OPERAFUND ECO-INVEST SICAV P.L.C.

Annual Report and Financial Statements
30 June 2018

Company Registration Number: SV27

Management and administration

Directors:	Dr. David E. Griscti Mr. Erich Schnider Dr. Anton Tabone
Investment committee:	Dr. David E. Griscti Mr. Erich Schnider Dr. Brigit Annikki Schoolmann *(as a representative of Dr. Schoolmann business-planer GmbH)*
Company secretary:	Dr. David E. Griscti
Registered office:	168, St. Christopher Street Valletta VLT 1467 Malta
Company registration number:	SV27
Custodian and banker:	Bank Frick & Co. AG Landstrasse 14 Postfach 43 FL - 9496 Balzers Principality of Liechtenstein
Portfolio manager:	AHEAD Wealth Solutions AG Austrasse 15, LI - 9490 Vaduz Principality of Liechtenstein
Administrator:	AHEAD Wealth Solutions AG Austrasse 15, LI - 9490 Vaduz Principality of Liechtenstein
Legal advisors:	David Griscti & Associates Law Firm 168, St. Christopher Street Valletta VLT 1467 Malta
Auditors:	PricewaterhouseCoopers 78, Mill Street Qormi QRM 3101 Malta

Description

OperaFund Eco-Invest SICAV p.l.c. (the "Fund") is organised under the laws of Malta as a multi-class investment company with variable share capital (SICAV) pursuant to the Maltese Companies Act (Cap. 386). OperaFund Eco-Invest SICAV p.l.c. is licensed by MFSA as a Professional Investor Fund which is available to investors qualifying as Qualifying Investors. The Fund was registered on 24 January 2005 and has no employees.

OperaFund Eco-Invest SICAV p.l.c. has only one sub-fund in existence at the reporting date. The assets of the Fund will be invested globally in private equity of ecologically valuable projects that offer attractive long-term investment returns primarily in areas such as energy related and infrastructure related projects. The assets of the Fund may also be invested in other asset classes within the same industry sector, such as publicly traded equity, bonds and other debt securities.

In December 2013, the board of OperaFund Eco-Invest SICAV p.l.c. had resolved to suspend the determination of the net asset value of the Fund. This suspension was a result of the uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain, held through the Fund's subsidiary undertakings. This suspension remains in force.

The global objectives of the Fund are stable cash flows that, if generated, will be distributed to shareholders annually. Income and capital proceeds from investments shall be distributed in the sub-fund's base currency as soon as practicable following the approval in general meeting of the Fund's annual audited financial statements for the relevant financial years, unless at the discretion of the Board, there are important considerations for withholding part of these funds to maintain the operations of the Fund.

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2018.

Principal activities

OperaFund Eco-Invest SICAV p.l.c. is organised under the Laws of Malta as a multi-class investment company with variable share capital (SICAV) pursuant to the Maltese Companies Act (Cap. 386).

Review of the business, performance indicators and future developments

The net asset value of the Fund as at 30 June 2018 stood at €46,147,045 (2017: €39,588,227). The net asset value per share is disclosed within the salient statistics on page 10. As already disclosed in the last directors' report, in December 2013, the board of OperaFund Eco-Invest SICAV p.l.c. resolved to suspend the determination of the net asset value of the Fund and trading in its units until further notice. This suspension was a result of the uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain, held through the Fund's subsidiary undertakings.

In February 2014, the Spanish Government published a draft of the new energy tariff system that regulates the pricing in the industry. At the beginning of June 2014, the Spanish government put the RDL 9/2013 into effect with retrospective effective effect as from 1 July 2013. The duration of this regulation was fixed up to a maximum of five years, after which the Spanish Government had to decide whether further adjustments were necessary. By the end of 2016, the Spanish Government reviewed the status of the energy industry and has slightly increased the compensation for RIN and RO. The new tariffs are based on specific remuneration parameters that are subject to review every six years (or every three years in the case of: (a) the projected revenues resulting from the sale of energy produced, valued at market price; and (b) the forecasted hours of operation). Until then, and because of the possibility of these adjustments, the uncertainty in relation to the remuneration regime applicable to renewable energy plants in Spain is inherent in this business and will remain.

During the years to 30 June 2013 and 30 June 2014 negative fair value adjustments, in relation to investments in subsidiary undertakings that are directly impacted by the energy tariff regime in Spain, of €19,164,809 and impairment of loans receivable from subsidiary undertakings of €9,524,556 were recorded to reflect the impact of the new regime.

In view of these circumstances, the Board of the Fund decided to initiate legal proceedings against the Spanish Government in October 2014, and appointed Cuatrecasas Goncalves Pereira, in Madrid, to represent OperaFund in arbitration proceedings against the Spanish Government in front of the International Centre for Settlement of Investment Disputes (ICSID), Washington, USA. The required proceedings were initiated at the end of January 2015. Opera Fund was able to reach agreement with Schwab-Holding, co-owner of the photovoltaic park held through Paso Palma Sol Gestion de Proyectos S.L. and its subsidiaires, to jointly lodge the action in April 2015. On the 11 August 2015, the ICSID opened the case with the file number ICSID Case No. ARB/15/36. Further details regarding the case, which is ongoing, are published on the ICSID platform Case No. ARB/15/36 (https://icsid.worldbank.org).

