Registration Number C 89191

Best Deal Developments Limited

Report and Financial Statements

for the year ended 31 December 2020

Contents

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal Activity

The company is mainly engaged in property development for resale.

Incorporation

The company was incorporated on 31 October 2018 and accordingly the comparative amounts in these financial statements cover the period from the date of incorporation to 31 December 2019.

Business Review

During 2019, the company purchased land in Melllieha, Zabbar and Pembroke to develop projects on these sites. The development of Zabbar commenced in 2019, with the construction of garage levels complete by end 2019. The development continued as planned during 2020 and sales from this project started in June 2020. Till the end of the financial year the total sales from the Zabbar project amounted to €4,160,636. The project of Mellieha was in its construction stage at the end of the current financial year. The development in Pembroke started in quarter 4 of 2020 whereby the site has been excavated and construction of the development was in its initial stages.

The profit on the company's activities for the year after taxation amounted to € 441,395 (2019: Loss of € 151,592).

Dividends

The directors do not recommend the payment of a dividend and propose to transfer the retained profit to reserves.

Post Balance Sheet Events

There are no events after the end of the reporting period which require mention in this report.

Future Developments

The directors intend to continue to operate in line with their current business plan.

Directors

The following have served as directors of the company during the year under review :

Christopher Attard	
John Buttigieg	Resigned on 30 April 2020
Erskine Vella	
Robert Buttigieg	Appointed on 30 April 2020
Pierre Bartolo	

Directors' Responsibilities

The Companies Act (Cap. 386), enacted in Malta, requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, (Cap.386). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

RSM Malta, have intimated their willingness to continue in office. A proposal to reappoint the above as auditors of the company will be put to General Meeting.

This report was approved by the Board of Directors on 12 April 2021 and signed on its behalf by:

Christopher Attard	Pierre Bartolo
Director	Director

Statement of Comprehensive Income
for the year ended 31 December 2020

	Notes	01.01.20 to 31.12.20 €	31.10.18 to 31.12.19 €
Revenue		4,160,636	-
Cost of sales		(3,325,659)	-
Gross profit		834,977	-
Administrative expenses		(186,628)	(151,595)
Operating profit/(loss)		648,349	(151,595)
Finance income	4	-	4
Finance costs		(72)	-
Profit/(loss) before taxation		648,277	(151,591)
Income tax expense	7	(206,882)	(1)
Profit/(Loss) for the year/period	6	441,395	(151,592)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		441,395	(151,592)

The notes on pages 7 to 18 form an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2020

	Notes	2020 €	2019 €
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	1,013	-
Deferred tax assets	7	1,938	-
		2,951	-
Current Assets			
Inventories	9	20,937,420	19,281,508
Trade and other receivables	10	208,271	6,800
Cash and cash equivalents	14	375,153	246,233
		21,520,844	19,534,541
Total Assets		21,523,795	19,534,541
EQUITY			
Capital and Reserves			
Share capital	11	50,000	50,000
Other equity		200,000	-
Retained earnings/(accumulated losses)		289,803	(151,592)
Total Equity		539,803	(101,592)
LIABILITIES			
Non-Current Liabilities			
Long-term borrowings	13	19,038,965	16,763,800
		19,038,965	16,763,800
Current Liabilities			
Trade and other payables	12	1,945,027	1,136,936
Short-term borrowings	13	-	1,735,397
		1,945,027	2,872,333
Total Liabilities		20,983,992	19,636,133
Total Equity and Liabilities		21,523,795	19,534,541

The financial statements were approved by the Board of Directors on 12 April 2021 and signed on its behalf by:

Christopher Attard
Director

Pierre Bartolo
Director

The notes on pages 7 to 18 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2020

	Share Capital	(Accumulated Losses) / Retained Earnings	Other Equity	Total Equity
	€	€	€	€
Comprehensive loss				
Loss for the period		(151,592)		(151,592)
Other movements				-
Cash issue of shares	50,000			50,000
At 31 December 2019	50,000	(151,592)	-	(101,592)
At 1 January 2020	50,000	(151,592)	-	(101,592)
Comprehensive income				
Profit for the year		441,395		441,395
Other movements				-
Conversion of debt to equity	-	-	200,000	200,000
At 31 December 2020	50,000	289,803	200,000	539,803

