BDPH 34/2021

COMPANY ANNOUNCEMENT

*The following is a company announcement issued by Best Deal Properties Holding P.L.C. (C 88974) (hereinafter the "**Company**") pursuant to the listing rules of the Listing Authority (the "**Listing Rules**") and rules issued by the MSE regulating the Prospects MTF market (the "**Prospects Rules**")*

QUOTE

The Board of Directors of the Company, on the 12th of April 2021, considered and approved the Company's audited consolidated financial statements for the period ended 31 December 2020. Furthermore, the Company has been informed by the Board of Directors of Best Deal Developments Limited (C 89191) (the "Guarantor") that the Board of Directors of the Guarantor, on the 12th of April 2021, considered and approved the audited financial statements of the Guarantor for the period ended 31 December 2020. The said financial statements are available for viewing on the Company's website through the following link: https://bestdealholdings.com/financial-information/.

UNQUOTE

By order of the Board.

Dr Stephanie Shaw
Company Secretary

13 April 2021

Registration Number C 88974

Best Deal Properties Holding p.l.c.

Report and Consolidated Financial Statements

for the year ended 31 December 2020

Contents

The directors present their report and the audited financial statements of Best Deal Properties Holding p.l.c ("the Company") and the audited consolidated financial statements of the Company and its subsidiaries (together, "the Group") for the year ended 31 December 2020.

Principal Activity

The Company's principal activity is to act as a holding company and to raise finance and advance such financing to its subsidiaries.

The Group is engaged in property development of residential units and sale of such units.

Business Review

During the financial year under review, the world faced the massive outbreak of the Coronavirus ("COVID-19"). On 11th March 2020 it was declared by the World Health Organisation ("WHO") as a worldwide pandemic. The outbreak of COVID-19 resulted in serious disruption to businesses around the world. In view of sharp economic downturn and the threat of massive unemployment, many governments reacted by introducing co-ordinated stimulus measures, business support initiatives and employment protection programmes on a scale never witnessed before. In Malta, the government also launched particular schemes to immediately address the shortage of liquidity.

One of the schemes introduced by government which had a positive effect on the Group and its property sales was the reduction in duty and tax on the tansfer of immobable property. The Company also benefited from the MDB COVID-19 Guarantee Scheme whereby it obtained additional finance of €2.5 million to finance its developments.

During the year under review, the Group had four developments in progress, in Marsascala, Zabbar, Mqabba and Pembroke. The project in Marsascala was finalized during 2020 and almost all units have been sold by the end of the financial year. As at 31 December 2020 the project at Mqabba was in its final stages. The development has been completed during March 2021 and sales are expected to take place between April and June 2021. The project of Zabbar has been progressing according to plan and sales of the units in shell form started to take place from June 2020. The project of Mellieha was in its construction stage at the end of the current financial year. The development in Pembroke started during the last quarter of 2020 whereby the site has been excavated and construction of the development was in its initial stages.

The Company's profit after taxation for the period amounted to €415,997 (2019: €61,982). The Company's income consisted of loan interest received from Best Deal Developments Limited and interim dividends received from Elite Developments Limited which were sufficient to cover the administration expenses and bond interest.

The profit on the Group's activities for the year after taxation amounted to €762,326 (2019: Loss of €125,052). The profit was generated from Elite Developments Limited which sold Blue Moon project in Marsascala and also from Best Deal Developments Ltd which started selling the units from Zabbar development.

As at 31 December 2020, the Group's total assets amounted to €27,453,293 (2019: €27,454,631) and net assets amounted to €4,127,884 (2019: €3,365,558). Net current assets amounted to €19,319,027 (2019: €21,519,462). The main current assets of the Group consist of the properties held for development and resale with a value of €25,681,953 (2019: €26,432,337) and cash and cash equivalents of €462,055 (2019: €800,635). The main current liabilities consisted of deposits from clients on promise of sales agreements amounting to €1,584,335 (2019: €1,748,817) as well as accruals and payables to contractors of €1,924,172 (2019: €1,065,883). The Group had current bank borrowings of €3,487,816 (2019: €3,022,082). The bank borrowings consist of €2,042,816 which will be paid from the sales proceeds of the Mqabba project and €1,445,000 that will be paid from sales proceeds of the Zabbar project. Non-current liabilities totalled €16,221,843 (2019: €18,219,082) made up of the Secured Bonds 2024 amounting to €15,021,843 and €1,200,000 shareholder's loan.

As at 31 December 2020, the Company's total assets amounted to €21,742,252 (2019: €20,466,063) and net assets amounted to €3,968,590 (2019: €3,552,592). Net current liabilities amounted to €472,916 (2019: Net current assets of €3,400,161). The non-current assets of the Company include an amount of €19,699,511 (2019: €17,024,345) as financial asset which comprise of the loan provided to the subsidiary company Best Deal Developments Limited. Non-current assets also include an amount of €875,432 (2019: nil) in a sinking fund reserve held by the trustee. The Company has investments in its subsidiaries of €640,000 (2019: €240,000). The current assets of the Company mainly consist of amounts due from subsidiaries of €1,061,369 as well as bank balances of €35. Current liabilities amounted to €1,551,819 (2019: € €41,557). These consist of the bank loan amounting to €1,445,000 that will be repaid in full by end 2021, overdawn bank account of €63,388 and other payables amounting to €43,431. The company's non-current liabilities are the Secured Bonds 2024 amounting to €15,021,843 (2019: €15,671,914) and shareholder's loan of €1,200,000 (2019: €1,200,000)..

Dividends

The directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The Group is subject to the general market and economic risks that may have a significant impact on the development projects, their timely completion and budgetary constraints. These include factors such as the state of the local property market, inflation and fluctuations in interest rates, property prices and other economic and social factors affecting demand for real estate in general.

Financial risk management

The Group is exposed to credit, interest and liquidity risk. An explanation of these risks and how the Group manages these risks is found in Note 26 to these financial statements.

Events after the end of the reporting period

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

Future developments

The directors are continually assessing the developing situation with respect to the Coronavirus pandemic and its effects on the business. Notwithstanding the difficulties posed from the outbreak of COVID-19, the Group continued to operate profitably and will continue to operate in line with the current business plan.

Directors

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

John Buttigieg	Resigned on 30 April 2020
Christopher Attard	
Pierre Bartolo	
James Bullock	
Mario P Galea	
Marlene Seychell	
Erskine Vella	
David Basile	
Robert Buttigieg	Appointed on 30 April 2020

Statement of 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 financial position of the Company and of the Group as at year end and of their profit or loss for the year then ended. In preparing these the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company and the Group 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;
- report comparative figures corresponding to those of the preceding accounting period; and
- prepare the financial statements in accordance with generally accepted accounting principles as defined in the Companies Act (Cap. 386) and in accordance with the provision of the same Act.

