

**Best Deal Estates Limited**  
**Report and Financial Statements**  
**for the year ended 31 December 2023**

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The directors present their report and the audited financial statements for the year ended 31 December 2023.

#### **Principal Activity**

The company is mainly engaged in property development for resale.

#### **Performance Review**

The company was incorporated on 31 May 2022. During December 2022 the company purchased land in Siggiewi to be developed into apartments and garages for resale. The construction of this development commenced in January 2023 and is currently in progress.

The loss on the company's activities for the year after taxation amounted to € 174,061 (2022: €5,746)

#### **Results and Dividends**

The results for the year are set out in the statement of comprehensive income on page 3.

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

#### **Post Balance Sheet Events**

There were no particular important events affecting the company which occurred since the end of the accounting year.

#### **Future Developments**

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

#### **Financial Risk Management**

The company is exposed to credit, interest and capital risk management. An explanation of these risks and how the company manages these risks is found in Note 13 to these financial statements.

#### **Directors**

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

Christopher Attard  
Erskine Vella  
David Basile  
Pierre Bartolo  
Robert Buttigieg

### 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 responsible for:

- adopting the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- accounting for income and charges relating to the accounting period on the accruals basis;
- valuing separately the components of asset and liability items; and
- reporting 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), enacted in Malta. 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 26 April 2024 and signed on its behalf by:



Christopher Attard  
Director



Pierre Bartolo  
Director

**Statement of Comprehensive Income  
for the year ended 31 December 2023**

	Notes	01.01.23 to 31.12.23 €	31.05.22 to 31.12.22 €
Revenue		30,000	-
Cost of sales		(30,000)	-
<b>Gross profit</b>		<u>-</u>	<u>-</u>
Administrative expenses		(172,561)	(5,746)
<b>Loss before taxation</b>		<u>(172,561)</u>	<u>(5,746)</u>
Income tax expense	5	(1,500)	-
<b>Loss for the year / period</b>	4	<u>(174,061)</u>	<u>(5,746)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD</b>		<u><u>(174,061)</u></u>	<u><u>(5,746)</u></u>

The notes on pages 7 to 15 form an integral part of these financial statements.

	Notes	2023 €	2022 €
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	6	17,485,735	10,331,007
Trade and other receivables	7	41,937	55,372
Cash and cash equivalents	8	111,525	-
		<u>17,639,197</u>	<u>10,386,379</u>
<b>Total Assets</b>		<u><u>17,639,197</u></u>	<u><u>10,386,379</u></u>
<b>EQUITY</b>			
<b>Capital and Reserves</b>			
Share capital	9	1,200	1,200
Accumulated losses		(179,807)	(5,746)
<b>Total equity</b>		<u>(178,607)</u>	<u>(4,546)</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long-term borrowings	11	15,264,073	10,105,896
		<u>15,264,073</u>	<u>10,105,896</u>
<b>Current Liabilities</b>			
Trade and other payables	10	1,995,019	8,149
Short-term borrowings	11	558,712	276,880
		<u>2,553,731</u>	<u>285,029</u>
<b>Total Liabilities</b>		<u><u>17,817,804</u></u>	<u><u>10,390,925</u></u>
<b>Total Equity and Liabilities</b>		<u><u>17,639,197</u></u>	<u><u>10,386,379</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 26 April 2024 and signed on its behalf by:



Christopher Attard  
Director



Pierre Bartolo  
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

**Statement of Changes in Equity  
for the year ended 31 December 2023**

	Share Capital	Accumulated Losses	Total
	€	€	€
<b>At 31 May 2022</b>			
<b>Total Comprehensive Income</b>			
Loss for the period	-	(5,746)	(5,746)
<b>Transactions with owners in their capacity as owners</b>			
Cash issue of shares	1,200	-	1,200
<b>At 31 December 2022</b>	<u>1,200</u>	<u>(5,746)</u>	<u>(4,546)</u>
<b>At 1 January 2023</b>	1,200	(5,746)	(4,546)
<b>Total Comprehensive Income</b>			
Loss for the year	-	(174,061)	(174,061)
<b>At 31 December 2023</b>	<u>1,200</u>	<u>(179,807)</u>	<u>(178,607)</u>

**Statement of cash flows**  
for the year ended 31 December 2023

	2023		2022	
	€	€	€	€
<b>Net loss before taxation</b>	(172,561)		(5,746)	
Reconciliation to cash generated from operations:				
Income tax paid	(1,500)		-	
Interest paid	896,705		36,690	
Operating loss before working capital changes	722,644		30,944	
(Increase) in inventories	(7,154,728)		(10,331,007)	
Decrease / (increase) in other receivables	13,435		(55,372)	
(Decrease) / increase in trade payables	(5,205)		5,205	
Increase in other payables	1,992,075		2,944	
Cash used in operating activities		(4,431,779)		(10,347,286)
<b>Cash flow from investing activities</b>				
Issue of shares for cash	-		1,200	
Cash generated from investing activities		-		1,200
<b>Cash from financing activities</b>				
New long term parent company borrowings	4,261,472		10,069,206	
New short term related party borrowings	281,832		276,880	
Cash generated from financing activities		4,543,304		10,346,086
<b>Net increase in cash and cash equivalents in the year / period</b>		111,525		-
Cash and equivalents at beginning of year / period		-		-
<b>Cash and equivalents at end of year / period (Note 8)</b>		111,525		-