In view of liquidity constraints on the subsidiary undertakings, brought about by the new regime, the Board does not expect the underlying investments to distribute dividends to the Fund in the immediate future. Therefore, the suspension of the determination of the net asset value of the Fund and trading in its units will remain in force.

Due the uncertainty in Spain, Opera Fund Eco-Invest SICAV p.l.c has not received any loan repayments from the Spanish photovoltaic parks. The Board of OperaFund Eco-Invest SICAV p.l.c has therefore decided to sell certain investments in order to boost the Fund's liquidity.

Directors' report - continued

Review of the business, performance indicators and future developments - continued

As disclosed in note 3, the fair value of each investment is determined based on projected future net cash flows, appropriately adjusted for taxation and discounted by a risk adjusted discount rate. In assessing the fair value, the directors assume a long-term view of a maintainable level of investment return. This valuation requires the use of a number of assumptions, mainly relating to the revenue generation of each project over the lifetime of the projects and the discount rate applied.

Financial risk management and exposures

For principle risks and uncertainties, refer to note 2 'Financial risk management' that details the key risk factors including market risk, credit risk, liquidity risk and the Company's approach towards managing these risks.

Results

The statement of comprehensive income is set out on page 11.

Standard licence conditions

For the year under review, there were no breaches to the Company's Standard Licence Conditions and no regulatory sanctions were imposed on the Fund.

Directors

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

Dr. David E. Griscti
Mr. Erich Schnider
Dr. Anton Tabone

The Fund's Articles of Association do not require any directors to retire.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Fund as at the end of each reporting period and of the profit or loss for that period.

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

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Fund will continue in business as a going concern.

Directors' report - continued

Statement of directors' responsibilities for the financial statements - continued

The directors are also responsible for designing, implementing and maintaining 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, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of OperaFund Eco-Invest SICAV p.l.c. for the year ended 30 June 2018 are included in the Annual Report 2018, which is published in hard-copy printed form and may be made available on the Fund's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Fund's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

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

On behalf of the board

Dr. David E. Griscti
Director

Dr. Anton Tabone
Director

Registered office
168, St. Christopher Street
Valletta VLT 1467
Malta

17 December 2018

Independent auditor's report

To the Shareholders of OperaFund Eco-Invest SICAV p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- OperaFund Eco-Invest SICAV p.l.c.'s financial statements give a true and fair view of the company's financial position as at 30 June 2018, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

OperaFund Eco-Invest SICAV p.l.c.'s financial statements, set out on pages 10 to 33, comprise:

- the statement of financial position as at 30 June 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

Independent auditor's report - continued

To the Shareholders of OperaFund Eco-Invest SICAV p.l.c.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1.1 to the financial statements, which refers to the uncertainty associated with the financial performance and liquidity of the underlying investments brought about by a change in the remuneration regime applicable to renewable energy plants in Spain. The valuation of the Fund's investments is dependent on the subsidiaries' ability to continue in operational existence for the foreseeable future and the generation of future cash flows from their operations to meet their liabilities as and when they fall due in line with the revised plans. This matter has had, and may continue to have, a significant impact on the value of the underlying investments and loans receivable and is considered to be of significant importance to the users' understanding of the financial statements due to its nature and magnitude. Our opinion is not qualified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the Management and administration section, the Description section and the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Independent auditor's report - *continued*

To the Shareholders of OperaFund Eco-Invest SICAV p.l.c.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), 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 have 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.

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.

Independent auditor's report - *continued*

To the Shareholders of OperaFund Eco-Invest SICAV p.l.c.

Auditor's responsibilities for the audit of the financial statements - *continued*

We communicate with 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.

Report on other legal and regulatory requirements

Other matters on which we are required to report by exception

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- 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 not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

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

PricewaterhouseCoopers
78, Mill Street
Qormi
Malta

Lucienne Pace Ross
Partner

17 December 2018

Statement of financial position

	Notes	As at 30 June 2018 €	2017 €
ASSETS			
Financial assets at fair value through profit or loss	4	**9,239,000**	3,261,113
Trade and other receivables	5	**44,837,438**	42,875,713
Cash at bank	6	**-**	27,687
Total assets		**54,076,438**	46,164,513
LIABILITIES			
Bank overdraft	6	**23,889**	-
Borrowings	7	**5,027,000**	4,443,000
Trade and other payables	8	**2,878,504**	2,133,286
Total liabilities (excluding net assets attributable to holders of redeemable shares)		**7,929,393**	6,576,286
Net assets attributable to holders of redeemable shares		**46,147,045**	39,588,227

Salient statistics

	Units
Investor 'B' class shares in issue as at 30 June 2018	**480,571.79**
Investor 'B' class shares in issue as at 30 June 2017	480,571.79
Investor 'B' class shares in issue as at 30 June 2016	480,571.79

	€
Net asset value per share as at 30 June 2018	**96.0253**
Net asset value per share as at 30 June 2017	82.3773
Net asset value per share as at 30 June 2016	87.7329

The notes on pages 14 to 33 are an integral part of these financial statements.