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

Going Concern Basis

On the basis of the group's experience to date, and on the basis of its detailed projections for the coming 12 months and beyond, factoring in the disruption created by the COVID-19 pandemic, the board considers that there are no factors which may cast doubt about the ability of the Group to continue operating as a going concern and accordingly continues to adopt the going concern basis in preparing the Company's and the Group's financial statements.

Shareholder register information pursuant to Listing Rule 5.64

Structure of Capital

The Company has an authorised share capital of 3,500,000 Ordinary Shares of ten Euro cents (€0.10) each and issued and fully paid up share capital of 3,125,000 Ordinary Shares with a nominal value of ten Euro cents (€0.10) each. The Company has five shareholders each holding 20% of the share capital namely:

Christopher Attard

Erskine Vella

Pierre Bartolo

RCJ Investments Limited

C Developments Limited

All Ordinary Shares are entitled to attend and vote at General meetings, whereupon each Ordinary Share shall be entitled to one vote. The Ordinary Shares in the Company shall rank pari passu for all intents and purposes at law. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital. There are no restrictions in the transfer of shares.

Subject to the Maltese Companies Act (Cap. 386), the Company may purchase its own equity securities.

Appointment and removal of Directors

Every shareholder owning a minimum of 15% of the ordinary shares of the Company shall be entitled to appoint one director for each and every 15% of the ordinary share capital owned by such shareholder and such shareholder may remove, withdraw or replace such directors at any time provided such shareholders still owns a minimum of 15% of the ordinary issued share capital of the company. Shareholders may appoint up to three directors and may remove such directors appointed by means of an Ordinary Resolution. An election of directors shall take place every year and all directors, except managing directors, shall retire from office every three years, but shall be eligible for re-election. The company may by way of Ordinary Resolution, of which special notice has been given, remove any Director before the expiration of his period of office.

Powers of Directors

The powers and duties of the directors are outlined in the Company's Articles of Association.

Contracts with Board Members and Employees

The Company has no contract with any of its directors that includes a severance payment clause.

The Company had no employees during the year ended 31 December 2020.

General Meetings

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may convene an extraordinary general meeting whenever they think fit. If at any time there are not sufficient Directors capable of acting to form a quorum for a meeting of the Directors, any two members of the company may convene an Extraordinary General Meeting in the same manner, as nearly possible, as that in which meetings may be convened by the directors. All shareholders shall be entitled to receive notice of, participate in and vote at general meetings provided that such shareholders are registered on the day falling thirty days immediately preceding the date set for the general meeting.

A General Meeting of the Company shall be called by not less than 21 days notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it was given and shall specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such special business.

No disclosures are being made pursuant to Listing Rules 5.64.4, 5.64.5, 5.64.6. 5.64.7 and 5.64.10 since these are not applicable.

Auditors

RSM Malta, have intimated their willingness to continue in office. A proposal to reappoint RSM Malta as auditors of the Company and of the Group will be proposed at the Annual General Meeting.

Statement by Directors on the Financial Statements and Other Information included in the report

In pursuant to Listing Rule 5.68 and Prospects MTF Rules, the directors declare that to the best of their knowledge:

- the financial statements give a true and fair view of the financial position and financial performance of the Company and of the Group and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the Companies Act (Cap. 386); and

- this report includes a fair review of the development and performance of the business and positions of the Company and of the Group, together with a description of the principal risks and uncertainties that they face.

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

Christopher Attard
Director

Pierre Bartolo
Director

Best Deal Properties Holding p.l.c. ("the Company") is hereby presenting its statement of compliance with the Code of Principles of Good Corporate Governance (the "Code") for the year ended 31 December 2020. This statement is in line with the requirements as set out by the Malta Financial Services Authority Listing Rule 5.97 and also in line with Prospects MTF Rules.

The Board of Directors of the Company acknowledges that although the Code does not dictate or prescribe mandatory rules, compliance with the principles of good corporate governance recommended is in the best interests of the Company, its shareholders and other stakeholders. The Board considers compliance with the Code to be an integral part of operations so as to ensure transparency and responsible corporate governance which will in turn yield a positive reputation for the Company. Effective measures have been taken to ensure compliance to these principles and for the implementation of the Code as detailed hereunder.

Principle One - The Board

The directors report that for the financial period under review, the directors have provided the necessary leadership in the overall direction of the Company and have performed their responsibilities for the efficient and smooth running of the Company with honesty, competence and integrity. The Board is composed of members who are competent and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of, and conversant with, the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates to shareholders and other relevant stakeholders.

The Company has a structure that ensures a mix of executive and non-executive directors and that enables the Board to have direct information about the Company's performance and business activities. All directors have access to independent professional advice, at the expense of the Company, should they so require.

Principle Two - Chairman and Chief Executive Officer

The Company has no employees and neither a Chief Executive Officer. The board of directors is responsible for the management of the Company.

The Chairman exercises independent judgement and is responsible to lead the Board and set its agenda, whilst also ensuring that the directors receive precise, timely and objective information so that they can take sound decisions and effectively monitor the performance of the Company. The Chairman is also responsible for ensuring effective communication with the shareholders and encouraging active engagement by all members of the Board for discussion of complex or contentious issues.

Principle Three - Composition of the Board

The Board is composed of executive and non-executive directors who have the knowledge and experience in the property development sector finance and governance to be able to oversee operations, take strategic decisions and engage in key projects for the Company and the Group as a whole.

The Articles of Association of the Company clearly set out the procedures to be followed in the appointment of directors. The Board of the Company who served during the period under review was as follows:

Directors	
Christopher Attard	Executive Director
Pierre Bartolo	Executive Director
David Basile	Executive Director
James Bullock	Non-Executive Director
John Buttigieg	Executive Director (Resigned on 30 April 2020)
Mario P Galea	Non-Executive Director
Marlene Seychell	Non-Executive Director
Erskine Vella	Executive Director
Robert Buttigieg	Executive Director (Appointed on 30 April 2020)
Company Secretary	
Dr Stephanie Shaw	(appointed 30 April 2020)
Dr Roderick Zammit Pace	(resigned 30 April 2020)

Principle Four - Responsibilities of the Board

The Board acknowledges its statutory mandate to conduct the administration and management of the Company. The Board, in fulfilling this mandate and discharging its duty of stewardship of the Company, assumes responsibility for the Company's strategy and decisions with respect to the issue, servicing and redemption of its bonds in issue, and for monitoring that its operations are in conformity with its commitments towards bondholders, shareholders, and all relevant laws and regulations. The Board is also responsible for ensuring that the Company establishes and operates effective internal control and management information systems and that it communicates effectively with the market.

Principle Five - Board meetings

The directors meet regularly to dispatch the business of the Board. The Directors are notified of forthcoming meetings by the Company Secretary with the issue of an agenda and supporting board papers, which are circulated in advance of the meeting. Minutes are prepared during Board meetings recording faithfully attendance, and resolutions taken at the meeting. These minutes are subsequently circulated to all directors as soon as practicable after the meeting. The Chairman ensures that all relevant issues are on the agenda supported by all available information, whilst encouraging the presentation of views pertinent to the subject matter and giving all directors every opportunity to contribute to relevant issues on the agenda. The agenda on the Board seeks to achieve a balance between long-term strategic and short-term performance issues.

