

HSF Health Plan (Malta) Limited

Annual report and financial statements
31 December 2024

HSF Health Plan (Malta) Limited

Annual report and financial statements

Year ended 31 December 2024

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HSF Health Plan (Malta) Limited

General information

Registration

HSF Health Plan (Malta) Limited is registered in Malta as a limited liability company under the Companies Act, (Cap. 386) with registration number C 93406. The company was incorporated on 1 October 2019.

Directors

Paul Jackson
Sharon Phelan
Neil Finlayson
Paul Clare
Lynn Tomlinson - Chairperson
Mark Davies
Vincent Micallef
Sean Agius
Raymond Micallef
Jane Dalton

Company secretary

Anna Maria Zammit

Registered office

No. 4
Triq Sant' Andrija
Valletta
VLT 1341
Malta

Auditor

Forvis Mazars
The Watercourse, Level 2,
Mdina road, Zone 2, Central business district,
Birkirkara CBD2010
Malta

HSF Health Plan (Malta) Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2024.

Principal activities

HSF Health Plan (Malta) Limited has four main objectives:

1. To provide policyholders with a wide range of sustainable health benefits that represents excellent value for money.
2. To provide claims administration services to its sister companies based in the UK & Republic of Ireland.
3. To generate long-term investment growth from its investment portfolio.
4. To pay most profits and investment surplus to its parent charity company, The Hospital Saturday Fund, by way of dividend payments. In turn the charity upholds the aims of The Hospital Saturday Fund's founders and its own objectives by donating to medical charities, hospitals, hospices, and individuals with medical needs or medical training needs.

Review of business activities

The Board of Directors were satisfied with the overall results achieved in 2024, which has seen the business grow brand awareness, in what is still a developing phase of the company's growth plans. Our new and existing customer base has responded positively to our requests for feedback and have continued to provide some excellent testimonials underpinning the value and high levels of customer service that is being provided.

Our revised product offer for 2024, which was developed predominantly from enquiries from our target market, will ensure that the business continues to grow in what is a mature and well-established health insurance market in Malta.

As a relatively new and niche provider in the Maltese health insurance market, the business has invested in growing its profile amongst employers, membership organisations such as FHRD and brokers. We have worked closely with its locally appointed marketing agency to utilise several channels to raise awareness of the company's offering. Other outreach activity such as conferences and networking groups have resulted in several positive corporate leads being generated, to set the conditions to attract increased volumes of corporate customers in 2025.

As of the end of 2024, there were 908 policyholders under the Everyday Wellness plan and 155 under the Colleague Care Cash Plan. There are also positive signs of two strategic relationships being secured in early 2024, with a HR Membership body and a large bank in Malta.

Principal risks

The Risk & Compliance Committee's primary responsibility is to monitor the Company's risk exposure in all areas including risk appetite, which covers several areas within the company, this includes the functional areas of Operations, Finance, Human Resources and Sales & Marketing. It advises the Board on risk management and maintains adherence to company and wider policy, whilst having responsibility to review the effectiveness of the functional areas.

The Company has produced, regularly reviewed, and maintained departmental risk registers to accurately reflect the key areas of both current and emerging risks across the business, which are kept under constant review by key appointed internal stakeholders and discussed by the relevant Committees and Board to manage and mitigate these risks.

The Board are satisfied with the risk management policies and procedures that are currently in place.

HSF Health Plan (Malta) Limited

Directors' Report

Future developments

In 2025, it is expected that the company will be able to develop further new business opportunities, with the revised product offer and a strong portfolio of satisfied customers. In addition, the company has committed resources to attend several employee focused conferences, networking forums and events, which will afford the opportunity to showcase its offering, which it is hoped will generate future interest and new customers.

In 2024, the company enrolled a further 3 new corporate clients under the Colleague Care Cash Plan and 9 new corporate clients under the Everyday Wellness Cash Plan new corporate customers.

In addition to the company's trading activity, during 2024, the parent charity The Hospital Saturday Fund, continued with its valuable grant making activity, which has supported medical charities and projects across Malta.