The financial statements on pages 10 to 33 were authorised for issue by the board on 17 December 2018 and were signed on its behalf by:

Dr. David E. Griscti
Director

Dr. Anton Tabone
Director

Statement of comprehensive income

	Notes	Year ended 30 June 2018 €	2017 €
Income			
Interest income	11	**1,423,568**	1,410,152
Other net changes in fair value on financial assets at fair value through profit or loss		**5,977,887**	(1,054,035)
Total net income		**7,401,455**	356,117
Expenses			
Management and administration fees	12a	**581,276**	584,470
Custodian fees	12b	**93,754**	80,617
Directors' remuneration		**30,000**	30,000
Other legal and professional fees		**579,668**	703,703
Impairment (release)/charge on advances to subsidiary undertakings		**(538,157)**	1,411,843
Total operating expenses		**746,541**	2,810,633
Operating profit/(loss)		**6,654,914**	(2,454,516)
Finance costs			
Interest payable and similar charges		**(96,096)**	(119,223)
Net increase/(decrease) in net assets attributable to holders of redeemable shares during the year		**6,558,818**	(2,573,739)

The notes on pages 14 to 33 are an integral part of these financial statements.

Statement of changes in net assets attributable to holders of redeemable shares

	Year ended 30 June	
	2018 **€**	2017 €
Net assets attributable to holders of redeemable shares at beginning of the year	**39,588,227**	42,161,966
Net increase/(decrease) in net assets attributable to holders of redeemable shares during the year	**6,558,818**	(2,573,739)
Net assets attributable to holders of redeemable shares at end of the year	**46,147,045**	39,588,227

The notes on pages 14 to 33 are an integral part of these financial statements.

Statement of cash flows

	Note	Year ended 30 June 2018 €	2017 €
Cash flows from operating activities			
Operating expenses paid		**(539,480)**	(619,415)
Interest paid		**(96,096)**	(119,223)
Net cash used in operating activities		**(635,576)**	(738,638)
Cash flows from investing activities			
Proceeds from disposal of investment in subsidiary		**-**	3,000,000
Net cash generated from investing activities		**-**	3,000,000
Cash flows from financing activities			
Movement in borrowings		**584,000**	(2,239,000)
Net cash generated from/(used in) financing activities		**584,000**	(2,239,000)
Net movement in cash and cash equivalents		**(51,576)**	22,362
Cash and cash equivalents at beginning of year		**27,687**	5,325
Cash and cash equivalents at end of year	6	**(23,889)**	27,687

The notes on pages 14 to 33 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and in accordance with the Maltese Companies Act (Cap. 386) and the requirements of the said Act. They have also been prepared in accordance with the requirements of the Malta Financial Services Authority's Investment Services Rules for Collective Investment Schemes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The statement of financial position presents assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Fund's accounting policies (see note 3 – Critical accounting estimates and judgements).

In December 2013, the board of OperaFund Eco-Invest SICAV p.l.c. resolved to suspend the determination of the net asset value of the Fund and trading in its units. This suspension was a result of the uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain held through the Fund's subsidiary undertakings. As a result, there were no subscriptions and/or redemptions in the Fund during the year.

In February 2014, the Spanish Government published a draft of the new energy tariff system that regulates the pricing in the industry. At the beginning of June 2014, the Spanish government put the RDL 9/2013 into effect with retrospective effective effect as from 1 July 2013. The duration of this regulation was fixed up to a maximum of five years, after which the Spanish Government had to decide whether further adjustments were necessary. By the end of 2016, the Spanish Government reviewed the status of the energy industry and has slightly increased the compensation for RIN and RO. The new tariffs are based on specific remuneration parameters that are subject to review every six years (or every three years in the case of: (a) the projected revenues resulting from the sale of energy produced, valued at market price; and (b) the forecasted hours of operation). Until then, and because of the possibility of these adjustments, the uncertainty in relation to the remuneration regime applicable to renewable energy plants in Spain is inherent in this business and will remain.

During the years to 30 June 2013 and 30 June 2014 negative fair value adjustments, in relation to investments in subsidiary undertakings that are directly impacted by the energy tariff regime in Spain, of €19,164,809 and impairment of loans receivable from subsidiary undertakings of €9,524,556 were recorded to reflect the impact of the new regime.

This has led the Board of Directors to initiate legal actions against the Spanish Government in October 2014.

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

Further, in view of liquidity constraints brought about by the new regime, the board does not expect the underlying investments to distribute dividends to the Fund in the immediate future. Therefore, the suspension of the determination of the net asset value of the Fund and trading in its units will remain in force.