The Board met 8 times during the period under review. The number of board meetings attended by the directors during the year under review is as follows:

Members	Attended
Christopher Attard	8
Pierre Bartolo	8
David Basile	6
James Bullock	8
John Buttigieg	4
Robert Buttigieg	4
Mario P Galea	7
Marlene Seychell	8
Erskine Vella	7

Principle Six - Information and Professional Development

Each director is made aware of the Company's on-going obligations in terms of the Companies Act, Listing Rules and the Prospects MTF Rules. The Company ensures that it provides directors with relevant information to enable them to effectively contribute to board decisions.

Principle Seven - Evaluation of the Board's performance

The Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by, and is subject to the constant scrutiny of, the Board itself, the Company's shareholders, the market and the Listing Rules by which the Issuer is regulated as a listed company in relation to the Secured Bonds, and the Prospects MTF Rules by which the Issuer is regulated as a company admitted on Prospects MTF in relation to the admission of the Ordinary Shares.

Principle Eight - Committees

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a remuneration committee, and the Board itself carries out the functions of the remuneration committee. The Board has established a fixed remuneration for directors which is not performance related and this has been approved by the shareholders. The Board confirms that there have been no changes in the Company's remuneration policy during the period under review and the Company does not intend to effect any changes in its remuneration policy for the following financial year.

In view of the size and type of operation of the Company, the Board does not consider the Company to require the setting up of a nomination committee.

The Company has an audit committee whose primary objective is to assist the Board of the Company in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The Audit Committee will always be composed of not fewer than three members, all of whom shall be non-executive directors of the Company. The quorum for the transaction of business at a meeting of the Audit Committee will be the majority of members appointed at the Committee, present in person. The Committee shall be chaired by an independent, non-executive director and the Chairperson of the Board shall not be the Chairperson of the Audit Committee.

In the case of an equality of votes during a meeting of the Board of Directors or Audit Committee, the Chairperson thereof shall have a casting vote. However, where the Chairperson is him/herself conflicted, the consideration of the relevant matter (in respect of which an interest has been declared) shall be chaired by another independent non-executive director or member (as the case may be), who shall also have a casting vote.

The terms of reference of the Audit Committee include, inter alia, its support to the Board of the Company in its responsibilities in dealing with issues of risk management, control and governance and associated assurance. The Board has set formal terms that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time with the prior notification of the Exchange.

Briefly, the Committee is expected to deal with and advise the Board on the following matters on a Group-wide basis:
(a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
(b) monitoring the performance of the entity or entities borrowing funds (the subsidiaries) from the Company;
(c) maintaining communications on such matters between the Board, management and the independent auditors;
(d) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
(e) preserving the Group's assets by understanding the risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction a priori to be entered into by the Company and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company. Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to review the financial position of the Group and all other entities comprising the Group shall submit to the Audit Committee quarterly accounts, as well as quarterly comparisons of actuals against projections.

The Audit committee oversees the financial reporting of the Company and ensures the process takes place in a timely manner. The Committee is free to question any information that may seem unclear. It has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Company and a related party, to ensure that the execution of such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Company.

The Committee is made up entirely of non-executive Directors, all of whom are independent, and who are appointed for a period of three years. Mario P. Galea, an independent Director of the Company, acts as Chairman, whilst James Bullock and Marlene Seychell act as members of the Audit Committee. In compliance with the Prospects MTF Rules, Mario P. Galea is considered to be the member competent in accounting and/ or auditing matters.

Principle Nine and Ten - Relations with Bondholders and with the Market and Institutional Shareholders

Pursuant to the Company's statutory obligations in terms of the Companies Act (Cap. 386) enacted in Malta, Prospects MTF Rules and the Listing Rules issued by the Malta Financial Services Authority, the Annual Report and Financial Statements, the election of directors and approval of directors' fees, the appointment of the auditors and the authorisation of the directors to set the auditors' fees, and other special business, are proposed and approved at the Company's Annual General Meeting.

The Company is also committed to having an open and communicative relationship with bondholders and shareholders. The Company issues Company Announcements to keep the market informed of Group developments.

Principle Eleven - Conflicts of Interest

Directors should always act in the best interest of the Company and its shareholders and investors. Any actual, potential or perceived conflict of interest must be immediately declared by a Director to the other members of the Board and to the Audit Committee who decide on whether such a conflict exists. The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Directors are informed and reminded of their obligations on dealing in securities of the Company within the parameters of law, the Listing Rules and Prospects MTF Rules. During the financial year under review, any private interests or duties unrelated to the Company were disclosed by the directors and it has been ensured that these do not place any of them in conflict with any interests in, or duties towards, the Company.

Principle Twelve - Corporate Social Responsibility

The Company remains committed to adhere to sound Principles of Corporate Social Responsibility in its management practices, and is committed to enhance the quality of life of all stakeholders of the Company and the Group. The Company remains committed to being a responsible company and making positive contributions to society and the environment. The Group is committeed to play a leading and effective role in Malta's sustainable development also by ensuring that all developments are equipped with the best energy efficient solutions.

This statement of compliance with the principles of good corporate governance has been approved by the Board of Directors and signed on its behalf by:

Christopher Attard
Director

Pierre Bartolo
Director

Date: 12 April 2021

Statement of Comprehensive Income
for the year ended 31 December 2020

	Notes	Group 01.01.20 to 31.12.20 €	Group 23.10.18 to 31.12.19	Company 01.01.20 to 31.12.20 €	Company 23.10.18 to 31.12.19 €
Revenue	4	10,951,715	883,083	-	-
Cost of sales		(8,759,533)	(764,433)	-	-
Gross profit		2,192,182	118,650	-	-
Other operating income	5	-	360	-	-
Administrative expenses		(779,447)	(692,912)	(566,379)	(514,722)
Operating profit/(loss)		1,412,735	(573,902)	(566,379)	(514,722)
Finance income	7	4,020	184	1,093,919	1,163,961
Finance costs	8	(103,298)	(27,874)	(778,207)	(707,778)
Finance costs - net		(99,278)	(27,690)	315,712	456,183
Investment income	6	-	-	578,547	100,000
Gain on bargain purchase	13	-	515,044	-	-
Profit / (Loss) before taxation		1,313,457	(86,548)	327,880	41,461
Income tax (expense)/credit	10	(551,131)	(38,504)	88,117	20,521
PROFIT/(LOSS) FOR THE YEAR/PERIOD	9	762,326	(125,052)	415,997	61,982
Total comprehensive profit/ (loss) attributable to:					
Equity holders of the Company		762,326	(125,052)	415,997	61,982
Earnings per share:					
Basic earnings per share (in cents)	21	0.24	-	0.13	0.02

