

APS BANK LIMITED

annual report & accounts

2000

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DIRECTORS

DIRECTORS

Emmanuel P. Delia M.A., M. Litt. (Oxon.), Chairman
Lawrence Zammit M.A. (Econ.), Deputy Chairman
Carmel Curmi
Arthur Galea Salomone LL.M. (Toronto) LL.D.
Victor Grech Dimech S.Th.D.
Joseph M. Kenely M.Sc., A.C.M.A., F.I.A., C.P.A.A.
Joseph Pace Ross A.C.I.B.
Francis H. Stivala M.Sc., B.A. (Hons.) Econ.

COMPANY SECRETARY

Mario Felice LL.D.

CHIEF EXECUTIVE OFFICER

Edward Cachia A.C.I.B.

AUDIT COMMITTEE

Joseph M. Kenely M.Sc., A.C.M.A., F.I.A., C.P.A.A.
Carmel Curmi
Francis H. Stivala M.Sc., B.A. (Hons.) Econ.

REGISTERED OFFICE

APS House,
24, St. Anne Square
Floriana VLT 16
MALTA

CHAIRMAN'S STATEMENT

BUILDING ON SOLID GROUND

It is my pleasure to announce that during the period under review the Bank has continued with its positive performance. Our success can be best measured by the marked increase in profits, from Lm772,616 in 1999 to Lm1,307,216, although admittedly, this was also due to certain exceptional gains.

Once again, customers' deposits have risen significantly over the previous year, this time registering an increase of some 16%, from Lm94 million to over Lm109 million. On the other hand, the increase in loans and advances to customers has been modest, reflecting to some degree the unacceptable quality of a number of borrowing proposals presented to the Bank and the slowdown in a number of economic sectors.

Contrary to expectations, the period of consolidation, which I referred to in the 1999 Annual Report, has spilled over into the current year. The process is slow but sure and will eventually lead to a totally renewed APS Bank. A new organisation structure, prompted by the need for more decentralisation, and which gives more empowerment to practically all members of staff, has been introduced and its full implementation will be concluded shortly. Vacancies in key positions have been filled, marketing efforts stepped up and the new banking system is now in its final stages.

All these measures have strengthened the Bank's infrastructure and will ensure consistent future growth.

A CLEARLY DEFINED STRATEGY

The current scenario poses many challenges, both from an internal perspective, as we integrate and expand our operations, as well as from an external dimension, as economic and competitive forces continue to make the sector in which we operate more volatile and unpredictable.

It is crucial that we anticipate the expected changes in the market and adjust accordingly. Our aim is to be

always at the forefront in the use of technological innovation, in the design and marketing of new products and services and in the training of our staff. We are committed to financial strength, individual excellence, teamwork and sound judgement. We will align our financial and intellectual resources to seize new opportunities and grow. These commitments are based on APS Bank's core values, which guide us in the way we treat each other and our customers.

To help us look ahead with a clear and common vision, a three-year business plan is in course of adoption. This plan is not a product strategy, or a single business line strategy but a customer-focused relationship strategy aimed at forging a lifetime commitment with our customers.

During 2001 we will lay emphasis on the re-engineering of our internal processes to maximise efficiency and profitability, on the strengthening of our back office and support services and on the enhancement of our distribution channels and customer contact points. We are also upgrading our customer-driven services, with an accent on loan, investment and insurance products. Our advances units have been re-organised to be more prompt and responsive to our customers' requirements and we are keen to re-enter the insurance and investment services markets.

The progress achieved so far, in the face of tough competition and difficult market conditions, has been good. I wish to thank all the members of the staff and management who made this possible and encourage those who have not yet realised that times have changed to align with the new realities. My appreciation also goes to my colleagues on the Board of Directors for their service and counsel and our shareholders for their continued support.

A WORD OF APPRECIATION

On 16 September 2000 we were saddened by the news that a fellow director and very dear friend Antoine

Tagliaferro had passed away. Mr Tagliaferro was appointed to the Board of Directors in July 1992 and had made a significant contribution towards the Bank's growth during his eight years in office. I wish to take this opportunity to pay tribute to his experience and helpful disposition which will be greatly missed by all of us at the Bank.

A handwritten signature in black ink, appearing to read 'E. P. Delia'.

E. P. Delia
Chairman

29 March 2001

DIRECTORS' REPORT

for the year ended 31 December 2000

The Directors present their report and the Bank's audited financial statements for the year ended 31 December 2000. This report is prepared in terms of Section 177 of the Companies Act, 1995 and complies with the disclosure requirements of the Sixth Schedule of the same Act.

RESULTS FOR THE YEAR

The Bank reported a profit on operating activities before tax of Lm1,307,216 for the year ended 31 December 2000, an increase of about 69% over 1999.

PRINCIPAL ACTIVITIES

The Bank provides an extensive range of banking and financial services. In terms of a licence granted under the Banking Act, 1994, it is empowered to carry on business as a credit institution. The Bank also holds an Investment Services Licence issued by the Malta Financial Services Centre in terms of the Investment Services Act, 1994 and is authorised to act as an Insurance Sub-Agent under the Insurance Brokers and Other Intermediaries Act, 1998.

The Bank's main activities are the acceptance of deposits and the granting of loans and overdrafts denominated both in Maltese Liri and in other major foreign currencies. It extends its services to both domestic and international customers and currently operates a network of four branches and a number of Automated Teller Machines throughout Malta and Gozo.

BUSINESS REVIEW

Review of Financial Performance

Interest Income

Interest remains the Bank's chief source of revenue. Net interest reached an all time high of Lm2,338,238, an increase of some 95% over the previous year. In spite of the trend towards lower interest rates, the Bank has managed to improve its interest margins significantly.

Non Interest Income

A strong growth was also registered in non interest income, which rose by over 26% to reach Lm1,578,170. This increase was attributable to a rise in dealing profits and other operating income. During the period under review the Bank generated Lm269,627 in dealing profits, 69% higher than the figure for 1999, and

Lm1,055,353 in other operating income. Some 75% of the latter relates to the sale of the Bank's stakes in a local fund management company and a life assurance company.