Due the uncertainty in Spain, Opera Fund Eco-Invest SICAV p.l.c has not received any loan repayments from the Spanish photovoltaic parks. The Board of OperaFund Eco-Invest SICAV p.l.c has therefore decided to sell certain investments in order to boost the Fund's liquidity.

The Fund's subsidiaries had a negative equity position as at 31 December 2017 and 2016, arising from losses registered during the current and previous financial years, mainly due to the change in legislation referred to above. The fair value of the subsidiaries is dependent on the assumption that these entities will continue to operate as a going concern. The financial statements of these underlying investments have been prepared on a going concern basis but draw attention to the significant uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain.

The fair value of these subsidiaries has been determined based on discounted projected net cash flows based on revised plans and assuming a long-term view of the estimated returns. However, the valuation of the Fund's investments is dependent on the subsidiaries' ability to continue in operational existence for the foreseeable future and the generation of future cash flows from operations to meet their liabilities as and when they fall due in line with the revised plans. In particular, this will be dependent on the implementation of the viability plans drawn up by the subsidiaries, based on the new circumstances of the legislation.

Investment Entity

The Fund meets the definition of an investment entity as defined by IFRS 10 and is required to account for the investments in its subsidiary undertakings at fair value through profit or loss.

These financial statements are the only financial statements presented by the Fund.

Standards, interpretations and amendments to published standards effective 1 July 2017

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018.

1. Summary of significant accounting policies - continued

1.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards effective 1 July 2017 - continued

Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

On adoption of IFRS 9 the Fund's financial assets at fair value through profit or loss will continue to be classified as fair value through profit or loss. Other financial assets, including loans receivable, are expected to also be classified as fair value through profit or loss upon adoption of IFRS 9. The potential impact of IFRS 9 on the Fund's financial statements is not expected to have a material impact.

New standards, interpretations and amendments effective after 1 July 2017 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

1. Summary of significant accounting policies - continued

1.2 Foreign currency translation

(a) Functional and presentation currency

The Fund's investors are mainly from the Eurozone, with the subscriptions and redemptions of the redeemable shares denominated in Euro. The performance of the Fund is measured and reported to the investors in Euro. The Directors consider the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Fund's functional and presentation currency.

(b) Transactions and balances

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

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

1.3 Financial assets

Classification

The Fund classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables also comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

(b) Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading and those designated by management at fair value through profit or loss at inception.

Financial assets held for trading are those that the Fund has acquired principally for the purpose of short-term profit taking. All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets held for trading. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities held for trading.

1. Summary of significant accounting policies - continued

1.3 Financial assets - continued

Classification - continued

(b) Financial assets at fair value through profit or loss - continued

The Fund can designate certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's offering document.

Investment in subsidiary undertakings: In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Fund does not consolidate subsidiaries in the financial statements. Investments in subsidiary undertakings are accounted for as financial instruments at fair value through profit or loss.

Recognition/de-recognition

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss are initially recognised at fair value plus transaction costs while financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Measurement

(a) Assets carried at amortised cost

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Fund uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

The Fund first assesses whether objective evidence of impairment exists.

1. Summary of significant accounting policies - continued

1.3 Financial assets - continued

Measurement - continued

(a) Assets carried at amortised cost - continued

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

(b) Financial assets at fair value through profit or loss

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is the market rate or is approximate to a market rate at the balance sheet date for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the statement of financial position date.

The Fund may from time to time invest in financial instruments that are not exchange traded, therefore the fair value would be estimated at the amount that the Fund would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties.

Gains and losses arising from a change in the fair value of trading instruments, those instruments designated by management at fair value through profit or loss and derivatives are recognised in the statement of comprehensive income.

1. Summary of significant accounting policies - continued

1.4 Offsetting financial instruments

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

1.5 Other receivables and payables

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

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

1.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

1.7 Borrowings

Borrowings are recognised at fair value net of transaction costs incurred. They are subsequently valued at amortised cost; any difference is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method.

1.8 Redeemable shares

The Fund issues redeemable shares which are redeemable at the holders' option and are classified as a financial liability. Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The redeemable shares are carried at fair value, being the redemption amount that is payable at the reporting date if the holder exercises the right to put the share back to the Fund.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of each redeemable share with the total number of outstanding redeemable shares.

1.9 Revenue recognition

All distributions from investment in subsidiary undertakings are recognised as income in the statement of comprehensive income when received to the extent that such amounts are paid from economic earnings of the applicable investment.

Interest income from financial assets not classified as fair value through income is recognised using the effective interest method.

1.10 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2. Financial risk management

2.1 Financial risk factors

The objective of the Fund is to achieve medium to long-term capital growth through investing in a selection of unlisted private companies operating mainly in Europe.

The Fund's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Fund may use various forms of leverage that increases the effect of any investment value changes on capital. These include the use of borrowings and derivatives. While borrowing and leverage present opportunities for increasing total return, they have the effect of potentially increasing losses as well.

