

HORIZON FINANCE PLC – C88540

Il Piazzetta A, Suite 52,
Tower Road,
Sliema, SLM 1607
(the “Company”)

COMPANY ANNOUNCEMENT

The following is a Company Announcement Ref No. HRZ50 issued by the Company on the 19th April 2022 in terms of the rules of Prospects MTF

Quote

Approval of Financial Sustainability Forecasts

The Company hereby announces that during the meeting of its Board of Directors held on the 19th April 2022, the Board of Directors resolved to approve the Company’s Financial Sustainability Forecasts (‘FSFs’) for the financial year starting 1st January 2022.

A copy of the said FSFs are being enclosed herewith and can be found at:
<http://horizonfinanceplc.com/investor/>

Unquote



Johan Farrugia
Company Secretary

19th April 2022

Horizon Finance plc refers to the obligation which Prospects MTF companies are subject to, in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of the twelve-month financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination via an announcement of Financial Sustainability Forecasts including management assumptions thereon (“FSFs”).

The financial projections as presented together with the underlying assumptions, provide a reasonable basis for the issuer’s projections. However, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

The below copy of the FSFs, as approved by the Board of Directors, is based on the following assumptions:

Revenue

Horizon Finance plc revenue for the twelve months ending 31 December 2022 is expected to total €132,500 and is based on income derived from interest charged on the loans advanced to the shareholder and a group company and on interest income derived from the investment in the bond of 4.5% Shoreline Mall plc 2032.

Finance Costs

Finance costs comprise of interest payable on issued bonds at an interest rate of 5% and amortisation of the related issue costs.

Administrative expenses

Administrative expenses consist primarily of directors’ fees, professional fees, and ongoing admission costs. Administrative expenses are based on historical trends and assumed to increase in line with inflation.

Total net profit

Total net profit is projected to amount to €4,353.

Taxation

Income tax is composed of current and deferred tax. Current taxation is provided at 35% of chargeable income for the period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the forecasts and the corresponding projected tax bases in the computation of taxable profit.

Working capital

The working capital mainly comprises of the net impact of loan and other receivables together with payables and other payables.

€1,700,000 loan receivables are unsecured and bear interest at the rate of 7.25% per annum and repayable by 3 February 2029, with an early repayment option as from 3 February 2026 subject to payment of premium.

€50,000 loan receivables bear interest at the rate of 5% per annum and repayable by 26 August 2023, with an early repayment option as from 27 August 2020 by giving one-month notice.

Other receivables comprise mainly on accrued loan interest income.

Payables include the €2m 5% Secured Bonds 2026-2029. The bond is measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bond using the effective yield method.

Other payables comprise mainly on the interest expenses payable to the bondholders.

Conclusion

The Directors believe that the assumptions on which the Forecasts are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying on of its business.

FINANCIAL SUSTAINABILITY FORECAST

HORIZON FINANCE PLC - C88540			
IT No: 999474727			
Income statement for the years 31st December			
		Audited	Audited
		2020	2021
			<i>Forecast</i>
			<i>2022</i>
		€	€
			€
Finance Income		127,011	133,072
One-time adjustment		(10,200)	
Fair Value Adjustment		1,500	
Finance Costs		(105,468)	(108,015)
Administrative expenses		(31,624)	(21,492)
Finance charges		(34)	(129)
(Loss)/profit before tax		(18,816)	3,436
Tax income for the year		5,773	(2,571)
(Loss)/profit for the period		(13,042)	865
			4,353

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IT No: 999474727

Statement of Financial Position as the years ending:

	Audited 2020	Audited 2021	Forecast 2022
	€	€	€
ASSETS			
Non-current assets			
Loans receivable	1,750,000	1,750,000	1,750,000
Other Financial Assets	151,500	149,250	150,000
Deferred Tax	29,186	27,686	26,263
Total non-current assets	1,930,686	1,926,936	1,926,263
Current assets			
Other receivables	107,751	105,374	105,381
Cash and cash equivalents	43,176	58,117	65,873
Total current assets	150,927	163,491	171,254
TOTAL ASSETS	2,081,613	2,090,427	2,097,517
EQUITY AND LIABILITIES			
Equity			
Share capital	46,600	46,600	46,600
Retained Earnings	5,800	6,665	11,019
Total equity	52,400	53,265	57,619
Liabilities			
Non-current liabilities			
Debt securities in issue	1,942,307	1,948,072	1,954,151
Current liabilities			
Other payables	86,906	89,090	85,747
Total liabilities	2,029,213	2,037,162	2,039,898
TOTAL EQUITY AND LIABILITIES	2,081,613	2,090,427	2,097,517

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IT No: 999474727

Statement of cashflows for the years ending:

	Audited 2020 (12 months)	Audited 2021 (12 months)	<i>Forecast</i> 2022
	€	€	
Cashflow from operating activities			
(Loss/profit for the year/period	(13,042)	865	4,353
Tax income	(5,773)	2,571	2,571
Loan interest income	(113,927)	(125,934)	(125,750)
Investment income	(2,885)	(7,138)	(6,750)
Change in fair value of financial assets at fair value through profit and loss	(1,500)	2,250	
Bond coupon expense	100,000	100,000	100,000
Amortisation of bond issue costs	5,468	5,765	6,079
Loss from operations	(31,659)	(21,621)	(19,497)
Movement in other receivables	(1,350)	2,498	(7)
Movement in other payables	(4,446)	2,184	(3,343)
Tax paid	(1,250)	(1,071)	(1,897)
Net cash flows used operating activities	(38,705)	(18,010)	(24,744)
Cashflow from investing activities			
Proceeds from advanced loans	(50,000)	-	-
Payments to acquire financial assets at fair value through profit and loss	(150,000)	-	-
Receipt of loan interest	123,520	125,750	125,750
Receipt of Interests from investment securities		7,201	6,750
Net cash flows used in investing activities	(76,480)	132,951	132,500
Cashflow from financing activities			
Proceeds from issue of share capital			
Proceeds from issue of bonds			
Payment of bond issue costs			
Payment of bond interest	(100,000)	(100,000)	(100,000)
Net cash provided by financing activities	(100,000)	(100,000)	(100,000)
Net increase/decrease in cash	(215,185)	14,941	7,756
Net movement in cash and cash equivalents	(215,185)	14,941	7,756
Cash and cash equivalents at beginning of year/period	258,361	43,176	58,117
Cash and cash equivalents at end of year/period	43,176	58,117	65,873