Overheads

Overheads, which comprise administrative expenses and depreciation, rose by Lm571,698 to Lm2,079,468. The increase is mainly attributable to higher staff costs relating to the new banking system project and advertising. Depreciation charges were also higher, resulting from the acquisition of certain fixed assets in recent years, to expand and revamp the Bank's offices. The increase in overheads, reflects the Bank's strategy to expand its business and its commitment to invest in human resources and new technology.

Provision for Bad and Doubtful Debts

Provisions for bad and doubtful debts for the year under review amounted to Lm529,724, an increase of Lm366,349. The greater part of these provisions, about 82%, relate to specific advances and were prompted by a revision to the policies and procedures.

Balance Sheet

The Bank's balance sheet shows strong growth. As at the end of the financial year total assets stood at Lm121,427,674, an increase of 16% over the previous year. This increase was primarily due to the further growth in the Bank's debt security portfolio, whilst loans and advances to customers, net of provisions, moved up by almost 2.5 % to Lm31,151,327. The increase in net assets was mainly financed by customer deposits, which rose by over Lm15 million.

Operations Overview

In the year under review the Bank proceeded with its consolidation process by strengthening and integrating its internal operations, whilst ensuring that a high level of service and efficiency is maintained. It has continued to target the markets in which it knows it can excel, creating products and services that ultimately benefit customers. The Bank has been

particularly successful in attracting new deposits and generating business in relatively new sectors.

The utmost importance has been given to the development of its human resources strategy, which included the appointment and recruitment of staff in key positions and the implementation of a new organisation structure.

On the technology front, the Bank is well on the way to introducing revised processes to meet the ever increasing market-place challenges. Further investment in an upgraded hardware environment and the launching of a bespoke banking system by the end of this year, will result in tangible advantages to clients, offering them higher quality choices.

The adoption of a three-year business plan which will contribute to the sharpening of the Bank's vision is now at an advanced stage. This plan bases its objectives on the changes in the retail banking sector and on new technology-driven opportunities.

Outlook

During 2001 the Bank will strengthen further the foundations for future growth and development, through the employment of modern management tools, the enhancement of its product portfolio and the expansion of the reach and range of its services.

As it presses ahead with its strategic agenda there will be increased investment in customer-focused approaches, including changes in its distribution channels. The Bank aims to pursue synergy opportunities, accelerate productivity improvement and continue to invest in new technologies.

The year 2000 was one of accomplishment. The Bank made a good start in implementing an agenda of change, but the challenges remain and it will continue to focus on its internal structures, long-term customer relationships and on new market opportunities to achieve its aspiration of being a leader in its targeted sectors.

DIRECTORS

The Directors of the Bank are listed on page 3.

In accordance with the Memorandum and Articles of Association of the Bank, all Directors, with the exception of Mr. Antoine Tagliaferro who passed away on 16 September 2000, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 1995 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank at the end of each financial year and of its profit or loss for the financial year.

The Directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgment and estimates;
- financial statements have been drawn up in accordance with International Accounting Standards;
- the financial statements are prepared on the basis that the Bank must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting period, irrespective of the date of receipt or payment.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them to ensure that the financial statements comply with the Companies Act, 1995 and the Banking Act, 1994. They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE IN TERMS OF THE SIXTH SCHEDULE TO THE COMPANIES ACT, 1995

During the year ended 31 December 2000, no shares in the Bank:

- were purchased by it or acquired by it by forfeiture or surrender or otherwise;
- were acquired by another person in circumstances where the acquisition was by the Bank's nominee, or by another with the Bank's financial assistance, the Bank itself having a beneficial interest;
- were made subject to pledge or other privileges, to a hypothec or to any other charge in favour of the Bank.

AUDITORS

Messrs. Ernst & Young have signified their willingness to continue in office as auditors of the Bank and a resolution proposing their reappointment will be put to the Annual General Meeting.

The Directors' report was approved by the Board of Directors and was signed on its behalf by:



E.P. Delia
Chairman



L. Zammit
Deputy Chairman

29 March 2001

REPORT OF THE AUDITORS

to the members of APS BANK LIMITED

We have audited the financial statements of APS Bank Limited for the financial year ended 31 December 2000 which are set out on pages 11 to 30.

As described on page 8 the Bank's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you. We are also required to report whether we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, whether in our opinion proper books of account have been kept by the Bank so far as appears from our examination thereof and whether the financial statements are in agreement with the books.

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 an examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes assessment of the accounting principles used and significant estimates and judgements made by the Directors in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account have been kept by the Bank so far as appears from our examination thereof. The financial statements are in agreement with the books.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Bank as at 31 December 2000 and of its profit, its changes in equity and its cash flows for the year then ended in accordance with International Accounting Standards and have been properly prepared in accordance with the Companies Act, 1995 and the Banking Act, 1994.

ERNST & YOUNG

Certified Public Accountants and Auditors

Malta

29 March 2001

financial results
for the year ended 31 December 2000

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	Notes	2000 Lm	1999 Lm
Interest receivable and similar income:			
On loans, advances and balances with Central Bank of Malta		2,771,940	2,364,624
On debt securities		3,912,368	2,774,074
	(2)	6,684,308	5,138,698
Interest payable	(3)	(4,346,070)	(3,940,756)
Net interest income		2,338,238	1,197,942
Dividend income	(4)	22,976	26,041
Fees and commissions receivable		230,214	240,342
Dealing profits	(5)	269,627	159,330
Other operating income	(6)	1,055,353	820,106
Operating income		3,916,408	2,443,761
Administration expenses	(7)	(1,849,924)	(1,333,055)
Depreciation	(21)	(229,544)	(174,715)
Provisions for bad and doubtful debts	(8)	(529,724)	(163,375)
		(2,609,192)	(1,671,145)
Profit on ordinary activities before tax	(9)	1,307,216	772,616
Tax on profit on ordinary activities	(10)	(375,004)	7,421
Profit for the financial year after tax		932,212	780,037
Dividends net of income tax *	(11)	-	(117,000)
Retained profit for the year		932,212	663,037
Earnings per share	(12)	15c5	13c0

* See note on page 12.