Statement of Financial Position
as at 31 December 2020

	Notes	Group 31.12.2020 €	Group 31.12.2019 €	Company 31.12.2020 €	Company 31.12.2019 €
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	1,013	1,266	-	-
Goodwill	11	43,367	43,367	-	-
Financial assets at amortised cost	14	-	-	19,038,966	16,763,800
Investments in subsidiaries	13	-	-	640,000	240,000
Deferred tax asset	10	110,888	20,545	108,951	20,545
Other non-current assets	15	875,432	-	875,432	-
		1,030,700	65,178	20,663,349	17,024,345
Current Assets					
Inventories	16	25,681,953	26,432,337	-	-
Trade and other receivables	17	278,585	156,481	1,078,868	791,151
Financial assets at amortised cost	14	-	-	-	2,324,750
Cash and cash equivalents	18	462,055	800,635	35	325,817
		26,422,593	27,389,453	1,078,903	3,441,718
Total Assets		27,453,293	27,454,631	21,742,252	20,466,063
EQUITY					
Capital and Reserves					
Share capital	19	312,500	312,500	312,500	312,500
Share premium		937,500	937,500	937,500	937,500
Other equity	20	2,324,750	2,324,750	2,324,750	2,324,750
Retained earnings/(accumulated losses)		553,134	(209,192)	393,840	(22,158)
Total Equity		4,127,884	3,365,558	3,968,590	3,552,592
LIABILITIES					
Non-Current Liabilities					
Long-term borrowings	24	16,221,843	18,219,082	16,221,843	16,871,914
		16,221,843	18,219,082	16,221,843	16,871,914
Current Liabilities					
Trade and other payables	22	3,509,727	2,818,038	43,431	26,041
Current income tax liabilities	23	19,503	1,501	-	-
Short-term borrowings	24	3,574,336	3,050,452	1,508,388	15,516
		7,103,566	5,869,991	1,551,819	41,557
Total Liabilities		23,325,409	24,089,073	17,773,662	16,913,471
Total Equity and Liabilities		27,453,293	27,454,631	21,742,252	20,466,063

The financial statements on pages 10 - 38 were approved and authorised for issue by the Board of Directors on 12 April 2021 and signed on its behalf by:

Christopher Attard
Director

Pierre Bartolo
Director

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

	Share Capital	Share Premium	(Accumulated Losses)/ Retained Earnings	Other Equity	Total Equity
GROUP	€	€	€	€	€
For the period ended 31 December 2019					
Comprehensive loss					
Loss for the period			(125,052)		(125,052)
Other movements					-
Premium on issue of shares		937,500			937,500
Cash issue of shares	312,500				312,500
Costs of issuing equity			(84,140)		(84,140)
Conversion of debt to equity	-	-	-	2,324,750	2,324,750
At 31 December 2019	312,500	937,500	(209,192)	2,324,750	3,365,558
At 1 January 2020	312,500	937,500	(209,192)	2,324,750	3,365,558
Comprehensive loss					
Profit for the year	-	-	762,326	-	762,326
At 31 December 2020	312,500	937,500	553,134	2,324,750	4,127,884

	Share Capital	Share Premium	(Accumulated Losses)/ Retained Earnings	Other Equity	Total Equity
COMPANY	€	€	€	€	€
For the period ended 31 December 2019					
Comprehensive income					
Profit for the period	-	-	61,982	-	61,982
Other movements					
Cash issue of shares	312,500	-	-	-	312,500
Premium on issue of shares	-	937,500	-	-	937,500
Costs of issuing equity	-	-	(84,140)	-	(84,140)
Conversion of debt to equity	-	-	-	2,324,750	2,324,750
At 31 December 2020	312,500	937,500	(22,158)	2,324,750	3,552,592
At 1 January 2020	312,500	937,500	(22,158)	2,324,750	3,552,592
Comprehensive income					
Profit for the year			415,998		415,998
At 31 December 2020	312,500	937,500	393,840	2,324,750	3,968,590

Statements of cash flows
for the year ended 31 December 2020

	Group		Company	
	01.01.20 to 31.12.20	23.10.18 to 31.12.19	01.01.20 to 31.12.20	23.10.18 to 31.12.19
	€	€	€	€
Cash flow from operating activities				
Profit/(loss) before taxation	1,313,457	(86,548)	327,880	41,461
Reconciliation to cash generated from operations:				
Depreciation	253	856	-	-
Gain on bargain purchase	-	(515,044)	-	-
Amortisation of bond issue costs	66,729	72,290	66,729	72,290
Waiver of amounts payable	-	(360)	-	-
Income tax paid	(623,473)	(57,573)	(288)	(24)
Interest and dividend income	(4,020)	(184)	(580,466)	(1,263,961)
Interest expense	103,298	27,874	778,207	707,778
Operating profit/(loss) before working capital changes	856,244	(558,689)	592,062	(442,456)
Decrease/(increase) in stocks	750,384	(26,103,975)	-	-
Decrease/(increase) in trade debtors	2,500	(2,500)	-	-
Increase in other debtors	(124,604)	(153,981)	(287,717)	(791,151)
Increase in trade creditors	301,460	50,671	5,891	4,255
Increase in other creditors	390,230	2,767,367	11,499	21,786
Interest paid	(2,325)	(71)	(677,234)	(680,000)
Interest received	4,020	184	1,919	161
Cash generated from/(used in) operating activities	2,177,909	(24,000,994)	(353,580)	(1,887,405)
Cash flow from investing activities				
Dividends received	-	-	578,547	100,000
Payments on acquisition of group interests	-	-	(200,000)	(240,000)
Loans to group companies	-	-	(150,416)	(17,924,750)
Payments in sinking fund reserve	(875,432)	-	(875,432)	-
Purchase of tangible fixed assets	-	(2,122)	-	-
Cash generated from/(used in) investing activities	(875,432)	(2,122)	(647,301)	(18,064,750)
Cash flows from financing activities				
Net proceeds from bond issue	-	15,744,204	-	15,599,624
New long term bank borrowings	-	1,284,754	-	-
New long term related party borrowings	-	3,587,164	-	3,524,750
Issue of shares for cash	-	1,250,000	-	1,250,000
New short term bank borrowings	2,885,524	3,022,082	1,800,000	-
New short term related party borrowings	-	12,854	-	-
Interest paid	(100,973)	(28,683)	(100,973)	(27,778)
Cost of issuing equity	-	(84,140)	-	(84,140)
Repayment of short term bank borrowings	(3,704,544)	-	(355,000)	-
Repayment of short term related party borrowings	(12,854)	-	-	-
Repayment of other short term borrowings	(716,800)	-	(716,800)	-
Cash (used in)/generated from financing activities	(1,649,647)	24,788,235	627,227	20,262,456
Net movement in cash in the year/period	(347,170)	785,119	(373,654)	310,301
Cash and equivalents at beginning of year/period	785,119	-	310,301	
Cash & equivalents at end of year/period (Note 18)	437,949	785,119	(63,353)	310,301

1. General Information

Best Deal Properties Holding p.l.c ("the Company") is a public limited liability company incorporated and domiciled in Malta. The registered office of the Company is 63 J.L. Buildings, Office 5, Luqa Road, Paola PLA9045. The Company status is that of a public company. These financial statements were approved for issue by the Board of Directors on 12 April 2021.