If the gains on financial assets made with borrowed funds are less than the costs of the leverage or, under certain circumstances, if the borrowing is terminated by the applicable lenders or counterparties in advance of its stated term, the value of the Fund's net assets attributable to holders of redeemable shares will decrease. Therefore, any event that adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss which would be greater than if leverage were not used.

The Fund can be leveraged through borrowings up to two times of its net asset value, but only on the prior written consent of the custodian of the Fund.

(a) Market risk

(i) Foreign exchange risk

Currency fluctuations between the functional currency of the Fund and the currency of the underlying investments of the Fund, may adversely affect the value of investments and the income derived thereon.

The Fund is not exposed to significant foreign exchange risk as the majority of the Fund's transactions, assets and liabilities are denominated in Euro.

(ii) Fair value and cash flow interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds interest-bearing assets, which mainly represent advances to subsidiaries, as disclosed in note 6. These are subject to fixed interest rates and are measured at amortised cost. Accordingly, the Fund is not exposed to fair value interest rate risk.

The Fund also holds bank balances and borrowings that are subject to floating interest rates and expose the Fund to cash flow interest rate risk.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(a) Market risk - continued

(ii) Fair value and cash flow interest rate risk - continued

The exposure to cash flow interest rate risk, net of any impairment charges is shown below.

	2018	2017
	€	€
At 30 June		
*Interest-bearing assets subject to fixed rates**		
Trade and other receivables (note 5)	**31,101,191**	34,530,531
Interest-bearing assets subject to floating rates		
Cash and cash equivalents (note 6)	**(23,889)**	27,687
Interest-bearing liabilities subject to floating rates		
Borrowings (note 7)	**(5,027,000)**	(4,443,000)

*excluding loans amounting to €15,656,698 for which no interest was charged for the years ending 30 June 2018 and 2017.

Management monitors the impact of changes in market interest rates on amounts reported in the statement of comprehensive income in respect of these instruments. Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

(iii) Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Market risk in unlisted equity is different from market risk in public equity. Significant movements in the prices of the latter affect prices in private equity. However, volatility has a different pattern. The Fund mitigates its risks by investing in a number of different investments.

At 30 June 2018 and 2017, the fair values of financial instruments exposed to price risk were as follows:

	2018	2017
	€	€
Financial assets designated at fair value through profit or loss upon initial recognition		
Fair value of investments in subsidiary undertakings (note 4)	**9,239,000**	3,261,113

Further information about the valuation model and the price risk sensitivities of the Fund's investments in subsidiary undertakings are included in note 3 to these financial statements.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund's exposure to credit risk, net of any impairment charges, as at the end of the reporting date is analysed as follows:

	2018	2017
	€	€
Loans and receivables category:		
Trade and other receivables (note 5)	**44,837,438**	42,875,713
Cash at bank (note 6)	**-**	27,687
	44,837,438	42,903,400

The Fund is subject to credit risk on amounts due from subsidiary undertakings. As disclosed in note 1.1, the subsidiaries had a negative equity position as at 31 December 2017 and 2016, arising from losses registered during the current and previous years, mainly due to the change in Spanish legislation.

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Fund does not hold any collateral as security in this respect.

Cash and cash equivalents are mainly held with a single financial institution. The Fund banks only with financial institutions with high quality standing.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations as they fall due.

The Fund is exposed to monthly cash redemptions of redeemable shares. The Fund is exposed to a significant level of liquidity risk in view of its investments which are not quoted, listed or normally dealt in, on or under the rules of a regulated market. The market prices for such investments may be volatile and may not be readily ascertainable. Accordingly amounts realised from investments sold may differ from the valuation as determined for pricing purposes, and the differences could be material. Furthermore, the assets of the Fund are concentrated in the energy sector. Accordingly, the investment portfolio of the Fund may be subject to more concentration risk than would be the case if the Fund were to maintain a wide diversification among investments or industry sectors.

The Fund has the ability to suspend redemptions to mitigate this risk. In December 2013, the board of the Fund resolved to suspend the determination of the net asset value of the Fund and trading in its units.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(c) Liquidity risk - continued

The Fund has the ability to borrow to meet short-term liquidity requirements. The Fund can be leveraged through borrowing up to two times of its net asset value, but only on the prior written consent of the custodian of the Fund. As of 30 June 2018 and 2017, the Fund held existing borrowings with Bank Frick & Co. AG (note 8). The portfolio manager monitors the Fund's liquidity position on a regular basis.

All other liabilities are due within less than one month. As at 30 June 2018, trade and other payables amounting to €1,992,483 (2017: €1,327,396) are past due.

2.2 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a daily basis as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Portfolio Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

In December 2013, the board of OperaFund Eco-Invest SICAV p.l.c. resolved to suspend the determination of the net asset value of the Fund and trading in its units. This suspension was a result of the uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain held through the Fund's subsidiary undertakings. This suspension remains in force.