BALANCE SHEET

as at 31 December 2000

	Notes	2000 Lm	1999 Lm
Assets			
Cash and balances with Central Bank of Malta	(13)	1,527,336	1,268,671
Reserve deposit with Central Bank of Malta	(14)	5,259,100	4,704,800
Cheques in course of collection		952,333	729,142
Treasury Bills	(15)	3,427,830	-
Loans and advances to banks	(16)	6,286,155	7,499,004
Loans and advances to customers	(17)	31,151,327	30,410,048
Debt securities	(19)	62,831,050	50,769,513
Equity shares	(20)	5,786,851	5,694,756
Tangible fixed assets	(21)	2,375,219	2,157,830
Other assets	(22)	480,395	266,192
Prepayments and accrued income	(23)	1,350,078	1,177,320
TOTAL ASSETS		121,427,674	104,677,276
Liabilities			
Amounts owed to customers	(24)	109,485,553	94,089,958
Other liabilities *	(25)	1,315,831	972,811
Accruals and deferred income	(26)	1,547,173	1,373,011
Subordinated liabilities	(27)	1,900,000	1,900,000
		114,248,557	98,335,780
Shareholders' Funds			
Called up share capital	(28)	1,500,000	1,500,000
Share premium account	(29)	759,850	759,850
Other reserves	(30)	674,926	674,926
Revaluation reserve	(31)	1,679,898	1,774,489
Profit and loss account		2,564,443	1,632,231
		7,179,117	6,341,496
TOTAL LIABILITIES		121,427,674	104,677,276
MEMORANDUM ITEMS			
Contingent liabilities	(32)	727,830	1,376,000
Commitments	(33)	8,775,000	15,775,000

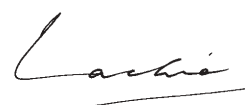
The financial statements on pages 11 to 30 were approved by the Board of Directors on 29 March 2001 and were signed by:



E. P. Delia
Chairman



L. Zammit
Deputy Chairman



E. Cachia
Chief Executive Officer

* Other liabilities normally include proposed dividends. As a result of a revision to International Accounting Standard 10 - Events After The Balance Sheet Date, dividends proposed after the balance sheet date are not being recognised as a liability at the balance sheet date.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2000

	Note	Called-up Share Capital Lm	Share Premium Account Lm	Revaluation Reserve Lm	Other Reserves Lm	Profit and Loss Account Lm	Total Lm
At 1 January 1999		1,500,000	759,850	611,176	674,926	969,194	4,515,146
Increase in unrealised revaluation gains on equities		-	-	1,232,152	-	-	1,232,152
Released on disposal		-	-	(68,839)	-	-	(68,839)
Profit for the year after taxation		-	-	-	-	780,037	780,037
Dividends	(9)	-	-	-	-	(117,000)	(117,000)
At 1 January 2000		1,500,000	759,850	1,774,489	674,926	1,632,231	6,341,496
Increase in unrealised revaluation gains on equities		-	-	83,223	-	-	83,223
Released on disposal		-	-	(177,814)	-	-	(177,814)
Profit for the year after taxation		-	-	-	-	932,212	932,212
At 31 December 2000		1,500,000	759,850	1,679,898	674,926	2,564,443	7,179,117

CASH FLOW STATEMENT

for the year ended 31 December 2000

	Note	2000 Lm	1999 Lm
Cash flows from operating activities			
Profit on ordinary activities before taxation		1,307,216	772,616
Adjustments for:			
- increase in interest receivable and prepayments		(172,758)	(378,419)
- increase in interest payable and accruals		174,162	441,401
- dividends received from equity shares		(22,976)	(26,041)
- provisions for bad and doubtful debts		529,724	163,375
- depreciation		229,544	174,715
- amortisation		76,775	56,332
- profit on sale of tangible fixed assets		-	(12,809)
- gains on sales of investment securities		(991,148)	(815,029)
- loss on sale of investment securities		53,106	-
- exchange adjustment on investment securities		(233,081)	(129,763)
Operating profit before changes in operating assets and liabilities		950,564	246,378
(Increase)/decrease in operating assets			
- loans and advances		(1,271,003)	(4,652,345)
- reserve deposit with Central Bank of Malta		(554,300)	(1,137,550)
- sale of investment securities		3,437,591	-
- purchase of investment securities		(15,395,928)	-
- cheques in course of collection		(223,191)	(415,289)
- other assets		(1,571)	7,441
Increase in operating liabilities:			
- amounts owed to customers		15,395,595	21,956,155
- other liabilities		67,136	528,351
Cash generated from operating activities before income tax		2,404,893	16,533,141
Income tax paid		(194,754)	(142,842)
Net cash from operating activities		2,210,139	16,390,299
Cash flows from investing activities			
- dividends received from equity shares		22,976	26,041
- purchase of investment securities		(1,484,248)	(23,996,653)
- sales and redemption of investment securities		2,288,712	11,745,816
- purchase of tangible fixed assets		(446,933)	(442,295)
- sale of tangible fixed assets		-	14,257
Net cash from/(used in) investing activities		380,507	(12,652,834)
Cash flows from financing activities			
- ordinary dividends paid		(117,000)	(117,000)
Net cash used in financing activities		(117,000)	(117,000)
Increase in cash and cash equivalents		2,473,646	3,620,465
Cash and cash equivalents at beginning of year		8,767,675	5,147,210
Cash and cash equivalents at end of year	(34)	11,241,321	8,767,675

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2000

1. PRINCIPAL ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are summarised below:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets, and are in accordance with the requirements of International Accounting Standards issued by the International Accounting Standards Committee and comply with the Companies Act, 1995.

The format of the financial statements conforms with the Banking Directive on the publication of audited financial statements of credit institutions authorised under the Banking Act, 1994 issued by the Central Bank of Malta.

