project (Note 7)	**351,825**	234,351	**351,825**	234,351
Amounts expensed	**13,500**	3,490	**13,500**	3,490
	365,325	237,841	**365,325**	237,841

Average number of persons employed during the year:

	Group		Company	
	2002	2001	**2002**	2001
Technical and administration	**37**	27	**37**	27

4. Tax on profit on ordinary activities

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Current tax expense	**4,847**	1,471	**4,847**	1,471

4. Tax on profit on ordinary activities - continued

The tax on the profits of the group and of the company before the tax charge differs from the theoretical amount that would arise using the basic tax rate as follows:

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Profit on ordinary activities before tax	**19,834**	9,126	**19,834**	9,789
Tax on ordinary profit at 35%	**6,942**	3,194	**6,942**	3,426
Investment income subject to tax at 15%	**(2,095)**	(1,955)	**(2,095)**	(1,955)
Expenses not allowed	-	232	-	-
	4,847	1,471	**4,847**	1,471

5. Property, plant and equipment

	Group Office equipment, furniture & fittings Lm	**Company** Office equipment, furniture & fittings Lm
Year ended 31 December 2002		
Opening net book amount	69,211	69,211
Additions	41,806	-
Depreciation charge	(37,705)	(25,759)
Closing net book amount	**73,312**	**43,452**
At 31 December 2002		
Cost	160,745	118,939
Accumulated depreciation	(87,433)	(75,487)
Net book amount	73,312	43,452
At 31 December 2001		
Cost	118,939	118,939
Accumulated depreciation	(49,728)	(49,728)
Net book amount	69,211	69,211

6. Financial assets

Company	Shares in a group undertaking	
	2002	2001
	Lm	Lm
At 1 January	**2,000**	-
Additions	**1,980**	2,000
At 31 December	**3,980**	2,000

6. **Financial assets** - continued

Group undertakings at 31 December 2002 are shown below:

Group undertaking	**Registered office**	**Class of shares held**	**Percentage of shares held**
Tigne' Contracting Limited	Qui-si-sana Road, Tigne`, Sliema	Ordinary shares	100%
Tigne' Point Marketing Limited	Qui-si-sana Road, Tigne`, Sliema	Ordinary shares	99%

Tigne' Point Marketing Limited was incorporated on 7 August 2002. The consolidated financial statements incorporate the results of this group undertaking for the period 7 August to 31 December 2002.

7. Stock – Development project

The main object of the company and the group is the development of a large area of land at Manoel Island and Tigne' Point, acquired from the Government of Malta for the purpose by virtue of a 99 year emphyteutical grant entered into on 15 June 2001. This development is intended in the main for resale purposes.

Costs incurred on the project up to 31 December comprised:

	Group and Company	
	2002	2001
	Lm	Lm
Purchase cost of land (see note below)	**18,277,645**	18,277,645
Cost of design works and other studies, demolition, excavation and restoration works and other expenses incurred:		
- At 1 January	**3,916,702**	2,175,867
- Additions for the year including staff costs (Note 3)	**2,150,984**	1,740,835
- At 31 December	**6,067,686**	3,916,702
Borrowing costs attributable to the project:		
- At 1 January	**2,091,832**	687,430
- Imputed interest	**1,306,778**	1,321,575
- Bank interest	**78,627**	82,827
- At 31 December	**3,477,237**	2,091,832
	27,822,568	24,286,179

7. Stock – Development project - continued

The contract of acquisition of the land provided for a premium of Lm39.57 million payable over an extended period of time, which was discounted to its present value amount of Lm18.3 million at date of purchase. The contract also provides for an option, exercisable by Government, to convert Lm20 million of the later cash components of the consideration into participating preference shares for the amount of Lm10 million, redeemable at an earlier date. The effective interest rate applicable to the option conversion is 7.75%, and this rate was applied in discounting to present value the future cash outflows comprising the purchase consideration.