HSF Health Plan Malta will secure new strategic alliances with APS Bank for its Private Pension Holders and with FHRD, the leading HR organisation in Malta. Furthermore, a charity reception is planned for the beginning of June 2025. At the event, The Hospital Saturday Fund will award grants to Maltese medically associated NGOs. HSF Health Plan Malta will to invite our clients as guests for this event.

HSF Malta representatives will also continue attending networking events in order to make the public more aware of what HSF Malta stands for, with the ultimate hope that corporate clients would be inclined to covered themselves with one of HSF Malta's cash plans.

Post balance sheet events

There have been no post balance sheet events.

Results and dividends

The company recorded a profit before tax of €369,427 (2023: €325,337). There have been no dividends declared and these profits will currently be retained within the Company.

Directors


The directors who served during the financial year under review were;

Paul Jackson
Sharon Phelan
Neil Finlayson
Paul Clare
Lynn Tomlinson - Chairperson
Mark Davies
Vincent Micallef
Sean Agius
Raymond Micallef
Jane Dalton

Auditor

A resolution to reappoint Forvis Mazars as auditor of the company will be proposed at the forthcoming annual general meeting

On behalf of the Board of Directors on 24th March 2025.



Paul Jackson
Director



Raymond Micallef
Director

HSF Health Plan (Malta) Limited

Statement of directors' responsibilities Year ended 31 December 2024

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act (Cap. 386)) and Insurance Business Act (Chap. 403) enacted in Malta.

This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HSF Health Plan (Malta) Limited

Statement of profit or loss and other comprehensive income For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		EUR	EUR
			<i>(As restated)</i>
Insurance revenue	7	93,796	33,054
Insurance service expenses	8&9	(42,333)	(14,917)
Insurance Service Results		51,463	18,137
Net income on FVTPL investments	6	496,345	464,790
Net Financial Results		547,808	482,927
Other income	5	300,000	300,000
Other operating expenses	9	(450,922)	(433,965)
Other finance expenses	10	(27,460)	(23,624)
Profit before tax		369,426	325,338
Income tax credit / (charge)	20	16,522	(18,531)
Profit for the year/Total comprehensive income for the year		385,948	306,807

The notes on pages 9 to 29 form an integral part of these financial statements.

HSF Health Plan (Malta) Limited

Statement of financial position As at 31 December 2024

	<i>Note</i>	2024 EUR	2023 EUR <i>As restated</i>
ASSETS			
Financial assets at FVTPL	12	4,092,368	3,660,227
Deferred tax asset	22	51,430	34,908
Other receivables	13	15,061	86,005
Cash and cash equivalent	14	535,567	489,195
TOTAL ASSETS		4,694,426	4,270,335
LIABILITIES			
Other payables	18	91,966	63,016
Insurance contract liabilities	19	12,461	3,268
TOTAL LIABILITIES		104,427	66,284
EQUITY			
Share capital	15	3,500,000	3,500,000
Capital Contribution	16	750,000	750,000
Other reserves	17	732,083	305,144
Retained earnings		(392,084)	(351,093)
TOTAL EQUITY		4,589,999	4,204,051
TOTAL LIABILITIES AND EQUITY		4,694,426	4,270,335

The notes on pages 9 to 29 form an integral part of these financial statements. These financial statements were approved and authorised for issue by the board of directors on the 24 March 2025 and signed on its behalf by:



Paul Jackson
Director



Raymond Micallef
Director

HSF Health Plan (Malta) Limited

Statement of changes in equity For the year ended 31 December 2024

	Share Capital EUR	Capital Contribution EUR	Other Reserves EUR <i>As restated</i>	Retained Earnings EUR <i>As restated</i>	Total EUR
Balance at 1 January 2023	3,500,000	750,000	(144,571)	(208,185)	3,897,244
<i>Change in equity for the period</i>					
Transfer of unrealised gain on investment	-	-	449,715	(449,715)	-
Total comprehensive income for the year	-	-	-	306,807	306,807
Balance at 31 December 2023	3,500,000	750,000	305,144	(351,093)	4,204,051
<i>Change in equity for the period</i>					
Transfer of unrealized gain on investment	-	-	426,939	(426,939)	-
Total comprehensive income for the year	-	-	-	385,948	385,948
Balance at 31 December 2024	3,500,000	750,000	723,083	(392,084)	4,589,999

The notes on pages 9 to 29 form an integral part of these financial statements.