(b) Revenue recognition

Interest income is recognised in the profit and loss account as it accrues, except in the case of doubtful debts (see note 1 (c)). Fee income is accounted for in the period when receivable, except where the fee is charged to cover the cost of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised on an appropriate basis over the relevant period.

Dividend income on equity shares is accounted for when the right to receive dividend income is established.

(c) Loans and advances and doubtful debts

Loans and advances are stated after deduction of amounts which, in the opinion of the directors, are required as specific and general provisions. Specific provisions have been made in respect of all identified impaired advances. The general provision is maintained in respect of losses which, although not yet specifically identified, are known from experience to be present and are inherent in any portfolio of bank loans and advances.

The aggregate provisions which are made during the year are charged against profit before income tax, while amounts realised and recoveries of debts previously written off are added to profit. Interest on doubtful loans and advances is not credited to profit but carried forward as interest in suspense.

Bad debts are written off in whole or in part when the extent of the loss incurred has been confirmed and where appropriate, are then removed from the amount included in the specific provision.

(d) Foreign currency translation

Transactions denominated in foreign currencies are translated into Maltese liri at the rates of exchange ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Maltese liri at the rates of exchange ruling at the balance sheet date. Gains and losses arising from such translation are dealt with in the profit and loss account.

(e) Investment securities

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments which are classified as "held for trading" and "available for sale" are measured at fair value, with unrealised gains or losses on trading securities recognised in income and unrealised gains and losses on available-for-sale securities reported as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Other long-term investments which are intended to be held to maturity, such as bonds, are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, any gain or loss is recognised in income when the investment is derecognised or impaired, as well as through the amortisation process.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, adjusted for transactions costs necessary to realise the asset. Unlisted investments are carried at cost net of provision for diminution in value unless fair value cannot be reliably measured.

(f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight line basis so as to write off the cost of each asset over its estimated useful economic life. The annual rates used for this purpose are:

	%
Computer equipment	25
Other	5 – 20

Leasehold property is being amortised over the period of the leases.

No depreciation is provided on freehold property. In the case of freehold premises, it is the Bank’s policy to maintain properties in such condition that their value, taken as a whole, is not impaired by the passage of time. Such expenditure is charged to the profit and loss account in the year in which it is committed. As a consequence, any element of depreciation would, in the opinion of the directors, be immaterial and no provision for depreciation has been made.

(g) Dividends payable

Dividends payable on ordinary shares are recognised in the period in which they are declared.

(h) Deferred taxation

In accordance with IAS 12 Income Taxes, deferred taxation is determined under the liability method in respect of all material temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax assets are recognised only to the extent that future taxable profits will be available such that realisation of the related tax benefit is probable.

(i) Retirement benefit costs

The Bank contributes towards the government pension in accordance with local legislation. The costs of these retirement benefits are charged to the profit and loss account as they accrue. The Bank does not provide for either defined contribution or retirement benefit plans.

(j) Cash and cash equivalents

Cash and cash equivalents comprise:

- (i) cash in hand and deposits repayable on call or short notice or with a contractual period to maturity of less than three months, with any bank or financial institution;
- (ii) short term highly liquid investments which are readily convertible into known amounts of cash without notice, subject to an insignificant risk of changes in value and with a contractual period of maturity of less than three months; and
- (iii) advances from banks repayable within three months from the date of the advance.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 Lm	1999 Lm
On loans and advances to banks	179,925	79,335
On loans and advances to customers	2,434,771	2,120,234
On balances with Central Bank of Malta	157,244	165,055
	2,771,940	2,364,624
On debt securities	3,989,143	2,830,406
Amortisation of premium	(76,775)	(56,332)
	3,912,368	2,774,074
	6,684,308	5,138,698

3. INTEREST PAYABLE

	2000 Lm	1999 Lm
On deposits by banks	13,573	46,578
On customer accounts	4,189,997	3,751,678
On subordinated liabilities	142,500	142,500
	4,346,070	3,940,756

4. DIVIDEND INCOME

	2000 Lm	1999 Lm
From equity shares	22,976	26,041

5. DEALING PROFITS

	2000 Lm	1999 Lm
Profit on foreign exchange activities	269,627	159,330

6. OTHER OPERATING INCOME

	2000 Lm	1999 Lm
Realised gains on disposal of investment securities	1,000,596	815,029
Release in provision for diminution in value of investments	55,140	-
Unrealised loss on foreign investments	(18,615)	-
Other income	18,232	5,077
	1,055,353	820,106

Included with realised gains on disposal of investment securities above, is an amount of Lm792,857 in respect of the sale of shares in a local fund management company and a local life assurance company.

7. ADMINISTRATION EXPENSES

	2000 Lm	1999 Lm
Staff costs		
Wages and salaries	803,345	612,375
Social security costs	58,283	45,333
Other administration expenses	988,296	675,347
	1,849,924	1,333,055

8. PROVISIONS FOR BAD AND DOUBTFUL DEBTS

	2000 Lm	1999 Lm
Increase in general provision	92,000	43,000
Increase in specific provision	437,724	120,375
	529,724	163,375

9. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2000 Lm	1999 Lm
Profit before income tax is stated after charging:		
Auditors' remuneration	6,500	6,500
Directors' emoluments		
Fees	17,250	15,716
Other emoluments	19,986	19,376

10. INCOME TAX

The taxation charge for the year is composed of the following:

	2000 Lm	1999 Lm
Current taxation: Malta income taxation on taxable profit at 35%	587,635	65,529
Net deferred tax movement relating to the origination and reversal of temporary differences	(212,631)	(72,950)
	375,004	(7,421)

10. INCOME TAX (continued)

The taxation on profit on ordinary activities differs from the theoretical taxation expense that would apply on the company's profit on ordinary activities before taxation using the applicable tax rate in Malta of 35% as follows:

	2000 Lm	1999 Lm
Profit on ordinary activities before taxation	1,307,216	772,616
Theoretical taxation expenses at 35%	457,526	270,416
Differences:		
Taxation saving on profit on sale of investments quoted on the Malta Stock Exchange	(73,526)	(285,260)
Taxation saving on tax-exempt local dividend income	-	(1,709)
Effect of expenses not allowed for tax purposes	10,346	9,843
Effect of income not subject to tax	(19,751)	-
Other differences	409	(711)
Taxation on profit on ordinary activities	375,004	(7,421)

11. DIVIDENDS

	2000 Lm	1999 Lm	2000 %	1999 %
Proposed gross of income tax	-	180,000	-	12

	2000 Lm	2000 Lm	2000 Cents per Share	1999 Cents per Share
Proposed net of income tax	-	117,000	-	1.9

At the Annual General Meeting on 24 April 2001, a dividend in respect of 2000 of 1.9 cents per share amounting to a total net dividend of Lm117,000 is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2001. The dividends declared in respect of 1999 and 1998 were Lm117,000.

12. EARNINGS PER SHARE

The earnings per share of 15c5 (1999 - 13c0) have been calculated on the profits for the year attributable to shareholders of Lm932,212 (1999 - Lm780,037) divided by 6,000,000 (1999 - 6,000,000), being the weighted average number of shares in issue during the year.

13. CASH AND BALANCES WITH CENTRAL BANK OF MALTA

	2000 Lm	1999 Lm
Cash in hand	832,003	987,689
Balances with Central Bank of Malta	695,333	280,982
	1,527,336	1,268,671

14. RESERVE DEPOSIT WITH CENTRAL BANK OF MALTA

This consists of a reserve deposit held with the Central Bank of Malta in terms of Section 37 of the Central Bank of Malta Act, Cap.204.

15. TREASURY BILLS

	2000 Lm	1999 Lm
Treasury bills of the Government of Malta	3,427,830	-

Treasury bills are carried at cost, which is not significantly different from market value.

16. LOANS AND ADVANCES TO BANKS

	2000 Lm	1999 Lm
Repayable on call and at short notice	6,286,155	7,499,004
By currency		
- Maltese liri	2,668,282	3,794,000
- Foreign	3,617,873	3,705,004
	6,286,155	7,499,004

17. LOANS AND ADVANCES TO CUSTOMERS

	2000 Lm	1999 Lm
Repayable on call and at short notice	9,923,394	9,701,435
Term loans and advances	22,374,439	21,325,395
	32,297,833	31,026,830
Less provision for bad and doubtful debts	(1,049,345)	(567,158)
Less interest in suspense	(97,161)	(49,624)
	31,151,327	30,410,048
Remaining maturity of term loans and advances:		
- Over 5 years	3,611,744	2,912,418
- 5 years or less but over 1 year	8,954,720	8,989,489
- 1 year or less but over 3 months	5,310,703	5,077,176
- 3 months or less	4,497,272	4,346,312
	22,374,439	21,325,395

	2000 Lm	1999 Lm
Provision for bad and doubtful debts		
Specific	649,345	259,158
General	400,000	308,000
	1,049,345	567,158
By currency		
- Maltese liri	32,240,033	30,945,815
- Foreign	57,800	81,015
	32,297,833	31,026,830

The aggregate amount of advances on which interest is reserved is Lm 1,531,134 (1999 - Lm491,486) gross of provisions against which Lm 843,667 (1999 - Lm308,782) is being provided for as provisions and suspended interest after taking into account the extendible value of security backing such loans and advances.

18. CONCENTRATION OF LOANS AND ADVANCES

	2000 Lm	1999 Lm
The following industry concentrations, gross of provisions, are considered significant:		
Energy and water	454,000	502,000
Transport, storage and communications	2,703,000	2,491,000
Bank and other financial institutions	-	170,000
Agriculture and fisheries	286,000	165,000
Manufacturing	2,397,000	2,491,000
Building and construction	1,242,000	938,000
Hotel, restaurant and tourist trade	3,018,000	2,944,000
Wholesale and retail trade	6,963,000	5,330,000
Personal	9,467,000	8,422,000
Other services	2,245,000	2,100,000
All other	3,522,833	5,473,830
	32,297,833	31,026,830

19. DEBT SECURITIES

	2000 Lm	1999 Lm
Held to maturity		
Issued by public bodies:		
Investment securities		
- Local government securities	55,647,383	45,710,210
- Foreign government securities	131,467	122,924
	55,778,850	45,833,134

19. DEBT SECURITIES (continued)

	2000 Lm	1999 Lm
Issued by other issuers:		
Investment securities		
- Other securities	2,095,100	595,100
- Foreign – other securities	4,957,100	4,341,279
	7,052,200	4,936,379
Total	62,831,050	50,769,513
	2000 Lm	1999 Lm
By remaining period to maturity		
- Over 5 years	48,972,563	36,425,531
- 5 years or less but over 1 year	11,384,601	11,208,086
- 1 year or less but over 3 months	2,242,763	2,164,269
- 3 months or less	231,123	971,627
	62,831,050	50,769,513
By currency		
- Maltese liri	57,742,483	46,305,310
- Foreign	5,088,567	4,464,203
	62,831,050	50,769,513
Unamortised premiums on investment securities	1,050,480	1,078,590
Listing on recognised stock exchanges		
Investment securities		
- Listed on Malta Stock Exchange	57,742,483	46,305,310
- Listed elsewhere	5,088,567	4,464,203
	62,831,050	50,769,513

19. DEBT SECURITIES (continued)

Movement in investment debt securities

	Cost and carrying value Lm
At 1 January 2000	50,769,513
Exchange adjustments	233,081
Acquisitions	15,395,928
Redemption and disposals	(3,490,697)
Amortisation	(76,775)
<hr/>	
At 31 December 2000	62,831,050

20. EQUITY SHARES

Available-for-sale securities

	2000 Lm	1999 Lm
Investment securities		
- Listed on Malta Stock Exchange	5,786,851	5,087,614
- Local unlisted	-	607,142
<hr/>		
	5,786,851	5,694,756