8. Debtors

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Trade debtors	**652**	-	-	-
Other debtors	**431,675**	392,947	**393,197**	344,030
Amounts due from shareholders	**8,736**	-	**8,736**	-
Amounts owed by group undertakings	-	-	**28,438**	-
Prepayments and accrued income	**49,192**	39,646	**46,207**	33,677
Other taxes and social security	**88,757**	-	-	-
	579,012	432,593	**476,578**	377,707

9. Borrowings

	Group and Company	
	2002	2001
	Lm	Lm
Amounts falling due after more than one year		
Bank loans	**4,123,803**	1,998,893

The bank borrowings are secured by general and special hypothecs and a special privilege over all the company's property. Borrowings are subject to a floating rate of interest which averaged 7.0% in 2002 (2001: 7.3%) and fall due after more than 4 years.

10. Trade and other creditors

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Amounts falling due within one year				
Trade creditors	**8,285**	-	**-**	-
Due to Government re purchase of land	**710,000**	1,394,000	**710,000**	1,394,000
Amounts due to shareholders	**-**	152,000	**-**	152,000
Other creditors	**293,695**	142,639	**621,532**	121,024
Other taxes and social security	**841**	-	**841**	-
Accruals and deferred income	**645,819**	163,439	**191,898**	131,353
	1,658,640	1,852,078	**1,524,271**	1,798,377
Amounts falling due after more than one year				
Due to Government re purchase of land (see also Note 7)	**16,783,428**	16,186,650	**16,783,428**	16,186,650
Other creditors	**481,003**	182,475	**481,003**	182,475
	17,264,431	16,369,125	**17,264,431**	16,369,125

The amount due to Government re purchase of land includes:

(a) an amount, originally contracted at Lm5 million, which is being satisfied through the performance of restoration works on major historical sites forming part of the project;

(b) an amount, originally contracted at Lm9 million, which is being satisfied through the construction of all the public infrastructure works required at Manoel Island and Tigne' Point;

(c) the balance which is being settled in cash and which, as stated in Note 7, includes the amount of Lm20 million that is subject to the option of conversion to participating preference shares.

The maturity of the group's and company's liability towards Government, assuming that the conversion option is not exercised, is as follows:

	2002	2001
	Lm	Lm
Due between 1 and 2 years	**2,286,429**	710,000
Due between 2 and 5 years	**7,337,590**	3,948,729
Due after more than 5 years	**25,135,981**	30,811,271
	34,760,000	35,470,000
Less: imputed interest component	**(17,976,572)**	(19,283,350)
	16,783,428	16,186,650

The maturity of other creditors is between 2 and 5 years.

11. Called up issued share capital

	2002 Lm	2001 Lm
Authorised		
14,000,000 Ordinary shares of Lm1 each	**14,000,000**	14,000,000
10,000,000 Preference shares "A" of Lm1 each	**10,000,000**	10,000,000
	24,000,000	24,000,000
Issued and paid up share capital		
40,000 Ordinary shares of Lm1 each 42.28% paid up (2001: 25% paid up)	**16,910**	10,000
11,880,000 Ordinary shares of Lm1 each 42.28% paid up (2001: 39.28% paid up)	**5,022,270**	4,666,692
600,000 Ordinary shares of Lm1 each, 100% paid up	**600,000**	-
80,000 Ordinary shares of Lm1 each 100% paid up	**80,000**	80,000
	5,719,180	4,756,692

In terms of the capital structure outlined above, the company's shareholders have obligations towards the company amounting to Lm6,880,820 (2001: Lm7,243,308), representing the unpaid amount on their shares. These obligations are secured by first class bank guarantees in the company's favour.