2.3 Fair value estimation

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

2. **Financial risk management** - continued

2.3 Fair value estimation - continued

Financial assets designated at fair value through profit or loss upon initial recognition include unlisted equity securities. As the inputs for the valuation method for the unlisted equity securities are not based on observable market data, these have been categorised as Level 3 within the fair value hierarchy as defined per IFRS 7.

Specific valuation techniques used to fair value the financial assets include discounted cash flow analysis as described further in note 3.

3. Critical accounting estimates and judgements

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated fair value amounts of financial assets at fair value through profit or loss and recoverable amounts of trade and other receivables

The Fund fair values its underlying investments and receivables in accordance with the accounting policies stated in note 1.3. Each individual investment in a subsidiary undertaking is normally valued using valuation models.

The fair value of investments in subsidiary undertakings has been determined based on projected future net cash flows, appropriately adjusted for taxation and discounted by a risk adjusted discount rate. In assessing the fair value, the directors assume a long term view of a maintainable level of investment return. This valuation requires the use of a number of assumptions, mainly relating to the revenue generation of each project over the lifetime of the projects and the discount rate applied. This valuation is inherently uncertain and assumptions are reviewed on an annual basis as experience and the reliability of the estimation process develop.

As mentioned above the principal assumptions used mainly relate to projected revenues from the underlying projects. Accordingly, if the projected revenues for the investments in subsidiary undertakings had been 3% higher/(lower) than management's estimates at 30 June 2018 (2017: 3%) higher/(lower), the Fund's net assets attributable to holders of redeemable share would increase/(decrease) by approximately €5.1m (2017: €5.2m).

Another key variable used in the determination of the fair value of the net assets attributable to holders of redeemable shares is the discount rate. If the discount rate used in the discounted future cash flows for the investments in subsidiary undertakings referred to in the preceding paragraph above had been 0.5% (2017: 0.5%) higher/(lower), all other things being equal, the Fund's net assets attributable to holders of redeemable shares would (decrease)/increase by approximately (€4.1m)/€4.3m (2017: (€4.2m)/€4.5m) respectively.

3. Critical accounting estimates and judgements - continued

As highlighted in note 1.1, the fair value of the subsidiaries is also dependent on the assumption that these entities will continue to operate as a going concern. The financial statements of these underlying investments have been prepared on a going concern basis but draw attention to the significant uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain. The valuation of the Fund's investments is therefore dependent on the subsidiaries' ability to continue in operational existence for the foreseeable future and the generation of future cash flows from operations to meet their liabilities as and when they fall due in line with the revised plans. In particular, this will be dependent on the implementation of the viability plans drawn up by the subsidiaries, based on the new circumstances of the legislation.

The fair values of the underlying investments may not necessarily represent tradable prices and the ultimate realisable value of these investments may prove to be materially different. As explained in note 1.1, these values will be susceptible to further volatility due to the inherent uncertainty applicable to renewable energy plants in Spain. The Spanish Government is expected to revisit the status of the energy industry upon expiration of the current regulation regulating pricing of energy tariff systems which was enacted in 2014, had a retrospective date of 1 July 2013 and covers a 5-year period.

4. Financial assets at fair value through profit or loss

	2018	2017
	€	€
As at 30 June		
Financial assets designated at fair value through profit or loss upon initial recognition		
Opening fair value of investments in subsidiary undertakings	**3,261,113**	4,315,148
Fair value movements for the year	**5,977,887**	(1,054,035)
Closing fair value of investments in subsidiary undertakings	**9,239,000**	3,261,113

Investments in subsidiary undertakings

As at the financial reporting period ended 30 June 2018 and 2017, the Fund held investments in unlisted equity securities considered as subsidiary undertakings and such investments have been accounted for at fair value within financial assets at fair value through profit and loss.

4. **Financial assets at fair value through profit or loss** - continued

The investments in subsidiary undertakings comprise investments as detailed below:

Subsidiary undertakings	**Registered office**	**Class of shares held**	**Percentage of shares held**	
			2018	2017
Opera 4. GmbH & Co. KG *(project Schwarzer Berg)*	Obernstrasse 14 28195 Bremen Germany	Limited partner in a limited partnership	**100%**	100%
Sepe St Jacques De Nehou Sarl	2 Rue Thomas Edison 67452 Mundolsheim France	Ordinary shares	**100%**	100%
Paso Palma Sol Gestion de Proyectos S.L. & Sociedodes Dependientes	Avda Alexandre Rossello No. 407 A Palma de Mallorca Balearic Islands Spain	Ordinary shares	**75%**	75%
EcoInversion En Extremadura-3, S.L.	Calle Obispo San Juan Ribera No. 51 Badajoz Spain	Ordinary shares	**100%**	100%
Opera Energy GmbH	Obernstrasse 14 28195 Bremen Germany	Ordinary shares	**100%**	100%