Movement in equity investments

	Carrying value Lm
At 1 January 2000	5,694,756
Acquisitions	1,484,248
Disposals	(2,343,850)
Profits less losses on disposal of investments	991,148
Revaluation surplus in prior year realised	(177,814)
Revaluation	83,223
Release in provision for diminution in value of investments	55,140
<hr/>	
At 31 December 2000	5,786,851

21. TANGIBLE FIXED ASSETS

	Land and Buildings Lm	Computer Equipment Lm	Other Lm	Total Lm
Cost				
At 1 January 2000	1,235,419	705,362	1,117,888	3,058,669
Additions	4,327	318,562	124,044	446,933
Disposals	-	-	(10,345)	(10,345)
At 31 December 2000	1,239,746	1,023,924	1,231,587	3,495,257
Accumulated depreciation				
At 1 January 2000	74,050	257,533	569,256	900,839
Charge for year	29,559	47,664	152,321	229,544
Released on disposals	-	-	(10,345)	(10,345)
At 31 December 2000	103,609	305,197	711,232	1,120,038
Net book amount				
At 31 December 2000	1,136,137	718,727	520,355	2,375,219
At 31 December 1999	1,161,369	447,829	548,632	2,157,830
			2000 Lm	1999 Lm
Net book amount of land and buildings occupied for own activities			1,114,951	1,149,323
Future capital expenditure:				
- contracted but not provided for in the financial statements			171,817	500,717
- authorised by the directors but not contracted			848,238	40,000
			1,020,155	540,717

22. OTHER ASSETS

	2000 Lm	1999 Lm
Deferred taxation	478,221	265,589
Other	2,174	603
	480,395	266,192

23. PREPAYMENTS AND ACCRUED INCOME

	2000 Lm	1999 Lm
Accrued income	1,314,696	1,122,723
Other	35,382	54,597
	1,350,078	1,177,320

24. AMOUNTS OWED TO CUSTOMERS

	2000 Lm	1999 Lm
With agreed maturity dates or periods of notice, by remaining maturity:		
- 5 years or less but over 1 year	5,600,808	7,094,287
- 1 year or less but over 3 months	36,084,615	24,105,467
- 3 months or less but not repayable on demand	20,149,750	19,575,465
	61,835,173	50,775,219
Repayable on demand	47,650,380	43,314,739
	109,485,553	94,089,958
Analysed by currency		
- Maltese liri	101,215,310	86,716,842
- Foreign	8,270,243	7,373,116
	109,485,553	94,089,958

25. OTHER LIABILITIES

	2000 Lm	1999 Lm
Proposed dividend	-	117,000
Other	1,315,831	855,811
	1,315,831	972,811

As stated by way of note on the face of the balance sheet, although a dividend is being proposed for the year ended 31 December 2000, in accordance with IAS 10 (revised), dividends proposed after the balance sheet date are not adjusting items and are being treated as proposed within the financial period that they are declared.

26. ACCRUALS AND DEFERRED INCOME

	2000 Lm	1999 Lm
Accrued interest	1,167,660	1,014,017
Other accruals	379,513	358,994
	1,547,173	1,373,011

27. SUBORDINATED LIABILITIES

	2000 Lm	1999 Lm
7.5% Subordinated Unsecured Loan Stock	1,900,000	1,900,000

This loan stock is redeemable at par on 30 January 2008.

28. SHARE CAPITAL

	2000 & 1999 Lm
Authorised 8,000,000 ordinary shares of Lm0.25 each	2,000,000
Issued, called up and fully paid up 6,000,000 ordinary shares of Lm0.25 each	1,500,000

29. SHARE PREMIUM ACCOUNT

	2000 & 1999 Lm
Balance at beginning and end of year	759,850

30. OTHER RESERVES

	2000 & 1999 Lm
Non-distributable reserve Balance at beginning and end of year	174,926
In accordance with a Central Bank of Malta directive, gains on devaluation of the Maltese lira on 25 November 1992 have been set aside as a non-distributable reserve.	
Asset Funding Reserve Balance at beginning and end of year	500,000
The Asset Funding Reserve had been created to provide for the purchase of tangible fixed assets.	
	674,926

31. REVALUATION RESERVE

The revaluation reserve arises as a consequence of the valuation of equity shares at market values at the balance sheet date, as explained in note 1(e). The revaluation reserve is not available for distribution.

32. CONTINGENT LIABILITIES

	2000 Lm	1999 Lm
Guarantees	653,280	894,000
Other contingent liabilities	74,550	482,000
	727,830	1,376,000

33. COMMITMENTS

	2000 Lm	1999 Lm
Undrawn formal standby facilities, credit facilities and other commitments to lend	8,775,000	15,775,000

34. CASH FLOW STATEMENT

	2000 Lm	1999 Lm
Analysis of balances of cash and cash equivalents as shown in the cash flow statement		
Cash in hand	832,003	987,689
Balances with Central Bank of Malta (excluding reserve deposits)	695,333	280,982
Treasury bills	3,427,830	-
Money at call and short notice	6,286,155	7,499,004
	11,241,321	8,767,675

35. THE AGGREGATE AMOUNT OF ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES TRANSLATED INTO MALTESE LIRI

	2000 Lm	1999 Lm
Assets	8,764,240	8,250,222
Liabilities	8,270,243	7,373,116

36. SEGMENTAL INFORMATION

The Bank is a retail bank providing normal commercial banking services in the local market and therefore business and geographical segmentation information is not appropriate.

37. RELATED PARTY TRANSACTIONS

During the course of its normal banking business, the Bank conducts business on commercial terms with the Archdiocese of Malta, the ultimate major shareholder of the Bank.