HSF Health Plan (Malta) Limited

Statement of cash flows for the year ended 31 December 2024

	Note	2024 EUR	2023 EUR
Cash flows from operating activities			
Profit/(Loss) after taxation		385,948	306,807
Movement in working capital:			
Decrease/(Increase) in other receivables		54,422	(62,159)
Increase in other payables		38,143	15,080
Unrealised (gains)/losses on other financial investments		(426,939)	(449,715)
Realised (gains)/losses on other financial investments		(17,155)	39,148
Income from other financial investments and cash		(52,251)	(54,223)
		<hr/>	<hr/>
Cash (used) in operating activities		(17,832)	(205,062)
		<hr/>	<hr/>
Cash flows from financing activities			
Income from financial investments		52,251	54,223
Proceeds from sale of other financial investments		928,554	483,563
Purchase of other financial investments		(916,601)	(708,127)
		<hr/>	<hr/>
<i>Net cash generated/(used) in financing activities</i>		64,204	(170,341)
		<hr/>	<hr/>
Net movement in cash and cash equivalents		46,372	(375,404)
Cash and cash equivalents at the beginning of the year		489,195	864,598
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	14	535,567	489,195
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 29 form an integral part of these financial statements.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

1. Basis of preparation

1.1 Basis of measurement and statement of compliance

The financial statements of HSF Health Plan (Malta) Limited (“the Company”) have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”) and comply with the Companies Act, Cap. 386 of the Laws of Malta. They are prepared under the historical cost convention as modified by the revaluation of financial assets measured at fair value through profit and loss.

The financial statements have been prepared on a going concern basis.

The material accounting policies adopted are set out below.

1.2 Functional and presentation currency

(i) Functional and presentation currency

The financial statements are presented in Euro (“EUR”), which is the Company’s functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit or loss and other comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Material accounting policies

2.1 Insurance Contracts

Key types of insurance contracts held

The Company issues one type of contract that is accounted for in accordance with IFRS 17 Insurance Contracts, this is health insurance with coverage of one month. The Company accounts for these contracts applying the Premium Allocation Approach (“PAA”) as all insurance contracts entered into are on a rolling monthly basis and therefore less than one year.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.1 Insurance Contracts (continued)

Definitions and classifications

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

These insurance contracts are determined by the Company as not onerous on initial recognition with no possibility of becoming onerous in the future. The insurance contracts are all issued on a monthly renewable approach and therefore the measurement of the insurance contracts includes all future cash flows expected to arise within the boundary of each contract.

Combining a set or series of contracts

As all contracts issued by the Company are of the same nature and coverage, being health cash plans and all on a rolling monthly renewable basis these have been combined.

Separating components from insurance contracts

In the provision of the insurance contracts, no other components are being included.

Level of aggregation

The Company only issues one type of insurance contract therefore all insurance contracts are identified as a single portfolio.

Recognition

The Company recognises insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the contract
- The date when the first payment from a policyholder becomes due

Contract boundaries

The measurement of the insurance contracts includes all future cash flows expected to arise within the boundary of each contract.

Measurement of insurance contracts issued

On initial recognition, the Company measures the Liability for Remaining Coverage ("LRC") at the amount of premiums received in cash. As all issued insurance contracts to which the PAA is applied have coverage of a year or less, the Company applies a policy of expensing all insurance acquisition cash flows as they are incurred.

The carrying amount of the LRC at the end of each subsequent reporting period represents the carrying amount at the start of the reporting period adjusted for the premiums received in the period and the amount recognised as insurance revenue for insurance contract services provided in that period.