5. Trade and other receivables

	2018 €	2017 €
Advances to subsidiary undertakings	**46,757,889**	46,536,481
Accrued interest on advances to subsidiary undertakings	**4,852,908**	3,650,748
	51,610,797	50,187,229
Accumulated impairment losses	**(6,773,359)**	(7,311,516)
	44,837,438	42,875,713

The following is a split of the trade and other receivables, including accrued income into current and non-current:

	2018 €	2017 €
Current	**-**	-
Non-current	**44,837,438**	42,875,713
	44,837,438	42,875,713

The amounts due from subsidiary undertakings (inclusive of accrued income), prior to providing for impairment, consist of four advances as detailed below:

- An advance to Opera 4 GmbH & Co. KG of €2,547,558 (2017: €2,547,558), bearing interest at a rate of 6.50% per annum and repayable upon demand. This loan is classified as non-current as the company has no intention to request payment within the next twelve months. No interest was charged during the year ended 30 June 2018 (2017: 0%).

- An advance to Sepe St Jacques De Nehou Sàrl of €4,046,427 (2017: €3,818,463), bearing interest at a rate of 5.97% per annum repayable by 31 July 2023.

- An advance to Paso Palma Sol Gestion de Proyectos of €13,109,140 (2017: €13,109,140), bearing interest at a rate of 9% per annum plus a spread based on the results obtained and based on certain parameters. The loan is repayable by 30 June 2031. No interest was charged during the year ended 30 June 2018 (2017: 0%).

- An advance to EcoInversion En Extremadura-3, S.L. of €31,907,672 (2017: €30,712,068), bearing interest at the rate of 9% per annum and a variable rate based on the underlying company's energy production. The loan is repayable by 31 December 2033. During the year ended 30 June 2018 interest was charged at the effective rate of 4.34% (2017: 4.34%).

6. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2018	2017
	€	€
Cash at bank	**-**	27,687
Bank overdraft	**(23,889)**	-
	(23,889)	27,687

7. Borrowings

	2018	2017
	€	€
Bank loan	**5,027,000**	4,443,000

The bank loan is unsecured, repayable on demand and is subject to a floating interest rate of 2.0% per annum.

8. Trade and other payables

	2018	2017
	€	€
Accrued management and administration fees	**2,319,340**	1,738,063
Accrued custodian fees	**348,174**	254,420
Accrued legal and professional fees	**210,990**	140,803
	2,878,504	2,133,286

9. Redeemable shares

Authorised share capital

	2018	2017
	No. of shares	No. of shares
'A' Voting shares	**1,500**	1,500
'B' Non-voting shares	**500,000,000**	500,000,000
	500,001,500	500,001,500

9. Redeemable shares - continued

Issued and fully-paid up share capital

	'A' voting class No. of shares	**'B' non-voting class No. of shares**
As at 30 June 2018		
Redeemable shares in issue at beginning of year	**1,500.00**	**480,571.79**
Creation of redeemable shares	**-**	**-**
Redemption of redeemable shares	**-**	**-**
Redeemable shares in issue at end of year	**1,500.00**	**480,571.79**
As at 30 June 2017		
Redeemable shares in issue at beginning of year	1,500.00	480,571.79
Creation of redeemable shares	-	-
Redemption of redeemable shares	-	-
Redeemable shares in issue at end of year	1,500.00	480,571.79

The above issued share capital includes 1,500 'A' voting shares. The voting shares do not form part of the net asset value of the Fund and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Fund's business as an investment company. The voting shares do not carry a right to participate in any dividends or other distributions of the Fund, if applicable, or in the assets of the Fund on a winding up (except repayment of paid up capital following settlement of any and all amounts due to the non-voting shares). The non-voting shares do participate in the assets of the Fund, in any dividend distributions, if applicable, and in any distributions of the Fund in the event of liquidation.

All shares issued after the initial share capital may be redeemed at prices based on the value of the Fund's net assets in accordance with its Articles of Association. The Fund may mandatorily redeem all outstanding shares where the net asset value of the shares in the Fund falls below €2,500,000 (or its equivalent).

The relevant movements are shown above and in the statement of changes in net assets attributable to holders of redeemable shares. In December 2013, the board of OperaFund Eco-Invest SICAV p.l.c. resolved to suspend the determination of the net asset value of the Fund and trading in its units. This suspension was a result of the uncertainty associated with the remuneration regime applicable to renewable energy plants in Spain held through the Fund's subsidiary undertakings. This suspension remains in force. As a result, there were no subscriptions and/or redemptions in the Fund during the year.

In accordance with the objectives outlined in the prospectus and the risk management policies in note 2, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

10. Net asset value per share

Redeemable shares represent a liability in the statement of financial position, and are carried at fair value in these financial statements. In order to establish the fair value of redeemable shares, a valuation model is applied to the investments in subsidiary undertakings. The valuation model for the investments in subsidiary undertakings being applied for pricing purposes is based on the amortised cost of the project, the average projected profits over the term of the project multiplied by the number of years since the start of project, less any dividends received to date.