12. Other working capital movements

	Group		Company	
	2002 Lm	2001 Lm	**2002 Lm**	2001 Lm
Debtors	**(146,419)**	(359,286)	**(98,871)**	(304,400)
Creditors	**490,562**	406,062	**409,894**	352,361
Other working capital movements	**344,143**	46,776	**311,023**	47,961

13. Cash and cash equivalents

For the purposes of the cash flow statement, the year end cash and cash equivalents comprise the following:

	Group		Company	
	2002	2001	**2002**	2001
	Lm	Lm	**Lm**	Lm
Cash at bank and in hand	**361,386**	242,111	**355,994**	241,959

At 31 December 2002 the company and group had bank deposits amounting to Lm93,280 (2001: Lm nil) that can only be used to repay bank borrowings. These amounts are included within cash and cash equivalents.

14. Financial instruments

Credit risk

Financial assets which potentially subject the group and company to concentrations of credit risk consist principally of cash at bank and debtors. The group's and company's cash is placed with quality financial institutions. The group and company have no significant concentration of credit risk.

Fair values

At 31 December 2002 and 2001 the carrying amounts of cash at bank, debtors, creditors and accrued expenses and short-term borrowings approximated their fair values. The fair values of long-term bank borrowings are not materially different from their carrying amounts. The directors have assessed the fair value of the amount due to Government re purchase of land (Note 10) by reference to the yield to maturity at balance sheet date of long term Malta Government securities with tenor similar to the repayment terms of the liability towards Government. On this basis, the fair value at 31 December 2002 of the amount due to Government with respect to the purchase of land amounted to Lm17,657,688 (2001: Lm17,926,924).

15. Related party transactions

During the year, the company and group entered into transactions with related parties. These transactions comprised mainly the carrying out of site clearance and excavation works and the acquisition of insurance cover. The amounts incurred during the year amounted to Lm634,963 (2001: Lm394,000). These transactions are entered into on an arm's length basis and are subject to the scrutiny of the Board of Directors.

16. Commitments

In addition to settling the liabilities associated with the purchase price of the land, the emphyteutical grant entered into with the Government provides for a series of development obligations relating to the contents of the project and the timescales over which it should be completed. As a result of these commitments, it is expected that a total development investment in excess of Lm110 million will be made. The emphyteutical grant specifies a maximum overall period of 25 years for completion of the project.

At 31 December 2002 the company had entered into three Preliminary Sale and Purchase Agreements with respect to the construction and supply of apartments in the Tigne' South Development. In terms of these Agreements, the company is committed to supply the apartments between 31 March 2005 and 31 August 2005. In the event that the company does not honour this commitment, the company is liable to return back the deposit paid by customers on these Agreements together with interest thereon at a rate of 1% above base rate. These Agreements are expected to generate sales amounting to around Lm1 million.

17. Contingencies

At 31 December, the company had contingencies for which no provision has been made in the financial statements as follows:

	Company	
	2002	2001
	Lm	Lm
Uncalled share capital in a group undertaking	**15,920**	8,000

18. Post balance sheet events

After 31 December 2002, the company has entered into one hundred and thirty-three Preliminary Sale and Purchase Agreements with respect to the construction and supply of apartments in the Tigne' South Development on the same terms as those shown in Note 16. These Agreements are expected to generate sales amounting to around Lm30.2 million.

19. Statutory information

MIDI p.l.c. is a public limited liability company and is incorporated in Malta.

Detailed accounts

Detailed profit and loss account

	2002 Lm	2001 Lm
Berthing fees	**38,146**	14,584
Other income	**-**	1,000
Administrative expenses (page 22)	**(28,785)**	(15,572)
Operating profit	**9,361**	12
Interest receivable	**10,473**	9,777
Profit before tax	**19,834**	9,789

Administrative expenses

	2002	2001
	Lm	Lm
Administration charge	**5,000**	3,750
Audit fee	**1,785**	2,910
Legal and professional fees	**7,500**	1,342
Salaries	**13,500**	3,490
General expenses	**1,000**	1,839
Security services	-	1,209
Telephone	-	1,032
	28,785	15,572