The Company has determined that there is no significant financing component in the insurance contracts with a coverage period of one year or less. The Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Insurance Revenue

Insurance Revenue is recognized on a straight-line basis over the coverage period. Since products are all monthly premiums, revenue will be recognized monthly as the coverage is provided, in proportion to the time elapsed during the month. The premium allocated to each month is recognized as insurance revenue in that month.

Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established. Dividend income relating to exchange traded equity securities is recognised in the statement of comprehensive income on the ex-dividend date.

Service fee income

Service fees are recognised as revenue when the services are rendered.

2.3 Cash and cash equivalents

Cash and cash equivalents consist of cash deposits held at call with banks.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.4 Income taxes

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

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

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

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

The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the global minimum top-up tax required under Pillar II legislation. Should the Company be in-scope, it will account for it as a current tax when it is incurred.

2.5 Related parties

Related parties are defined as related if one party empowers another party to exercise the control or significant influence over the other party in making financial and operating decisions.

Related parties to the company are defined as shareholders, employees, members of the management board, their close relatives, and companies that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with the company except if it is impossible for one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year) including other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets at fair value through profit or loss

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets/liabilities and the contractual terms of the cash flows.

For assets/liabilities measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity investments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The company reclassifies debt investments when and only when its business model for managing those assets changes.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

The company classifies the following financial assets at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI
- Equity investments that are held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

Recognition and derecognition

Purchases or sales of financial assets/liabilities that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Receivables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market, other than those that the company has designated as fair value through profit or loss. After initial recognition, receivables are measured at amortised cost using the effective interest rate method. The Company includes in this category short-term receivables.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

- a. the Company has transferred substantially all the risks and rewards of the asset, or
- b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability should be removed from the balance sheet when, and only when, it is extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognised in profit or loss.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

Measurement

At initial recognition, the company measures a financial asset/liability at its fair value plus, in the case of a financial asset/liability not at fair value through profit or loss (FVPL), transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets/liabilities carried at FVPL are expenses in profit or loss.

Financial assets/liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in net gain/(loss) on financial assets and liabilities at fair value through profit or loss as applicable.

Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment of financial assets

As cash at bank balances are demand deposits, that are held with reliable (rated BBB, A, and BBB+). The estimated 12 month expected credit losses in terms of IFRS 9 was not considered to be material.

While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment losses were not considered to be material.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

Offsetting of financial instruments

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or counterparty.

2.7 Expenses

All insurance acquisition cash flow is recognised as an expense when these are incurred. This approach is taken as all insurance contracts have a coverage period of less than 1 year.

Expenses are generally recognised when the services are used, or the expenses arise. These are incurred in the direction and general administration of the day-to-day operations of the Company.

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through income. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in the Statement of Comprehensive Income as an expense. Fees, commission and other expenses are recognized in profit or loss on an accrual basis.

2.8 Employee benefits

The Company contributes towards the state pension in accordance with local legislation. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

3. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The company requires management to make significant judgements and estimates in the preparation of the financial statements. The items in the financial statements where these judgements and estimates have been made include as follows:

Insurance contract liabilities

Insurance contract liabilities is considered an area of judgement and estimate given that in it can take up to six months after the year end before establishing the ultimate cost of claims incurred but not yet recognised to the Company and the final outcome is difficult to predict. The Directors have adopted the simplified approach available under IFRS17 as all insurance contracts issued are short term in nature, less than one year. The calculation for the LIC is based on future cashflows with the inclusion of a risk adjustment applied in line with Solvency II workings.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Deferred tax assets

The recognition of deferred tax assets is based upon whether taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. The amounts recognised in the financial statements are derived from the management's best estimation and judgment of the above.

4. Changes in accounting policies and disclosures

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2024:

- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020), Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) and Non-Current Liabilities with Covenants (issued on 31 October 2020) (effective on 1 January 2024)

The amendments requires that a right to defer settlement for at least 12 months must exist at the reporting date and have substance. This right may be subject to compliance with conditions specified in a loan arrangement and only those existing at the reporting date are to be considered. However, information about conditions or covenants that apply in future periods are to be disclosed. Also, liabilities relating to convertible debt may become current. The amendments apply retrospectively.