38. GENERAL

(a) Loans to and commitments on behalf of directors and officers

	2000 Loans and advances Lm	2000 Commitments Lm	1999 Loans and advances Lm	1999 Commitments Lm
Directors				
1st January	34,869	-	44,037	-
Additions	959	384	1,379	-
	35,828	384	45,416	-
Less repayments/ cancellations	(3,720)	-	(10,547)	-
31st December	32,108	384	34,869	-
Officers				
1st January	112,934	178,612	155,955	128,311
Additions	104,055	116,140	5,600	50,301
	216,989	294,752	161,555	178,612
Less repayments	(21,830)	(20,600)	(48,621)	-
31st December	195,159	274,152	112,934	178,612

(b) The average number of employees

	2000 Number of employees	1999 Number of employees
Managerial	20	15
Supervisory and clerical	87	69
Others	12	10
	119	94

39. FINANCIAL INSTRUMENTS

Financial risk management

APS Bank Limited is subject to a combination of financial risks which are inherent in the business of banking. Financial risks are managed by the Bank within statutory limits and within internal parameters established by the Board of Directors.

Fair values

The reporting of fair values is intended to guide users as to the amount, timing and certainty of cashflows. The amounts stated for cash balances, balances with the Central Bank of Malta, loans and advances to banks are highly liquid assets. The directors regard the amount shown in the balance sheet for these items as reflecting their fair value in that these assets will be realised for cash in the immediate future.

All the Bank's listed equities are carried in the balance sheet at market value. Debt securities are carried in the balance sheet at amortised cost. Both debt securities and investment equity shares are traded in a liquid market and the directors regard their market valuation as best evidence of fair value.

Loans and advances to customers are stated at the amounts contractually due less provisions to reflect the expected recoverable amounts.

Amounts owed to customers are mainly deposit liabilities. Amounts due on demand at the balance sheet date are shown at fair value. Similarly, the directors consider that other amounts due to customers subject to a specified maturity, which are shown at amounts contracted, reflect the fair value of the cash amounts that are due to customers.

The amounts for contingent liabilities and commitments fairly reflect the cash outflows that are expected to arise upon their occurrence.

The disclosures made in the Bank's financial statements showing maturities are intended to show the timing of cash flows arising from assets and liabilities.

Currency risk

The Bank's financial assets and liabilities are substantially held in Maltese lira.

Financial assets denominated in foreign currencies are invested in such manner as to reflect the foreign currency composition of the basket of the Maltese lira, thereby hedging against exchange losses. Any deviations are subject to monitoring by the Bank's management. Local banks are exposed to currency risk in the event that the Central Bank of Malta changes the value of the Maltese lira.

Interest rate risk

Compared to the international scene, the local interest rates are relatively stable. Changes in local interest rates are monitored constantly by management and corrective action taken by realigning the maturities of and re-pricing the assets and liabilities. The Bank does not have significant exposure to foreign interest rate movements.

Credit risk

In view of the nature of its business, the Bank's financial assets are inherently and predominately subject to credit risk. Thus, management has put in place internal control systems to evaluate, approve and monitor credit risks relating to both investments and loan portfolios.

The Bank has established a policy whereby only investments of high quality are held. Limits have also been established on the level and type of investment held.

Decisions on loans and advances to customers are subject to approval limits involving various levels of management of the Bank. Loans and advances to customers are generally backed by security usually in the form of property, personal or bank guarantees. The security held is subject to periodic review to ensure that it remains adequate and valid.

Management's assessments of potential default on loans and advances to customers and interest related thereto is reflected in provisions which are netted off against the amounts of loans and advances to customers, as explained in note 1(c).

Liquidity risk

The Bank manages this risk by matching the maturities of assets and liabilities. Investments are mostly quoted on local or foreign stock exchanges and therefore enjoy a high degree of marketability and liquidity.

SOLVENCY RATIO

as at 31 December 2000

	Book Value Lm	Weighted Amount Lm
On-Balance Sheet Assets		
Cash and balances with Central Bank of Malta	1,527,336	-
Reserve deposit with Central Bank of Malta	5,259,100	-
Cheques in course of collection	952,333	190,467
Treasury bills	3,427,830	-
Loans and advances to banks	6,286,155	1,257,231
Loans and advances to customers*	31,551,327	13,709,327
Debt securities	62,831,050	1,410,440
Equity shares	5,786,851	5,786,851
Tangible fixed assets	2,375,219	2,375,219
Other assets	1,830,473	915,237
Total Assets	121,827,674	25,644,772

*Loans and advances to customers are shown gross of general provisions which are included with own funds below.

Off-Balance Sheet Items

Contingent liabilities		
-guarantees	653,280	653,280
-other contingent liabilities	74,550	14,910
Commitments	8,775,000	-
	9,502,830	668,190

Own Funds

Original own funds	5,499,219
Additional own funds	400,000
Subordinated liabilities	1,900,000
Total own funds	7,799,219

Solvency Ratio 29.64%

The solvency ratio is a measure of the Bank's capital adequacy and is the ratio of own funds to total risk-weighted assets and off-balance sheet items in terms of the Solvency Ratio Directive BD/04 issued in accordance with Section 17(1) of the Banking Act, 1994.

The Bank's Five Year Summary

Profit and Loss Accounts

	2000	1999	1998	1997	1996
	Lm	Lm	Lm (restated)	Lm (restated)	Lm (restated)
Interest Receivable and Similar Income	6,684,308	5,138,698	4,521,313	3,868,590	3,151,182
Interest Payable	4,346,070	3,940,756	3,363,690	2,617,618	2,171,056
Net Interest Income	2,338,238	1,197,942	1,157,623	1,250,972	980,126
Other Operating Income	1,578,170	1,245,819	980,386	360,598	343,582
Other Operating Charges	2,079,468	1,507,770	1,301,444	1,044,294	922,496
Net Charge for Bad and Doubtful Debts	529,724	163,375	94,391	100,130	71,517
Profit on Ordinary Activities Before Tax	1,307,216	772,616	742,174	467,146	329,695
Taxation	375,004	(7,421)	71,990	166,509	107,606
Profit on Ordinary Activities After Tax	932,212	780,037	670,184	300,637	222,089
Provision for Extraordinary Tax	-	-	-	93,909	-
Profit for the Year After Tax	932,212	780,037	670,184	206,728	222,089
Dividend Net of Taxation	-	117,000	117,000	112,125	112,125
Retained Profit for the Year	932,212	663,037	553,184	94,603	109,964
Earnings per Share	15c5	13c0	11c2	5c0	3c7

1998 figures have been restated as a result of the change in accounting policy concerning deferred taxation.