The principal activity of the Company is to act as a holding company and to provide financing to its subsidiaries. The Group is involved in the development of property for sale.

The Company has no individual who owns or controls, through direct or indirect ownership of shares, voting rights or ownership interests more than twenty-five per cent (25%) and no individual ultimately controls the Company via other means. The executive directors through their position of senior managing officials within the Company are considered as the ultimate beneficial owners.

These financial statements include the results of the Cpmpany and its subsidiaries, together with those of the Company for the year ended 31 December 2020.The comparative amounts in these financial statements of the Company and of the Group, cover the period from incorporation being 23 October 2018 up to 31 December 2019.

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, unless otherwise stated.

Statement of compliance and basis of measurement

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 International Financial Reporting Standards 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 the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period. In particular, the directors have assessed the companies acquired and have concluded that in their view these acquisitions qualify under IFRS 3 Business Combinations and are therefore accounted for in terms of that standard. Furthermore, the fair value of assets acquired and liabilities assumed are initially estimated by the directors taking into consideration all available information at the acquisition date.The directors believe that these estimates and assumptions are reasonable.

2. Accounting Policies (continued)

Basis of consolidation

These consolidated financial statements incorporate the financial performance, cash flows and financial position of the Company and of its subsidiaries. The Group is made up of the entities as listed in note 13. Subsidiaries are companies over which the Group has control either directly or indirectly. Control is defined as the right or exposure to variable returns and the ability to affect those returns through power over an investee. The subsidiaries and the Company are consolidated from the date on which control is transferred.

Intra-group transactions, balances and unrealised gains on transactions between companies within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of the subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity of the Group.

When the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary and other related component in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. Any interest retained is measured at fair value when control is lost.

New or revised standards, interpretations and amendments adopted

The Company and the Group 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.

2. Accounting Policies (continued)

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of net identifiable assets acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of any cash generating unit include the carrying amount of goodwill relating to that cash generating unit disposed. Goodwill is allocated to cash generating units for the purpose of impairment testing.

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	-	20% 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.

2. Accounting Policies (continued)

Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

An investor determines whether it is a parent by assessing whether it controls one or more investees. An investor considers all relevant facts and circumstances when assessing whether it controls an investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

An investor controls an investee if, and only if, the investor has all of the following elements: power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns); exposure, or rights, to variable returns from its involvement with the investee; the ability to use its power over the investee to affect the amount of the investor's returns.

Investment in subsidiaries are initially recognised at cost, being the fair value of the consideration given, including acquisition costs and are subsequently carried at cost less accumulated impairment losses, if any.

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.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2. Accounting Policies (continued)

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.

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.

Finance costs

Finance costs that are directly attributable to the acquisition, construction and finishing of the development for resale are included as part of the cost of the inventories and work in progress. Other finance costs are recognised as an expense in the period in which they are incurred.

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.

Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

2. Accounting Policies (continued)

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured. The company recognises revenue as follows:

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.

Dividend Income

Dividend income is recognised when it is received or when the right to receive payment is established.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assts, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external values may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset of liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

2. Accounting Policies (continued)

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 and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the Company. Due to their short-term nature, these are measured at amortised cost and are not discounted.

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.

Capital Disclosures

The Company and Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company and Group set the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity (as shown in the statement of financial position). The Company maintains its level of capital by reference to its financial obligations and commitments arising from operational requirements in relation to the development projects as well as to enable the honouring of all other liabilities including bond interest..

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 and Group'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 and the Group based on known information. This consideration extends to the nature of the Company's and Group'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 or conditions that may cast doubt upon the Company's or the Group's ability to continue as a going concern.

In the opinion of the Company's directors, except for the matter described above, 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. Revenue

Group	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€
Revenue from contracts with customers	10,951,715	883,083

5. Other operating income

Group	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€
Waiver of amounts payable	-	360

6. Investment Income

	Group		Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€	€	€
Dividend income	-	-	578,547	100,000

7. Finance income

	Group		Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€	€	€
Bank interest	107	184	6	161
Other interest	3,913	-	1,913	-
Interest on loans to subsidiary	-	-	1,092,000	1,163,800
	4,020	184	1,093,919	1,163,961

8. Finance costs

	Note	Group		Company	
		01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
		€	€	€	€
Included in this category is the following:					
On bank overdrafts		2,325	71	2,232	-
On related party loans		80,000	27,778	80,000	27,778
Premium upon repurchase of loans		20,973	-	20,973	-
Bond interest	Note	-	-	675,002	680,000
On overdue tax		-	25	-	-
		103,298	27,874	778,207	707,778

Bond interest

In the consolidated financial statements of the Group, the amount of bond interest payable is classified as a direct development cost in view that it is directly related to the financing of the properties purchased for development and resale. In terms of IAS 23 the interest is being capitalised as part of inventory, and then expensed as a direct cost when the properties are sold. The bond interest capitalised as part of the development cost amounts to €675,002 (2019: €680,000).

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

		Group		Company	
		01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
		€	€	€	€
Profit/(loss) for the year/period is stated after charging:					
Employer's social security costs	*Note*	9,675	9,389	9,675	9,389
Directors' remuneration	*Note*	352,775	355,869	352,775	355,869
Depreciation of property, plant & equipment		253	856	-	-
Auditors' remuneration		20,060	20,060	9,440	9,440

Directors' emoluments

	Group and Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€
Emoluments for services as directors	352,775	355,869
Social security costs on directors emoluments	9,675	9,389
	362,450	365,258

10. Taxation

a) Taxation is provided for at the rate of 35% for company profits/(losses), except for certain bank interest receivable which is taxed at 15% and sales of property which are taxed 8% as a Final Witholding Tax.

	Group		Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€	€	€
Current year taxation				
Income tax on the taxable income for the year/period	641,474	59,049	288	24
Deferred taxation				
Transfer from deferred taxation account	(90,343)	(20,545)	(88,405)	(20,545)
	551,131	38,504	(88,117)	(20,521)

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

	Group		Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€	€	€
Profit/(loss) on ordinary activities before taxation	1,313,457	(86,548)	327,880	41,461
Tax on accounting profit at 35%	459,710	(30,292)	114,758	14,511
Tax effect on:				
Expenses disallowed for tax purposes	71,538	68,833	-	-
Different tax rate charged on bank interest receivable	22,991	(37)		(32)
Exempt income	-	-	(202,491)	(35,000)
Other non-temporary differences	(3,108)	-	(384)	-
Tax expense/(credit) for the year/period	551,131	38,504	(88,117)	(20,521)

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

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	€	€	€	€
Unabsorbed tax losses and capital allowances	110,888	20,545	108,951	20,545
Deferred tax asset	110,888	20,545	108,951	20,545

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 of 35%.