The application of these amendments did not have a material effect on the company's/group consolidated/financial statements.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

4. Changes in accounting policies and disclosures (continued)

- Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback (issued on 22 September 2022) (effective on 1 January 2024)

The narrow scope amendment impact how a seller-lessee accounts for variable payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and requires seller-lessees to reassess and potentially restate retrospectively as from date of application of IFRS 16.

The application of these amendments did not have a material effect on the company's/group consolidated/financial statements.

- Amendments to IAS 7, Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023) (effective on 1 January 2024)

The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.

The application of these amendments did not have a material effect on the company's/group consolidated/financial statements.

Standards, interpretations and amendments to published standards as adopted by the EU in issue but not yet effective for financial periods beginning on 1 January 2024:

- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023) (effective on 1 January 2025)

The amendments specifies when a currency is exchangeable into another currency and when not. It also specifies how an entity can determine the exchange rate to apply when a currency is not exchangeable and requires additional disclosures when a currency is not exchangeable.

The directors are of the opinion that these amendments will not have a material impact on the financial statements of the company.

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7 (issued on 18 December 2024).
- Annual improvements Volume 11 (issued on 18 July 2024)

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

5. Other Income

	2024	2023
	EUR	EUR
Service charge	300,000	300,000

6. Net gains on FVTPL investments

	2024	2023
	EUR	EUR
Dividend income from financial assets	52,251	54,223
Realised fair value gain/(losses) on disposal	17,155	(39,148)
Unrealised fair value gain on financial assets	426,939	449,715
	496,345	464,790

7. Insurance revenue

	2024	2023 (As restated)
	EUR	EUR
Contracts measured under the PAA model	93,796	33,054

8. Insurance service expenses

	2024	2023 (As restated)
	EUR	EUR
Incurred claims and other insurance service expenses	36,708	12,326
Changes that relate to past services – adjustment to the LIC	6,071	2,706
Changes that relate to future services	(446)	(115)
	42,333	14,917

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

9. Expenses by nature

	2024	2023 (As restated)
	EUR	EUR
Claims and benefits	42,779	15,032
Staff Costs	200,498	184,536
Legal & Professional Fees	18,729	14,551
Rent	16,458	24,000
Audit Fee	36,000	14,353
Accounting Fee	3,325	8,156
Insurance Managers Fees	88,487	85,910
Sundry Operating Expenses	87,425	102,459
	<u>493,701</u>	<u>448,997</u>
Represented by:		
Insurance service expenses	42,333	14,917
Other operating expenses	450,922	433,965
	<u>493,255</u>	<u>448,882</u>

10. Other finance expenses

	2024	2023
	EUR	EUR
Investment Managers Costs	27,460	23,624
	<u>27,460</u>	<u>23,624</u>

11. Staff Costs

	2024	2023
	EUR	EUR
Wages and salaries	179,086	163,545
Social security costs	5,812	5,391
Secondment costs	15,600	15,600
	<u>200,498</u>	<u>184,536</u>
The average number of persons employed:	<u>4</u>	<u>2</u>

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

12. Financial Assets

	2024 EUR	2023 EUR
At market value		
Equities (listed)	2,702,887	2,366,074
Exchange-Traded Funds (listed)	1,103,564	927,294
Other (listed)	285,917	366,859
	<u>4,092,368</u>	<u>3,660,227</u>

The historical cost of financial investments as at 31 December 2024 was €3,360,285 (2023: €3,355,083)

	2024 EUR	2023 EUR
Reconciliation of movement for the year		
Market value at 1 January	3,660,227	3,025,096
Additions	916,601	708,127
Disposals	(911,399)	(522,711)
Fair value movement	426,939	449,715
	<u>4,092,368</u>	<u>3,660,227</u>

13. Other receivables

	2024 EUR	2023 EUR
Amounts due from related parties	-	75,000
Tax refundable	8,384	9,390
Prepayments	6,677	1,615
	<u>15,061</u>	<u>86,005</u>

The amounts due by related parties are unsecured, interest free and repayable on demand.