## 1. General Information

Best Deal Estates Limited ("the company") is a limited liability company incorporated and domiciled in Malta. The registered office of the company is 63, J.L. Building, Luqa Road, Paola PLA9045. The company status is that of a private company. These financial statements were approved for issue by the Board of Directors on 26 April 2024.

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.

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 controlling parties.

## 2. Material Accounting Policies

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

### *Basis of measurement and statement of compliance*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) 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 Accounting 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 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 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.

### Amendments to IAS 1 Presentation of financial statements

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added.

### Amendments to IAS 8 Accounting Policies, changes in Accounting Estimates & Errors

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

**2. Material Accounting Policies (continued)**

Amendments to IAS 12 Income Taxes

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. Furthermore, another amendment issued on 23 May 2023 provides a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

*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.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments issued on 23 January 2020 aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendment to IFRS 17 Insurance Contracts

The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.

Amendments to IFRS 16 Leases

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Amendments to IAS 1 Presentation of financial statements

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

***Impairment of 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.

***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.

**2. Material Accounting Policies (continued)**

The properties under development held for resale are 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.

***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 statement of comprehensive income 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.

***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.

**3. Significant judgements 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.

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. Loss for the year / period**

	01.01.2023 to 31.12.2023 €	31.05.2022 to 31.12.2022 €
Loss for the year / period is stated after charging:		
Auditors' remuneration	4,555	1,770

## 5. Taxation

- a) Taxation is provided for at the rate of 35% for company profits, except for property sales which have been taxed at a final withholding tax of 5%.

	01.01.2023 to 31.12.2023 €	31.05.2022 to 31.12.2022 €
<b>Current year taxation</b>		
Income tax on the taxable income for the year	1,500	-
<b>Deferred taxation</b>		
Transfer to deferred taxation account	-	-
	<u>1,500</u>	<u>-</u>

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

	2023 €	2022 €
Loss on ordinary activities before taxation	<u>(172,561)</u>	<u>(5,746)</u>
Tax on accounting profit at 35%	(60,396)	(2,011)
Tax effect on:		
Expenses and costs disallowed for tax purposes	70,896	2,011
Proceeds from sale of property taxed at 5%	(9,000)	-
Tax expense for the year / period	<u>1,500</u>	<u>-</u>

## 6. Inventories

	2023 €	2022 €
Property held for resale and work in progress	<u>17,485,735</u>	<u>10,331,007</u>

## 7. Trade &amp; Other Receivables

	2023	2022
	€	€
Other receivables	38,397	42,393
Prepayments	3,540	12,979
	<u>41,937</u>	<u>55,372</u>

## 8. Notes to the cashflow statement

	2023	2022
	€	€
Cash at bank	<u>111,525</u>	<u>-</u>
<i>Liabilities arising from financing activities</i>		
	<b>01.01.2023</b>	<b>31.05.2022</b>
	<b>to</b>	<b>to</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
	€	€
<b>Borrowings from other group undertakings</b>		
Opening net debt	276,880	-
Increase in borrowings	281,832	276,880
	<u>558,712</u>	<u>276,880</u>
<b>Borrowings from parent company</b>		
Opening net debt	10,105,896	-
Increase in borrowings	4,261,472	10,069,206
Capitalised interest payable	896,705	36,690
	<u>15,264,073</u>	<u>10,105,896</u>

## 9. Share capital

	2023	2022
	€	€
<b>Authorised</b>		
1,200 Ordinary shares of € 1 each	1,200	1,200
<b>Issued</b>		
1,200 Ordinary shares of € 1 each 100% paid up	1,200	1,200

The share capital of the company consists only of ordinary shares with a par value of € 1. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote at the shareholders' meetings.

## 10. Trade &amp; other payables

	2023	2022
	€	€
Trade payables	-	5,205
Other payables	580,650	-
Accruals and deferred income	1,414,369	2,944
	<u>1,995,019</u>	<u>8,149</u>

## 11. Borrowings

	2023	2022
	€	€
<b>Non-current</b>		
Amounts owed to parent company	<i>Note</i> 15,264,073	10,105,896
<b>Current</b>		
Amounts owed to other group undertakings	<i>Note</i> 558,712	276,880

*Amounts due to parent company*

The loan to parent company is unsecured, bears interest at 7% per annum and is repayable by 2027.