Under IFRS, the fair value of the investments in subsidiary undertakings, for the purpose of determining the fair value of redeemable shares, is based on projected future net cash flows, appropriately adjusted for taxation and discounted by a risk adjusted discount rate. The results of the different valuation methodologies were considered to be within a reasonable range.

11. Interest income from loans and receivables

	2018	2017
	€	€
Interest income from advances to subsidiary undertakings	**1,423,568**	1,410,152

12. Fees

(a) Management and administration fees

The Portfolio Manager, AHEAD Wealth Solutions AG, receives a management fee of maximum 0.85% per annum of the net asset value of the Fund. AHEAD Wealth Solutions AG, also receives an administration fee of 0.1% per annum of the net asset value of the Fund.

The Fund shall have the right to accrue for consultancy and advisory fees it may incur on an on-going basis in relation to its underlying business. In this respect, the Fund is entitled to accrue up to 0.95% based on the net asset value of the Fund, which budget it shall use for payment of consultancy fees the Fund will incur.

(b) Custodian fees

The Custodian, Bank Frick & Co. AG, receives a custody fee of 0.2% per annum of the net asset value of the Fund.

(c) Performance fees

The Portfolio Manager receives a performance fee in relation to any and all the underlying alternative energy projects of the Fund calculated on a case by case basis on any annual return generated by the relevant project that is in excess of a hurdle annual IRR of 10.5%. The performance fee shall be a maximum of 80% of the said excess return, such being paid in to a special 'holding' account for a period of 12 months, with distribution to the Portfolio Manager only occurring on the expiry of such holding period and on condition that the actual and proven figures generated by the project match the basis of calculation of the performance fee.

No performance fees were paid or accrued for during the years ended 30 June 2018 and 2017.

12. Fees - continued

(d) Investment committee remuneration

Remuneration of the Investment Committee members of €2,000 per annum to the members of the Investment Committee provided that any Investment Committee members who also sit on the Board of Directors of the Fund are not entitled this fee.

(e) Auditor's remuneration

Fees charged by the auditor for services rendered during the financial years ended 30 June relate to the following:

	2018	2017
	€	€
Annual statutory audit	**15,000**	15,000

13. Tax expense

The tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least eighty-five percent of the value of the total assets of the fund.

On the basis that the Fund's fund is currently classified as a non-prescribed fund for Maltese income tax purposes, it should not be subject to tax on its income or gains, other than on any income from immovable property situated in Malta (if any), however, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on a redemption of units. However, the Maltese resident investor may request the Fund not to effect the deduction of the said 15% withholding tax, in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates of tax.

Gains or profits derived on the transfer or redemption of units in the Fund by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of certain statutory conditions.

Distributions made by the Fund from Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, or profits received by the Fund from the foreign income account of another Maltese company should not be subject to further tax in the hands of the shareholders. Distributions from the Fund's foreign source profits allocated to its Untaxed Account or distributions of any Malta source profits which are not subject to tax and which are allocated to its Untaxed Account, to a Maltese resident person (other than a company) should be subject to a withholding tax of 15%.

Distributions from the Fund's equalisation reserve (if any) are treated as dividends for income tax purposes and should be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company).

In the case of the Fund's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Fund or by its shareholders.

14. Related party transactions

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

(a) DEG Holdings Limited is the ultimate controlling party of OperaFund Eco-Invest SICAV p.l.c., as it holds all the voting shares of the Fund. Dr. David Griscti, who is a director of the Fund, is the sole director of DEG Holdings Limited. Dr. David Griscti is also the ultimate controlling party of DEG Holdings Limited.

Dr. David Griscti is also the company secretary of the Fund. During the year ended 30 June 2018, Dr. David Griscti received company secretary fees amounting to €2,500 (2017: €5,500).

(b) The Fund appointed AHEAD Wealth Solutions AG to provide management and administration services for fees as specified in note 13(a). The fees charged for the reporting period are disclosed in the statement of comprehensive income. Up to 13 January 2017, the directors considered AHEAD Wealth Solutions AG to be a related party due to a common director.

(c) The Fund appointed Bank Frick & Co. AG to provide custody services for fees as specified in note 13(b). The fees due for the reporting period are disclosed in note in the statement of comprehensive income.

Borrowings with Bank Frick & Co. AG have been disclosed in note 8. Interest payable and similar charges in relation to borrowings held with Bank Frick & Co. AG are disclosed in the statement of comprehensive income.

As at 30 June 2018, 473,265.64 units (2017: 473,265.64 units) were held by Bank Frick & Co. AG as nominee.

(d) OperaFund Eco-Invest SICAV p.l.c. is the parent company of the subsidiary undertakings disclosed in note 4. OperaFund Eco-Invest SICAV p.l.c. has granted loans to subsidiary undertakings as disclosed in note 6. Interest earned and any interest receivable as at the reporting date are disclosed in note 12 and 6 respectively.