Statement of cash flows
for the year ended 31 December 2020

	01.01.20 to 31.12.20		31.10.18 to 31.12.19	
	€	€	€	€
Net loss before taxation	648,277		(151,591)	
Reconciliation to cash generated from operations:				
Depreciation	253		-	
Income tax paid	(208,820)		(1)	
Interest received	-		(4)	
Interest paid	72		-	
Operating profit before working capital changes	439,782		(151,596)	
Increase in stocks	(1,655,912)		(18,117,708)	
Increase in other debtors	(201,471)		(6,800)	
Increase in trade creditors	34,118		2,360	
(Decrease) / increase in other creditors	(961,424)		2,369,847	
Interest paid	(72)		-	
Interest received	-		4	
Cash used in operating activities		(2,344,979)		(15,903,893)
Cash flow used in investing activities				
Purchase of tangible fixed assets	(1,266)		-	
Cash used in investing activities		(1,266)		-
Cash from financing activities				
New long term related party borrowings	2,475,165		16,100,126	
Issue of shares for cash	-		50,000	
Cash generated from financing activities		2,475,165		16,150,126
Net Increase in cash in the year / period		128,920		246,233
Cash and equivalents at beginning of year		246,233		-
Cash and equivalents at end of year / period		375,153		246,233

1. General Information

Best Deal Developments Limited ("the company") is a limited liability company incorporated and domiciled in Malta. The registered office of the company is 63 JL Building, Luqa Road, Paola. The company status is that of a private company. These financial statements were approved for issue by the Board of Directors on 12 April 2021.

The company forms part of a Group of companies, the parent company being Best Deal Properties Holding plc. The company's principal activity is property development for resale.

2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period.

Basis of measurement and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and comply with the requirements of the Companies Act (Cap. 386), enacted in Malta.

These financial statements have been prepared under the historical cost basis and are presented in Euro (€) which is also the company's functional currency.

The preparation of financial statements in conformity with the IFRS as adopted by the EU requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at balance sheet date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

New or revised standards, interpretations and amendments adopted

The Company adopted several new or revised standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and endorsed by the EU. The adoption of these new or revised standards, interpretations and amendments did not have a material impact on these financial statements.

New or revised standards, interpretations and amendments issued but not yet effective

At the end of the reporting period, certain new standards, interpretations or amendments thereto, were in issue and endorsed by the EU, but not yet effective for the current financial period. There have been no instances of early adoption of standards, interpretations or amendments ahead of their effective date. The directors anticipate that the adoption of the new standards, interpretations or amendments thereto, will not have a material impact on the financial statements upon initial application.

Revenue
Revenue represents the invoiced value of goods sold, net of sales rebates and taxes.

Property related income
Property sales are recognised when the significant risks and rewards of ownership of the property being sold are effectively transferred to the buyer. This is generally considered to occur at the later of the contract of sale and the date when all the Company's obligations relating to the property are completed and the possession of the property can be transferred in the manner stipulated by the contract of sale.

Amounts received in respect of sales that have not yet been recognised in the financial statements due to the fact that the significant risks and rewards of ownership still rest with the Company, are treated as payments received in advance and are reported with current liabilities.

Finance income
Finance income comprises interest income recognised on financial assets. Interest income is recognised as it accrued in profit or loss, using the effective interest method.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses to date. Cost includes expenditure directly attributable to the acquisition of the items as well as transfers from equity of any gains/losses on qualifying cashflow hedges of foreign currency purchases of property, plant and equipment. Depreciation is provided on all items of property, plant and equipment, except freehold land and assets under construction, at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant, machinery and equipment	-	25% Straight line

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less costs to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology depends on the credit risk of the counterparty whereby for accounts where the credit risk is low and there is no significant increase in credit risk since initial recognition, the company recognises expected credit losses that are possible within the next 12 months, while expected credit losses expected over the remaining life of the exposure are recognised when there is a significant increase in credit risk since initial recognition.

The company's main financial assets that are subject to expected credit loss assessment comprise of cash and cash equivalents and amounts owed by related and group companies.

Inventories and work in progress

Inventories and work in progress represents the properties held for construction and sale. The cost of the work in progress includes the purchase of the land on which the development for sale will be constructed including all related direct purchase costs such as duty and professional fees. Cost also includes the development costs such as demolition, excavation and construction together with all the directly attributable costs to finish the property and bringing it to the condition necessary for it to be sold. The cost of the inventories and work in progress also include the borrowing costs that are directly attributable to the acquisition, construction and finishing of the development for resale.

The developed property held for resale is included in the financial statements at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Other receivables consist of deposits and guarantees paid by the company in the ordinary course of business which are refundable within one year. The Company measures other receivables at amortised cost.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

Trade payables

Trade payables represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. These are initially recognised at fair value. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever us earlier) before the company has satisfied its performance obligation in a contract with customer.

Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income. When it relates to items recognised directly to equity, income tax is recognised as part of the other comprehensive income and in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profits, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Borrowing costs

Borrowing costs incurred in the construction of a qualifying asset, are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are recognised in the Statement of Comprehensive Income as incurred.

Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at face value. For the purposes of the Statement of cash flow, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts. In the Statement of Financial Position, bank overdrafts are included as borrowings under current liabilities.

3. Significant judgments and critical estimation uncertainties

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The directors have considered the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the Company's operation. As at reporting date, the directors have assessed that there is neither any significant impact upon the financial statements nor any significant uncertainties with respect to events orconditions that may cast doubt upon the entity's ability to continue as a going concern.

In the opinion of the Company's directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their disclosure in terms of the requirements of IAS 1.

4. Finance Income

	01.01.20 to 31.12.20 €	31.10.18 to 31.12.19 €
Bank interest	-	4

5. Finance costs

	2020 €	2019 €
On bank overdrafts	72	-

6. Profit/(loss) for the year / period

	01.01.20 to 31.12.20	31.10.18 to 31.12.19
	€	€
Profit/(loss) for the year / period is stated after charging:		
Depreciation of tangible assets	253	-
Auditors' remuneration	3,540	3,540

7. Taxation

a) Taxation is provided for at the rate of 35% for company profits, except for certain bank interest receivable which is taxed at 15%.

	2020	2019
	€	€
Current year taxation		
Income tax on the taxable income for the year / period	208,820	1
Deferred taxation		
Transfer from deferred taxation account	(1,938)	-
	206,882	1

b) The accounting profit/(loss) and the tax expense/(credit) for the year / period are reconciled as follows:

	2020	2019
	€	€
Profit/(loss) on ordinary activities before taxation	648,277	(151,591)
Tax on accounting profit/(loss) at 35%	226,897	(53,057)
Tax effect on:		
Expenses disallowed for tax purposes	65,345	53,058
Other non-temporary differences	(85,360)	-
Tax expense/(credit) for the year / period	206,882	1

c) The asset for deferred tax is analysed as follows:

	2020 €	2019 €
Unabsorbed tax losses and capital allowances	1,938	-
Deferred tax asset	1,938	-

Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority.

Provision was made for deferred tax for all temporary differences on the basis of the balance sheet liability method using a principal tax rate at 35% (2019 - 35%).

8. Property, plant and equipment

	Plant, machinery & equipment €	Total €
Cost		
Additions	1,266	1,266
At 31 December 2020	1,266	1,266
Depreciation		
Charge for the year	253	253
At 31 December 2020	253	253
Net book values		
At 31 December 2020	1,013	1,013

9. Inventories

	2020 €	2019 €
Work in progress	20,937,420	19,281,508

10. Trade & other receivables

	2020 €	2019 €
Other debtors	90,195	6,800
Prepayments and accrued income	118,076	-
	208,271	6,800

11. Share capital

	2020 €	2019 €
Authorised		
50,000 Ordinary shares of € 1 each	50,000	50,000
Issued		
50,000 Ordinary shares of € 1 each 100% paid up	50,000	50,000

12. Trade & other payables

		2020 €	2019 €
Trade payables		36,478	2,360
Client deposits		688,650	334,430
Accruals and deferred income		775,671	800,146
Amounts owed to parent company	*Note*	118,381	500,126
Amounts owed to other group companies	*Note*	325,847	1,233,396
Amounts owed to related companies	*Note*	-	1,875
		1,945,027	2,872,333

Amounts owed to parent company

These amounts are unsecured, interest free and are repayable within one year. During 2020 an amount of €200,000 from the balance due was converted into equity.

Amounts owed to other group companies

These amounts are unsecured, interest free and repayable on demand.

Amounts owed to related companies

This amount was unsecured, interest free and it was repaid during 2020.

13. Borrowings

		2020	2019
		€	€
Non-current			
Loan from parent company	*Note*	19,038,965	16,763,800

	2020	2019
	€	€
Related party borrowings due after 1 year		
Proceeds from loan from parent company	16,783,165	15,600,000
Capitalised interest payable	2,255,800	1,163,800
Net debt at end of period	19,038,965	16,763,800

Loan from parent company

These amounts are unsecured, bear interest of 7% per annum and are repayable within 6 years.