14. Cash and cash equivalents

	2024 EUR	2023 EUR
Cash at bank	<u>535,567</u>	<u>489,195</u>

The carrying amount disclosed above reasonably approximates fair value at the reporting date. An amount of EUR 4,500 is blocked by the bank as a pledge against the credit card facility.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

15. Share capital

	2024 EUR	2023 EUR
Authorised		
10,000,000 Ordinary shares of EUR 1 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid up		
3,500,000 Ordinary shares of EUR 1 each	<u>3,500,000</u>	<u>3,500,000</u>

16. Capital contribution

	2024 EUR	2023 EUR
Capital contribution received	<u>750,000</u>	<u>750,000</u>

17. Other reserves

	2024 EUR	2023 EUR
Fair value reserve	<u>691,238</u>	<u>305,144</u>

18. Other payables

	2024 EUR	2023 EUR
Amounts due to related party	45,431	38,449
Other Payables	19,746	8,167
Accruals	26,789	16,400
	<u>91,966</u>	<u>63,016</u>

The amounts due to related parties are unsecured, interest-free and repayable on demand.

19. Insurance Contract Liabilities

	2024 EUR	2023 EUR
Liability for incurred claims		
LIC brought forward	2,822	116
Payments during the year in respect of LIC	(1,463)	(108)
Adjustment to prior year's LIC	(1,359)	(8)
Movement in LIC during the year	8,635	2,601
Risk Margin	258	221
Net LIC carried forward in respect of fulfilment cash flows	<u>8,893</u>	<u>2,822</u>

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

19. Insurance Contract Liabilities (continued)

	2024	2023
	EUR	EUR
Liability for remaining coverage		
LRC brought forward	446	115
Premiums during the year in respect of LRC	(446)	(115)
Movement in LRC during the year	3,568	446
Net LRC carried forward in respect of unearned premiums	3,568	446
Total Insurance Contract Liabilities	12,461	3,268

20. Income Tax Expense

	2024	2023
	EUR	EUR
Deferred tax expense	16,522	(18,531)

21. Tax reconciliation

	2024	2023
	EUR	EUR
Profit before tax	369,426	325,338
Corporation tax at the standard rate of 35%	129,299	113,867
Effects of:		
Disallowed expenses	9,611	23,949
Income not subject to further tax	(6,003)	-
Unrecognised deferred tax on fair value movement of investments	(149,429)	(119,285)
	(16,522)	18,531

22. Deferred tax asset

As at reporting date, the Company had a deferred tax asset of EUR 51,430 (2023: EUR 34,908 asset). Deferred income taxes are calculated on the temporary differences from unabsorbed trading losses.

The movement on the deferred income tax account is as follows:

	2024	2023
	EUR	EUR
At the beginning of the year	34,908	(53,439)
Movement recorded during the year	16,522	18,531
At the end of the year	51,430	34,908

HSF Health Plan (Malta) Limited

Notes to the financial statements For the year ended 31 December 2024

23. Related party disclosures

During the period, the Company's received service charge income totaling €120,000 (2023: €120,000) from a related party, HSF health plan Ltd – Ireland TCB a sister company owned by the same parent charity. Further to this there were expenses incurred totaling €42 (2023: €1,624) for charges incurred by HSF health plan Ltd – Ireland TCB on behalf of the Company.

There was further service charge income received from HSF health plan Ltd – UK totaling €180,000 (2023: €180,000) from a related party which is a sister company owned by the same parent charity. Further to this there were net expenses incurred totaling €20,500 (2023: €21,115) for charges incurred by HSF health plan Ltd – UK on behalf of the Company.

Further related party expenses transactions occurred in the period with the parent charity the Hospital Saturday Fund, these totaled €11,255 (2023: €10,038)

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Any outstanding balances as of period end incurred by the related party is disclosed in note 13 and 18.

24. Financial risk management

The exposures to risk and the way risks arise, together with the company's objectives, policies, and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies, and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

At the end of the year, the company's main financial assets on the statement of financial position comprised of trade and other receivables while the main financial liabilities consisted of trade and other payables. At year end, there were no assets and liabilities which were not recognised in the statement of financial position.