11. Goodwill

Group	**Goodwill**
	€
Cost	
At 1 January 2020 / 31 December 2020	43,367
Net book values	
At 31 December 2020	43,367
At 31 December 2019	43,367

12. Property, plant and equipment

Group	Plant, machinery & equipment
	€
Cost	
Additions	2,122
At 31 December 2019	2,122
Depreciation	
Charge for the period	856
At 31 December 2019	856
Net book values	
At 31 December 2019	1,266
Cost	
At 1 January 2020	
At 31 December 2020	2,122
Depreciation	
At 1 January 2020	856
Charge for the year	253
At 31 December 2020	1,109
Net book values	
At 31 December 2020	1,013

13. Investment in subsidiaries

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Investment at cost at beginning of year/period		-	-	240,000	-
Additions during the year/period	*Note*	-	-	400,000	240,000
Balance at end of year/period		-	-	640,000	240,000

Note

The additions during the financial period ended 31 December 2019 represent the investment in share capital of the subsidiaries being €40,000 in Elite Developments Limited, €150,000 in PJCE Properties Limited and €50,000 in Best Deal Developments Limited.

The additions during the financial year ended 31 December 2020 represent a further investment in share capital of €200,000 in PJCE Properties Limited and a capital contribution of €200,000 in Best Deal Developments Ltd.

The Group parent company Best Deal Properties Holding p.l.c included in this consolidation holds 100% of the share capital of the following companies:

Subsidiary undertaking	Registered or principal office	Date of Incorporation
Elite Developments Limited (C74282)	63, J.L. Building, Luqa Road, Paola	9 February 2016
PJCE Properties Limited (C85050)	63, J.L. Building, Luqa Road, Paola	22 February 2018
Best Deal Developments Limited (C89191)	63, J.L. Building, Luqa Road, Paola	31 October 2018

The Company was incorporated as a special purpose vehicle to act as a parent holding company with the intended purpose to raise finance for the development of real estate properties through its subsidiaries. The Company acquired Elite Developments Limited and PJCE Properties Limited on 13 November 2018 which were already engaged in the development of three construction projects. The aim was to re-invest the profits from these projects in the Group to finance new developments.

Elite Developments Limited was acquired by the Group on 13 November 2018 by exchange of shares. In this respect, a bargain purchase gain of €515,044 was made in view of the net asset value at date of acquisition of the company being more than the purchase consideration. The bargain purchase gain made was included in the statement of comprehensive income, in line with IFRS 3 'Business Combinations'.

PJCE Properties Limited was acquired by the Group on 13 November 2018 by exchange of shares. In this regard, goodwill of €43,367 was recognised and recorded as an intangible asset in the statement of financial position, in view of the net asset value at date of acquisition of the company being less than the purchase consideration.

Best Deal Developments Limited was incorporated by the parent company on 31 October 2018. This subsidiary acts as guarantor of Best Deal Properties Holding p.l.c and is undertaking further property development for the Group.

Details of the acquisition of the subsidiaries are as follows:

	Elite Developments Limited	PJCE Properties Limited
	€	€
Property, plant & equipment	1,662	-
Work in progress	3,973,329	1,978,825
Trade and other receivables	2,388,680	27,098
Cash and cash equivalents	(114,778)	39,485
Long-term borrowings	(2,324,750)	(1,100,000)
Trade and other payables	(1,194,057)	(131,690)
Income tax liabilities	(4,760)	-
Short-term borrowings	(2,170,282)	(707,085)
Net assets acquired	555,044	106,633
Goodwill	-	43,367
Gain on acquisition	(515,044)	-
Acquisition-date fair value of total consideration transferred	40,000	150,000
Representing:		
Exchange of shares by shareholders	40,000	150,000

The following summarizes the financial position and performance of the Company's subsidiaries as at and for the period ended 31 December 2020.

Subsidiary undertaking	**Capital and reserves**	**Profit/(loss) for the year**
	€	€
Elite Developments Limited	636,965	720,284
PJCE Properties Limited	291,293	(8,473)
Best Deal Developments Limited	537,865	439,457

14. Financial assets at amortised cost

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Non-current					
Loan to subsidiary	*Note*	-	-	19,038,966	16,763,800
Current					
Loan to subsidiary	*Note*	-	-	-	2,324,750

Loan to subsidiary - Non-current

Amounts are unsecured, bear interest at 7% per annum and are repayable by the end of the year 2024.

Loan to subsidiary - Current

These amounts were unsecured, interest free and have been repaid during 2020.

15. Other non-current assets

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Sinking fund reserve	Note	875,432	-	875,432	-

Sinking fund reserve

These amounts represent the funds held by the Security Trustee under trust in a local bank account and are so held to meet the redemption of the secured bonds on the redemption date or to re-purchase the secured bonds in the market.

16. Inventories

Group	31.12.2020	31.12.2019
	€	€
Property for resale and work in progess	25,681,953	26,432,337

17. Trade & other receivables: Current

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Trade receivables		-	2,500	-	-
Amounts owed by subsidiaries	Note	-	-	1,061,369	767,983
Amounts owed by other related parties	Note	42,123	83,380	-	-
Other debtors		100,887	47,433	-	-
Prepayments and accrued income		135,575	23,168	17,499	23,168
		278,585	156,481	1,078,868	791,151

Amounts owed by subsidiaries

These amounts are unsecured, interest-free and repayable within one year.

Amounts owed by other related parties

Amounts are unsecured, interest-free and repayable upon demand.

18. Notes to the Statement of cashflows

Cash & cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	€	€	€	€
Cash at bank and in hand	462,055	800,635	35	325,817
Overdrafts	(24,106)	(15,516)	(63,388)	(15,516)
	437,949	785,119	(63,353)	310,301

19. Share capital

	Group and Company	
	31.12.2020	31.12.2019
	€	€
Authorised		
3,500,000 Ordinary shares of €10c each	350,000	350,000
Issued		
3,125,000 Ordinary shares of €10c each 100% paid up	312,500	312,500

20. Other equity

This amount represents an amount owed to the shareholders of the Company. These shareholders' loans have no fixed redemption date, do not carry a right to any interest and is repayable only at the sole discretion of the Company.