*Amounts owed to other group undertakings*

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



**12. Related party transactions**

Transactions with related companies :

	<b>2023</b>	<b>2022</b>
	€	€
Administration fees charged by Best Deal Properties Ltd	59,584	-
Marketing fees charged by Best Deal Properties Ltd	61,916	-
Direct development costs charged by Best Deal Properties Ltd	138,875	-
Loan interest charged by parent company	896,704	36,690

**Loans from related parties**

	<b>2023</b>	<b>2022</b>
	€	€
Loans from parent company:		
Opening balance	10,105,896	-
Loans advanced during the year	4,261,472	10,069,206
Interest charged	896,705	36,690
Closing balance	<u>15,264,073</u>	<u>10,105,896</u>

Loans from other group companies :

Opening balance	276,880	-
Loans advanced during the year	281,832	276,880
Closing balance	<u>558,712</u>	<u>276,880</u>

Total loans from related parties :

Opening balance	10,382,776	-
Loans advanced during the year	4,543,304	10,346,086
Interest charged	896,705	36,690
Closing balance	<u>15,822,785</u>	<u>10,382,776</u>

**13. Financial Risk Management**

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

- Credit risk
- Liquidity 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 refers to the risk that a counterparty in the financial assets will default on its contractual obligations resulting in financial loss to the company. Financial assets which potentially subject the company to credit risk consist principally of cash at banks, trade and other receivables, and other financial assets as disclosed in the statement of financial position and in the related notes.

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.

The company's finance function monitors intra-group credit exposures on a regular basis and ensures timely performance of these assets. The company assesses the credit quality of these receivables taking into account the financial position, performance and other factors. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on existing market conditions as well as forward looking estimates at the end of each reporting period.

***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, as far as possible, 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.

	Interest Rate	Within 12 months €	Between 1 - 5 years €	More than 5 years €	Total €
<i>31 December 2023</i>					
Related party borrowings	7%	558,712	15,264,073	-	15,822,785
Trade and other payables	-	1,995,019	-	-	1,995,019
		<u>2,553,731</u>	<u>15,264,073</u>	<u>-</u>	<u>17,817,804</u>



	Interest Rate	Within 12 months €	Between 1 - 5 years €	More than 5 years €	Total €
<i>31 December 2022</i>					
Related party borrowings	7%	276,880	10,105,896	-	10,382,776
Trade and other payables	-	8,149	-	-	8,149
		<u>285,029</u>	<u>10,105,896</u>	<u>-</u>	<u>10,390,925</u>

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.

#### 14. Fair values estimation

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

#### 15. Comparative Figures

Certain amounts have been re-classified to conform with the current year's presentation.

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## INDEPENDENT AUDITORS' REPORT

To the Shareholder of Best Deal Estates Limited

### Report on the Audit of the Financial Statements

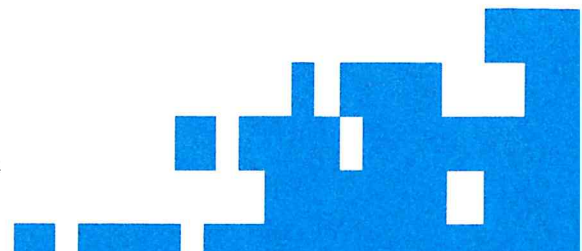
#### Opinion

We have audited the accompanying financial statements of Best Deal Estates Limited ("the Company"), set out on pages 3 - 15, which comprise the statement of financial position as at 31 December 2023, 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

#### Basis for Opinion

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



## INDEPENDENT AUDITORS' REPORT – continued

To the Shareholder of Best Deal Estates Limited

### 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 but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 Maltese 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 Maltese 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 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 Accounting Standards as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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



## INDEPENDENT AUDITORS' REPORT – continued

To the Shareholder of Best Deal Estates Limited

### Report on the Audit of the Financial Statements – continued

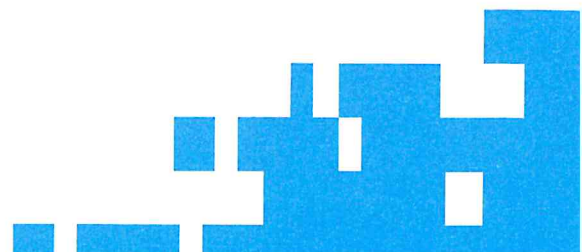
#### Auditors' Responsibilities for the Audit of the Financial Statements

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'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

To the Shareholder of Best Deal Estates Limited

Report on Other Legal and Regulatory Requirements

Pursuant to Articles 179(10) and 179(11) of the Maltese 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 adequate for our audit 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 in respect of these responsibilities.

A handwritten signature in blue ink, appearing to be "Conrad Borg".

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

RSM Malta  
Registered Auditors

26 April 2024