Insurance risk

The principal risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The terms and conditions of the contracts set out the bases for the determination of the company's liability should the insured event occur. Given the size of the company the directors do not deem insurance risk to be significant or material.

HSF health plan (Malta) Limited's policy is to offer no insurance policy or renewal options beyond a month or two, and to manage the benefit/contributions levels to achieve over the long term a small surplus of contributions over claims and business costs. The Company has a risk associated with the claims technical provision which is calculated based on the requirement for claims to be submitted within 6 months of the date of treatment.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

24. Financial risk management (continued)

Credit and counterparty risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's investments, cash at banks and receivables. The Company controls its credit risk through strict monitoring procedures and regular coordination with its customers, with the result that the Company's exposure credit risk is not significant.

Credit risk arises from cash and cash equivalents, contractual cash flows of investments carried at fair value through profit or loss (FVTPL), as well as credit exposures to customers, including outstanding receivables. Below is a table showing the breakdown of assets by credit rating utilizing S&P Long-term Issuer Ratings for the ratings at the year ending 31 December 2024

At 31 December 2024

	Unrated EUR	A to AAA rated EUR	B to BBB rated EUR	Total EUR
Financial Assets	2,988,804	469,626	633,938	4,092,368
Trade and other receivables	15,061	-	-	15,061
Cash and cash equivalent	63,152	-	472,415	535,567
	<u>3,067,017</u>	<u>469,626</u>	<u>1,106,353</u>	<u>4,642,996</u>

At 31 December 2023

	Unrated EUR	A to AAA rated EUR	B to BBB rated EUR	Total EUR
Financial Assets	1,783,071	1,280,509	596,647	3,660,226
Trade and other receivables	86,005	-	-	86,005
Cash and cash equivalent	22,784	-	466,411	489,195
	<u>1,891,860</u>	<u>1,280,509</u>	<u>1,063,058</u>	<u>4,235,426</u>

Impairment of financial assets

The Company's cash deposits and other receivables are the only financial assets that are subject to the expected credit loss model. However, the expected credit losses, as determined by the directors, were not considered to be material.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

24. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's objectives to manage its liquidity profile are:

- to ensure that adequate funding is available at all times;
- to meet commitments as they arise without incurring unnecessary costs;
- to be able to access funding when needed at the least possible cost; and
- to maintain an adequate time spread of refinancing maturities.

The company closely monitors its cash flows to be able to finance its operations and capital expenditures and pay its obligations as and when they fall due. The following tables sets out the contractual maturities (representing the contractual undiscounted cash-flows) of financial liabilities:

At 31 December 2024

	Up to 1 month EUR	Up to 1 year EUR	On demand EUR
Due to related party	-	-	43,431
Other payables	19,746	-	-
Accrued expenditure	-	26,789	-
	<u>19,746</u>	<u>26,789</u>	<u>43,431</u>

At 31 December 2023

	Up to 1 month EUR	Up to 1 year EUR	On demand EUR
Due to related party	-	-	38,449
Other payables	8,167	-	-
Accrued expenditure	-	16,400	-
	<u>8,167</u>	<u>16,400</u>	<u>38,449</u>

Currency risk

Foreign currency risk, as defined by IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The company currently does not hold monetary assets denominated in currencies other than the EUR, the functional currency.

At 31 December 2024

	GBP Exposure EUR	USD Exposure EUR	SEK Exposure EUR	CHF Exposure EUR	CAD Exposure EUR
Currency Exposure	<u>753,926</u>	<u>1,603,897</u>	<u>99,887</u>	<u>-</u>	<u>152,314</u>

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

24. Financial risk management (continued)

Currency risk (continued)

At 31 December 2023

	GBP Exposure EUR	USD Exposure EUR	SEK Exposure EUR	CHF Exposure EUR	CAD Exposure EUR
Currency Exposure	753,997	1,335,701	47,896	29,997	114,859

Fair values

The Company is required to categorise fair values into different levels of the fair value hierarchy, by reference to the observability and significance of the inputs to the fair value measurement.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset not based on observable market data

As at 31 December 2024, the Company's financial assets designated at fair value through profit or loss and fair value through other comprehensive income are categorised as Level 1.