21. Basic earnings per share

	Group		Company	
	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019	01.01.2020 to 31.12.2020	23.10.2018 to 31.12.2019
	€	€	€	€
Profit/(Loss) attributable to owners of the Company	762,326	(125,052)	415,997	61,982
Number of ordinary shares	3,125,000	3,125,000	3,125,000	3,125,000
Basic earnings per share	0.24	-	0.13	0.02

22. Trade & other payables

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Trade payables		352,131	50,671	10,146	4,255
Other taxes and social security costs		1,220	-	1,220	-
Other creditors		1,584,335	1,748,817	1,445	5,021
Accruals		1,572,041	1,015,212	30,620	15,302
Amounts owed to related companies	*Note*	-	3,338	-	1,463
		3,509,727	2,818,038	43,431	26,041

Amounts owed to related companies

These amounts were unsecured, interest-free and have been repaid during 2020.

23. Current Income Tax Liabilities

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	€	€	€	€
The tax provision is made up of :-				
Balance at beginning of year/period	1,501	-	-	-
Provision for the year/period	641,474	63,809	-	24
Additional tax charged	-	25	-	-
Settlement tax paid	(1,475)	(4,760)	-	-
Provisional tax paid	(2,380)	-	-	-
Tax paid at source	(619,617)	(57,573)	-	(24)
Balance at end of year/period	19,503	1,501	-	-

24. Borrowings

		Group		Company	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		€	€	€	€
Non-current					
160,000 4.25% Secured Bonds 2024	*Note*	15,021,843	15,671,914	15,021,843	15,671,914
Bank borrowings	*Note*	-	1,284,754	-	-
Related party borrowings	*Note*	1,200,000	1,262,414	1,200,000	1,200,000
		16,221,843	18,219,082	16,221,843	16,871,914
Current					
Bank overdrafts		24,106	15,516	63,388	15,516
Amounts owed to related companies	*Note*	-	12,854	-	-
Bank borrowings	*Note*	3,487,816	3,022,082	1,445,000	-
Related party borrowings	*Note*	62,414	-	-	-
		3,574,336	3,050,452	1,508,388	15,516

Amounts owed to related companies

Amounts were unsecured, interest-free and repayable upon demand.

Bank borrowings: Non-current

The bank loan is secured by a charge over all the assets of the subsidiary PJCE Properties Limited and by guarantees by the directors of the same subsidiary. It bears interest at the rate of 2.75% per annum over the bank's base rate. The loan is to be repaid in full by May 2021 from the sales proceeds of the Mqabba development.

Bank borrowings: Current

Current bank borrowings consist of €2,042,816 (2019: €1,284,754 presented as non-current borrowings) which will be repaid by May 2021 from sales proceeds of Mqabba project and a loan of €1,445,000 which will be paid by 2021 from sales proceeds of Zabbar project. These loans are secured by a charge over the fixed assets of the subsidiaries PJCE Properties Limited and Best Deal Developments Limited respectively. The first loan bears interest at 2.75% per annum over bank's base rate. The second loan bears interest at 2.5% per annum. The second loan was obtained in 2020 through the MDB COVID-19 Guarantee Scheme.

Related party borrowings

These relate to amounts due to the shareholders consisting of €62,414 which are unsecured, interest free and are repayable in 2021, and a loan of €1,200,000 which is unsecured and bears interest of 6.667% per annum. The rights of the lender in respect of this loan is subordinated to the rights of the bondholders of the Company with regards to the issue of €16,000,000 4.25% Secured Bonds 2024 and accordingly any payment of the loan shall be in all respects conditional on their being certainty that dues to bondholders are secured.

Bonds issued

Best Deal Properties Holding p.l.c issued 160,000 bonds with a face value of €100 each, for an aggregate amount of €16 million. The bonds have an interest of 4.25% per annum, payable annually in arrears on 12 December. The nominal value of the secured bonds is repayable in full upon maturity on 12 December 2024. The bonds are guaranteed by Best Deal Developments Limited, which has bound itself jointly and severally liable for the payment of the bonds and interest thereon. The bonds are measured at the amount of the bond issue of €16 million net of the bond issue costs which are being amortised over the lifetime of the bonds, as follows:

	31.12.2020	31.12.2019
	€	€
Original face value of bonds issued	16,000,000	16,000,000
Bond issue costs	(400,376)	(400,376)
Accumulated amortisation	139,019	72,290
Bond buy backs	(716,800)	-
Closing net book amount of bond issue costs	(978,157)	(328,086)
Amortised cost and closing carrying amount of the bonds	15,021,843	15,671,914

In line with Section 5.8 of the Company's Prospectus dated 3 December 2018, the company may at any time purchase back the secured bonds in the open market or otherwise at any price. During the financial year ended 31 December 2020 the company repurchased a total of 716,800 of its 4.25% secured bonds 2024 from its bondholders. As at 31 December 2020 a balance of €875,432 was held in the sinking fund reserve to re-purchase further bonds in the future.

25. Related party transactions

Transactions with related parties :	Group 01.01.2020 to 31.12.2020 €	Group 23.10.2018 to 31.12.2019 €	Company 01.01.2020 to 31.12.2020 €	Company 23.10.2018 to 31.12.2019 €
Development costs paid to Best Deal Properties Ltd	139,390	48,781	-	-
Safety & security expenses paid to Best Deal Properties Ltd	-	9,499	-	-
Admin & advertising paid to Best Deal Properties Ltd	148,416	140,475	-	-
Interest receivable from Best Deal Developments Ltd	-	-	1,092,000	1,163,800
Dividends from Elite Developments Limited	-	-	578,547	100,000
Interest paid to C Developments Limited	80,000	27,778	80,000	27,778

Key management compensation:	Group 01.01.2020 to 31.12.2020 €	Group 23.10.2018 to 31.12.2019 €	Company 01.01.2020 to 31.12.2020 €	Company 23.10.2018 to 31.12.2019 €
Directors' salaries	362,593	355,869	362,593	355,869

Loans to related parties

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	€	€	€	€
Amounts owed by subsidiaries :				
Opening balance	-	-	767,983	-
Amounts advanced during the year	-	-	842,989	767,983
Loans repayments received	-	-	(549,603)	-
Closing balance	-	-	1,061,369	767,983
Loans to subsidiaries :				
Opening balance	-	-	19,088,550	-
Loans advanced during the year	-	-	1,383,165	17,924,750
Loans repayments received	-	-	(2,324,749)	-
Interest charged	-	-	1,092,000	1,163,800
Closing balance	-	-	19,238,966	19,088,550
Amounts due from related companies				
Opening balance	83,380	-	-	-
Amounts advanced during the year	-	83,380	-	-
Loans repayments received	(41,257)	-	-	-
Closing balance	42,123	83,380	-	-
Total loans and amounts due from related parties :				
Opening balance	83,380	-	19,856,533	-
Advanced during the year	-	83,380	2,226,154	18,692,733
Loans repayments received	(41,257)	-	(2,874,352)	-
Interest charged	-	-	1,092,000	1,163,800
Closing balance	42,123	83,380	20,300,335	19,856,533