14. Notes to the Statement of Cash Flow

Cash & cash equivalents

Cash and cash equivalents included in the statement of cash flow comprise the following balance sheet amounts:

	2020	2019
	€	€
Cash at bank and in hand	375,153	246,233

15. Related party transactions

Transactions with related parties :

	2020	2019
	€	€
Marketing fees paid to Best Deal Properties Limited	15,000	40,502
Administration fees paid to Best Deal Properties Limited	132,000	103,542
Direct development costs	103,015	-

There are no outstanding balances due as at year end with respect to the above transactions.

Loans from related parties

	2020	2019
	€	€
Loans from parent company :		
Opening balance	17,263,926	-
Loans advanced during the year	1,183,165	16,100,126
Loans repayments made	(381,744)	-
Interest charged	1,092,000	1,163,800
Closing balance	19,157,347	17,263,926
Loans from other group companies:		
Opening balance	1,233,396	-
Loans advanced during the year	-	1,233,396
Loans repayments made	(907,550)	-
Closing balance	325,846	1,233,396
Loans from other related parties		
Opening balance	1,875	-
Loans advanced during the year	-	1,875
Loans repayments made	(1,875)	-
Closing balance	-	1,875
Total loans from related parties :		
Opening balance	18,499,197	-
Loans advanced during the year	1,183,165	17,335,397
Loans repayments made	(1,291,169)	-
Interest charged	1,092,000	1,163,800
Closing balance	19,483,193	18,499,197

16. Financial Risk Management

The company has exposure to the following risks from its use of financial instruments:

-Credit risk
-Liquidity risk
-Interest rate risk

This note presents information about the company's exposure to each of the aforementioned risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has responsibility to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit risk

Credit risk arises mainly from cash and cash equivalents. The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets held by the company is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The credit risk relating to cash at bank is considered to be low in view of management's policy of placing it with reputable financial institutions.

Interest rate risk

The company's borrowings with its parent company are subject to a fixed interest rate and therefore the interest risk exposure is minimal.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors' monitors the return on capital, but also the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year.

17. Fair values estimation

The nominal values less estimated credit adjustments of other receivable and payables are assumed to approximate their fair values, otherwise, these have been adjusted to approximate their fair values.

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Best Deal Developments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Best Deal Developments Limited ("the Company"), set out on pages 3 - 18, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of both the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Code of Ethics for Warrant Holders in Malta. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT – continued

Report on the Audit of the Financial Statements – continued

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover 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. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Under Article 179(3) of the Companies Act (Cap. 386), we are required to consider whether the information given in the directors' report is compliant with the disclosure requirements of Article 177 of the same Act.

Based on the work we have performed, in our opinion:

- the directors' report has been prepared in accordance with the Companies Act (Cap. 386);
- the information given in the directors' report for the financial year on which the financial statements had been prepared is consistent with those in the financial statements; and
- in light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 IFRS as adopted by the EU and the requirements of the 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.

The directors are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT – continued

Report on the Audit of the Financial Statements – continued

Auditors' Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM

INDEPENDENT AUDITORS' REPORT – continued

Report on Other Legal and Regulatory Requirements

Pursuant to Articles 179(10) and 179(11) of the Companies Act (Cap. 386), we are required to report to you if in our opinion:

- proper accounting records have not been kept; or
- proper returns have not been received from branches we have not visited; or
- the financial statements are not in agreement with the accounting records and returns; or
- we were unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

We have nothing to report on this regard.

This copy of the audit report has been signed by
Conrad Borg *(Principal)*
for and on behalf of

RSM Malta
Certified Public Accountants

12 April 2021

Best Deal Developments Limited

Detailed Trading and Profit and Loss Account
for the year ended 31 December 2020

	01.01.20 to 31.12.20		31.10.18 to 31.12.19	
	€	€	€	€
Revenue		4,160,636		-
Cost of sales				
Opening stock	19,281,508		-	
Land and developments costs	3,713,255		18,117,708	
Other direct costs	1,268,316		1,163,800	
	24,263,079		19,281,508	
Closing stock	(20,937,420)		(19,281,508)	
		(3,325,659)		-
Gross profit		834,977		-
Administrative expenses				
Company registration fee	300		100	
Advertising and promotion	15,000		40,502	
Administration fee	132,000		103,542	
Professional fees	35,058		3,881	
Audit fees	3,540		3,540	
Bank charges	477		30	
Depreciation of computers & electronic equipment	253		-	
		(186,628)		(151,595)
Operating loss		648,349		(151,595)
Other income and expenses				
Interest receivable				
Bank deposit interest	-		4	
		-		4
Interest payable				
Bank interest	72		-	
		(72)		-
Profit/(loss) for the year before taxation		648,277		(151,591)