Capital risk management

The company's policy is to maintain a strong capital base to support its business plans and comply with all regulatory requirements on an ongoing basis whilst assessing the impact of shareholder returns on its capital employed.

The company's objectives when managing capital are:

- to comply with the insurance capital requirements required by the Maltese insurance regulator;
- to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In order to maintain or adjust the capital structure, the company may issue new shares or capitalise contributions received from its shareholders. The company is required to hold regulatory capital for its general insurance business in compliance with the Insurance Rules issued by the MFSA. These capital requirements must be maintained at all times throughout the period. The company monitors the level of own funds on a regular basis. Any transaction that may potentially affect the company's own funds and solvency position are immediately reported to its directors and shareholders for resolution.

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

25. Financial risk management (continued)

Capital risk management (continued)

The Company's Minimum Capital Requirement Absolute Floor stands at EUR 2,700,000 as per paragraph 5.6.4 of Chapter 5 ('Valuation of assets and liabilities rules') of Part B of the Insurance Rules.

Based on management calculations to date, the company is sufficiently capitalised and was compliant at all times with the regulatory capital requirements as stipulated by the MFSA which are in line with the Solvency II requirements.

26. Comparative information

The Insurance revenue and insurance service expenses were restated to comply with the current year presentation. The change in presentation provides a fairer analysis of the Insurance revenue and insurance service expenses. The impact on comparatives is presented below:

Statement of profit or loss and other comprehensive income

	2023 EUR As previously reported	EUR Restatement	2023 EUR As restated
Insurance revenue	33,500	(446)	33,054
Insurance service expenses	(15,363)	446	(14,917)

The retained earnings and other reserves were also restated to comply with the current year presentation. The change in presentation provides a fairer analysis of the other reserves. The impact on comparatives is presented below:

Statement of financial position

	2023 EUR As previously reported	EUR Restatement	2023 EUR As restated
Retained earnings	264,299	40,845	305,144
Other reserves	(310,248)	(40,845)	(351,093)

HSF Health Plan (Malta) Limited

Notes to the financial statements for the year ended 31 December 2024

27. Statutory information

The Company's immediate and ultimate parent company is the Hospital Saturday Fund, an independent charity registered with the UK Charity Commission No 1123381 and in Ireland Registered Charity No 20104528. The Hospital Saturday Fund is a Company Limited by Guarantee in England No 6039284 and has their registered office at 24 Upper Ground, London, SE1 9PD, UK.

Independent auditor's report

To the Shareholders of HSF Health Plan (Malta) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HSF Health Plan (Malta) Limited (the Company), set out on pages 5 to 29, which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In view of the fact that the company has limited insurance business activity during the year, there are no key audit matters to report.

Independent auditor's report

To the Shareholders of HSF Health Plan (Malta) Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover this 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 Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS's, and for such internal control as the 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

Independent auditor's report

To the Shareholders of HSF Health Plan (Malta) Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent auditor's report

To the Shareholders of HSF Health Plan (Malta) Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

Additionally, the financial statements have been properly prepared in accordance with the requirements of the Insurance Business Act (Cap. 403), 1998.

Use of audit report

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act CAP 386 of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an audit's report and for no other purpose. To the full extent permitted by law we do not accept to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

Appointment

We were appointed by the shareholders as auditors of HSF Health Plan (Malta) Limited on 18 April 2021, as for the period ended 31 December 2020 and have operated as statutory auditor ever since that date. The period of total uninterrupted engagement is five years.

Independent auditor's report

To the Shareholders of HSF Health Plan (Malta) Limited (continued)

Consistency with the additional report to those charged with Governance

Our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act);

Non-audit services

We have not provided any of the prohibited services as set out in the accountancy profession act.



*This copy of the audit report has been signed by
Anita Grech (Partner) for and on behalf of*

Forvis Mazars

Certified Public Accountants

Birkirkara,
Malta

24 March 2025