Loans from related parties

	Group		Company	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	€	€	€	€
Loans from shareholders:				
Opening balance	1,262,414	-	1,200,000	-
Loans advanced during the year	-	1,262,414	-	1,200,000
Closing balance	1,262,414	1,262,414	1,200,000	1,200,000
Loans from related companies :				
Opening balance	12,854	-	1,463	-
Loans advanced during the year	-	22,500	-	1,463
Repayments made	(12,854)	(9,646)	(1,463)	-
Closing balance	-	12,854	-	1,463
Amounts due to related companies				
Opening balance	3,338	-	-	-
Amounts advanced during the year	-	3,338	-	-
Loans repayments made	(3,338)	-	-	-
Closing balance	-	3,338	-	-
Total loans and amounts due to related parties :				
Opening balance	1,278,606	-	1,201,463	-
Loans/amounts advanced during the year	-	1,288,252	-	1,201,463
Repayments made	(16,192)	(9,646)	(1,463)	-
Closing balance	1,262,414	1,278,606	1,200,000	1,201,463

26. Financial Risk Management

At year end, the Group's main financial assets on the statement of financial position is comprised of cash at banks, trade and other receivables (excluding prepayments and accrued income) and amounts due to related companies. There were no off-balance sheet financial assets.

At year end, the Group's main financial liabilities on the statement of financial position is comprised of trade and other payables (excluding accruals), and borrowings. There were no off-balance sheet financial liabilities except as disclosed in note 24 to these financial statements.

Exposure to credit, liquidity and interest-rate risk arise from the Group's activities.

Timing of cash flows

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statement of financial position is intended to indicate the timing in which the cash flows will arise.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern and comply with the requirements of the prospectus issued in relation to the bonds while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 24 and equity attributable to equity holders, comprising issued share capital, share premium, other equity and retained earnings as disclosed in note 19 & 20 to these financial statements and in the statement of changes in equity.

Credit risk

Credit risk is the risk that one party to a financial instrument will default on its contractual obligations resulting in financial loss to the Group or the Company. Financial assets which potentially subject the Group to concentrations of credit risk consist principally to cash at banks, trade and other receivables (excluding prepayments & accrued income) and financial assets at amortised cost as disclosed in the statement of financial position and in the related notes. The Group does not hold any collateral.

The credit risk relating to cash at bank is considered to be low in view of the management's policy of placing it with reputable financial institutions.

Trade and other receivables are mainly due from related companies. Credit risk in this respect is deemed by the directors to be limited since they are confident that related companies will generate enough future cash flows from their operations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The directors monitor the liquidity risk by reviewing the expected cash flows and matching of the cash inflows and cash outflows arising from the business. The following table analyses the undiscounted contractual cash flows arising from the Group's financial liabilities.

26. Financial Risk Management (continued)

Group	Within 12 months	Between 1-5 years	More than 5 years	Total
31 December 2020	€	€	€	€
Bonds payable (including interest)	649,536	17,231,808	-	17,881,344
Bank borrowings (including overdrafts)	3,511,922	-	-	3,511,922
Related party borrowings	62,414	1,200,000	-	1,262,414
Trade and other payables	1,937,686	-	-	1,937,686
	6,161,558	**18,431,808**	**-**	**24,593,366**

Company	Within 12 months	Between 1-5 years	More than 5 years	Total
31 December 2020	€	€	€	€
Bonds payable (including interest)	649,536	17,231,808	-	17,881,344
Bank borrowings (including overdrafts)	1,508,388	-	-	1,508,388
Related party borrowings	-	1,200,000	-	1,200,000
Trade and other payables	12,811	-	-	12,811
	2,170,735	**18,431,808**	**-**	**20,602,543**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from the bank overdraft which is subject to varying interest rates according to revisions to the bank's base rate. Interest rate on the bonds payable and related party borrowings is fixed (where applicable), while the other fianancial liabilities are interest-free, thus, interest rate risk does not apply to these financial instruments.

27. Fair value measurement

The Group measures fair value using the fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Valuation techniques based on observable input, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Financial instruments

The carrying amount of cash at bank, trade and other receivables (excluding prepayments), trade and other payables (excluding accruals), and other financial liabilities at amortised cost approximate their fair values as at year end in view of the nature of these financial instruments or the relatively short period of time from the year end date to their realisation.

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Best Deal Properties Holding p.l.c.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Best Deal Properties Holding p.l.c. ("the Company") and the consolidated financial statements of the Company and its subsidiaries (together "the Group"), set out on pages 10 - 38, 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).

Our report is consistent with the additional report to the audit committee in accordance with the provision of Article 11 of the EU Regulations No. 537/2014 on specific requirements on statutory audits of public-interest entities.

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 and of the Group 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.

To be best of our knowledge and belief, we declare that we have not provided non-audit services to the parent company and its subsidiaries.

RSM

INDEPENDENT AUDITORS' REPORT – continued

Report on the Audit of the Financial Statements – continued

Key Audit Matters

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

Carrying value of Inventories

We identified inventories as a key audit matter due to the significance of the balance to the consolidated financial statements. Inventories consist of properties held for development and sale. The cost of the inventories includes the purchase price of the land, development costs, construction costs, professional fees, borrowing costs and all costs that are directly attributable to the acquisition, development, construction and finishing of the properties held for development and sale.

The Group's inventories are stated at lower of cost and net realizable value. At as 31 December 2020, the Group's properties under development amounted to €25,681,953.

Our audit procedures included, amongst others, conducting site visits, on a sample basis, to observe the development progress, assessment of reasonableness of the carrying value based on stage of completion, management's budget and market information.

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 period 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 the Group, and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

RSM

INDEPENDENT AUDITORS' REPORT – continued

Report on the Audit of the Financial Statements – continued

Responsibilities of the Directors and those charged with governance 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 and the Group'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 and/or the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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.

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 and the Group'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 and the Group'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 and/or the Group to cease to continue as a going concern.

Report on the Audit of the Financial Statements – continued

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Report on the Statement of Compliance with the Principles of Good Corporate Governance

The Listing Rules issued by the Malta Listing Authority requires the directors to prepare and include in their Report a Statement of Compliance providing explanation of the extent to which they have adopted the Code of Principles of Good Governance and the effective measures that they have taken to ensure compliance throughout the period with those principles.

The Listing Rules also require the auditors to report on the Statement of Compliance prepared by the directors.

We read the Statement of Compliance and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance with the Principles of Good Corporate Governance has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

INDEPENDENT AUDITORS' REPORT – continued

Report on Other Legal and Regulatory Requirements - continued

Other matters on which we have to report by exception

We also have responsibilities:

Under the Companies Act, Cap. 386 to report to you if, in our opinion:

- Adequate accounting records have been kept, or that returns adequate for our audit have 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.

• Under the Listing Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications, as necessary.

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

Appointment

We were first appointed by the directors as auditors of the Company on 29 July 2019 for the financial period ended 31 December 2019.

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

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
Director

Pierre Bartolo
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.

RSM

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.

RSM

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.

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)