The Bank's Five Year Summary

Balance Sheets

	2000 Lm	1999 Lm	1998 Lm (restated)	1997 Lm (restated)	1996 Lm Restated)
ASSETS					
Cash and balances with Central Bank of Malta	1,527,336	1,268,671	849,049	1,033,013	660,244
Reserve deposit with Central Bank of Malta	5,259,100	4,704,800	3,567,250	3,288,650	1,760,000
Cheques in course of collection	952,333	729,142	313,853	337,141	384,620
Treasury bills	3,427,830	-	1,091,073	-	-
Loans and advances to banks	6,286,155	7,499,004	3,207,088	7,477,771	2,594,743
Loans and advances to customers	31,151,327	30,410,048	25,921,078	26,802,891	24,654,746
Debt securities	62,831,050	50,769,513	43,128,717	30,897,695	23,325,941
Equity shares	5,786,851	5,694,756	1,016,805	1,135,923	1,034,989
Tangible fixed assets	2,375,219	2,157,830	1,891,698	1,751,304	1,630,886
Other assets	480,395	266,192	200,683	142,919	134,219
Prepayments and accrued income	1,350,078	1,177,320	798,901	758,815	575,480
	121,427,674	104,677,276	81,986,195	73,626,122	56,755,868
LIABILITIES					
Amounts owed to customers	109,485,553	94,089,958	72,133,803	68,558,156	52,333,232
Other liabilities	1,315,831	972,811	521,773	1,008,052	541,190
Accruals and deferred income	1,547,173	1,373,011	931,610	593,270	509,405
Subordinated liabilities	1,900,000	1,900,000	1,900,000	-	-
	114,248,557	98,335,780	75,487,186	70,159,478	53,383,827

The Bank's Five Year Summary

	2000 Lm	1999 Lm	1998 Lm (restated)	1997 Lm (restated)	1996 Lm (restated)
SHAREHOLDERS' FUNDS					
Called up share capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Share premium account	759,850	759,850	759,850	759,850	759,850
Other reserves	674,926	674,926	674,926	674,926	674,926
Revaluation reserve	1,679,898	1,774,489	2,479,181	-	-
Profit and loss account	2,564,443	1,632,231	1,085,052	531,868	437,265
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,179,117	6,341,496	6,499,009	3,466,644	3,372,041
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	121,427,674	104,677,276	81,986,195	73,626,122	56,755,868
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
MEMORANDUM ITEMS					
Contingent liabilities	727,830	1,376,000	639,000	650,301	382,591
Commitments	8,775,000	15,775,000	9,457,000	7,350,084	7,317,071
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,502,830	17,151,000	10,096,000	8,000,385	7,699,662
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The Bank's Five Year Summary

Cash flow statements

	2000 Lm	1999 Lm	1998 Lm	1997 Lm	1996 Lm
Net cash flows from operating activities	2,210,139	16,390,299	5,537,786	8,022,933	6,414,512
Cash flows from investing activities					
Dividends received from equity shares	22,976	26,041	31,564	42,185	31,293
Purchase of investment securities	(1,484,248)	(23,996,653)	(17,904,118)	(9,000,697)	(11,684,648)
Sales and redemption of investment securities	2,288,712	11,745,816	14,088,577	1,136,850	4,784,033
Purchase of tangible fixed assets	(446,933)	(442,295)	(306,473)	(263,937)	(356,021)
Sale of tangible fixed assets	-	14,257	-	-	-
Subordinated loan stock	-	-	1,900,000	-	-
Net cash from/(used in) investing activities	380,507	(12,652,834)	(2,190,450)	(8,085,599)	(7,225,343)
Cash flows from financing activities					
Ordinary dividends paid	(117,000)	(117,000)	(112,125)	(112,125)	(112,125)
Net cash used in financing activities	(117,000)	(117,000)	(112,125)	(112,125)	(112,125)
Increase/(decrease) in cash and cash equivalents	2,473,646	3,620,465	3,235,211	(174,791)	(922,956)
Cash and cash equivalents at 1 January	8,767,675	5,147,210	1,911,999	2,086,790	3,009,746
Cash and cash equivalents at 31 December	11,241,321	8,767,675	5,147,210	1,911,999	2,086,790

The Bank's Five Year Summary

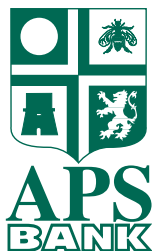
Accounting ratios

	2000 %	1999 %	1998 %	1997 %	1996 %
Net interest income and other operating income to total assets	3.2	2.3	2.6	2.2	2.3
Operating expenses to total assets	2.1	1.6	1.7	1.6	1.8
Profit before tax to total assets	1.1	0.7	0.9	0.6	0.6
Return on capital employed before tax*	23.8	16.9	18.5	13.5	9.8
Profit after tax to equity*	15.5	17.1	16.7	8.7	6.6

	2000	1999	1998	1997	1996
Shares in issue of 25c each (thousands)	6,000	6,000	6,000	6,000	6,000
Net assets per share (cents)*	92	76	67	58	56
Earnings per share (cents)	15c5	13c0	11c2	5c0	3c7
Dividends per share (cents)**					
Gross	-	3c	3c	2c9	2c9
Net	-	1c9	1c9	1c9	1c9
Dividend cover**	-	6.7	6.0	2.7	2.0

* Return on capital employed, return on equity and net assets per share are calculated on shareholders' funds excluding the revaluation reserve.

** As a result of a revision to International Accounting Standard 10 - Events After The Balance Sheet Date, dividends proposed after the balance sheet date are not being recognised as a liability at the balance sheet date.



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